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Application Proof of

WinHealth International Holding Group Company Limited
維健國際控股集團有限公司

(the “Company”)

(Incorporated in the British Virgin Islands with limited liability)

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WinHealth International Holding Group Company Limited 維健國際控股集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] Shares (subject to the [REDACTED])

Number of [REDACTED] : [REDACTED] Shares (subject to [REDACTED])

Number of [REDACTED] : [REDACTED] Shares (subject to [REDACTED] and the [REDACTED])

[REDACTED] : HK\$[REDACTED] per Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)

[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED]



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The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and our Company on the [REDACTED], which is expected to be on or before [REDACTED] (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED] (Hong Kong time). The [REDACTED] will be not more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the final [REDACTED] is not agreed by 12:00 noon on [REDACTED] (Hong Kong time) between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), the [REDACTED] will not proceed and will lapse.

[REDACTED] for [REDACTED] are required to pay, on [REDACTED], the [REDACTED] of HK\$[REDACTED] for each [REDACTED] together with brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] as finally determined is less than HK\$[REDACTED] per [REDACTED].

The [REDACTED] (for itself and on behalf of the [REDACTED]), and with our consent, may reduce the number of [REDACTED] and/or the [REDACTED] range that is stated in this document at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, a notice of the reduction in the number of [REDACTED] and/or the [REDACTED] range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.winhealth.hk not later than the morning of the last day for lodging applications under the [REDACTED]. Further details are set forth in “Structure of the [REDACTED] — Conditions of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure applicants for the [REDACTED] for, the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the day that [REDACTED] in the Shares commences on the Stock Exchange. Such grounds are set out in the section headed “[REDACTED]” in this document.

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider all the information set forth in this document, including but not limited to the risk factors set forth in “Risk Factors” in this document.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may be [REDACTED] and [REDACTED] only outside the United States in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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SUMMARY

This summary aims to give you an overview of the information contained in this [REDACTED]. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this [REDACTED]. You should read the whole [REDACTED] including the appendices hereto, which constitute an integral part of this [REDACTED].

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 an extensive coverage of kidney diseases and also covers other major disease areas such as hematologic, respiratory and dermatologic diseases.

Our Diversified and Differentiated Product Portfolio

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 are committed to introducing original drugs and innovative drugs from leading global pharmaceutical companies into China. By focusing on patent-protected products with robust clinical and treatment evidence established internationally, we are committed to bringing high-quality solutions to the Chinese market. As of the Latest Practicable Date, we produce Regpara[®] in-house, with its upstream active pharmaceutical ingredients (“APIs”) and raw materials sourced from external suppliers. Our drug development activities are focused on the selected in-licensed products that require us to assist with local clinical bridging and MAH registration in Chinese mainland.

We generate revenue from (i) sales of pharmaceutical products, comprising our acquired products and in-licensed products, and CSO products, where we act as the principal in the transaction; and (ii) rendering of promotion service, where we act as an agent and service provider to promote CSO products. See “Financial Information — Description of Major Components in Our Results of Operations — Revenue” and “Financial Information — Description of Major Components in Our Results of Operations Gross Profit and Gross Profit Margin” for a breakdown of our revenue by business line. See “Business — Our Business Model — Promotion of CSO Products — CSO Sales Arrangements vs CSO Promotion Arrangements” for more details of our CSO sales arrangements and CSO promotion arrangements.

The following charts summarize our product portfolio:

Our major products and pipeline of innovative products

All of our major products, comprising prescription drugs either obtained as part of the Kyowa Kirin China Acquisition or licensed-in by us, are already commercialized in Chinese mainland, with the exception of Kapruvia[®]. Kapruvia[®] recently received regulatory approval from the NMPA in April 2026 and is currently in its pre-launch stage.

SUMMARY

Brand name	Generic name	Indication(s)	MAH	Source of rights in Chinese mainland	Product highlight ¹	Targeted line of treatment	Drug category ²
Kidney diseases							
Orkedia [®] (蓋優平 [®]) . . .	Evocalcet tablet	secondary hyperparathyroidism at the dialysis stage	Kyowa Kirin	Obtained as part of the Kyowa Kirin China Acquisition	The world’s only oral novel calcimimetic agent	First-line treatment for secondary hyperparathyroidism	Innovative drug
Regpara [®] (蓋平 [®]) . . .	Cinacalcet hydrochloride tablet	secondary hyperparathyroidism at the dialysis stage	Kyowa Kirin/ WinHealth China	Obtained as part of the Kyowa Kirin China Acquisition	The world’s first calcimimetic	First-line treatment for secondary hyperparathyroidism	Innovative drug
Kapruvia [®] (可沛維 [®]) . . .	Difelikefalin injection	moderate-to-severe hemodialysis pruritus	VFMC RP	License in	The only FDA-approved therapy for moderate-to-severe pruritus associated with chronic kidney disease	First-line treatment for moderate-to-severe pruritus in hemodialysis patients	Innovative drug
Coniel [®] (可力洛 [®]) . . .	Benidipine hydrochloride tablet	essential hypertension	Kyowa Kirin	Obtained as part of the Kyowa Kirin China Acquisition	The only domestically commercialized original L-, T-, and N-type triple calcium channel blocker	First-line treatment for primary hypertension	Innovative drug
Hematologic diseases							
Romiplate [®] (惠爾凝 [®]) . . .	Romiplostim injection	adult chronic immune thrombocytopenia (“ITP”)	Kyowa Kirin	Obtained as part of the Kyowa Kirin China Acquisition	The world’s first long-acting thrombopoietin receptor agonist	First-line treatment for thrombocytopenia	Innovative drug; Specialty drug
Gran [®] (惠爾血 [®]) . . .	Filgrastim injection	neutropenia	Kyowa Kirin	Obtained as part of the Kyowa Kirin China Acquisition	The world’s first human granulocyte colony-stimulating factor drug	First-line treatment for Grade III–IV neutropenia and hematopoietic stem cell transplantation	Innovative drug; Specialty drug
Rare disease							
Ravicti [®] (瑞維安 [®]) . . .	Glycerol phenylbutyrate oral liquid	UCDs long term management	Immedica Pharma AB	License in	The only oral liquid nitrogen scavenger launched globally in the past decade	First-line treatment for long-term disease management in patients with urea cycle disorders presenting with blood ammonia levels exceeding 80 µmol/L	Innovative drug; Specialty drug

¹ Source: CIC

² According to CIC, innovative drugs refer to globally approved new molecular entities, or NMEs, namely drugs whose active ingredients contain no active moiety that has been previously approved by the relevant regulatory authority. This definition is aligned with the FDA’s NME concept and its novel drug framework, under which novel drugs are drugs that had not previously been approved by the FDA or marketed. Unlike generic drugs, which generally reference an existing approved product and contain the same active ingredient, innovative products are approved as original products based on standalone safety and efficacy evidence.

SUMMARY

Brand name	Generic name	Indication(s)	MAH	Source of rights in Chinese mainland	Product highlight ¹	Targeted line of treatment	Drug category ²
Crysvita® (麟平®) . . .	Burosumab Injection	X-linked hypophosphataemia (“XLH”) and tumor-induced osteomalacia (“TIO”)	Kyowa Kirin	License in	The world’s only targeted therapy against FGF23 for XLH and TIO	First-line treatment for pediatric patients with X-linked hypophosphatemic rickets (XLH) presenting with signs of rickets; Preferred treatment for adult XLH patients with significant osteomalacia, pseudofractures, or those who are refractory or intolerant to conventional therapy; First-line treatment for adult patients with tumor-induced osteomalacia (TIO) that is unresectable or unlocalizable	Innovative drug; Specialty drug
Poteligeo® (惠爾金®) . .	Mogamulizumab	Sézary syndrome (“SS”) or mycosis fungoides (“MF”)	Kyowa Kirin	License in	The world’s only CCR4-targeted drug for MF/SS	Preferred second-line treatment for advanced-stage mycosis fungoides and Sézary syndrome	Innovative drug; Specialty drug

Major third-party CSO products

Brand name	Generic name	Indication(s)	MAH	Product highlight ¹	Targeted line of treatment	Drug category
Dermatology, Burn, Plastic and Wound Repair, etc.						
Contractubex® (康瑞保®)	Compound heparin sodium and allantoin gel	hypertrophic scars, keloids and contracture scars	Merz Pharmaceuticals GmbH	China’s only onion extract scar treatment with triple-action efficacy	First-line treatment for all types of scars	Innovative drug
Respiratory						
Fluimucil® (富露施®)	Acetylcysteine injection	respiratory tract diseases with thick mucous secretions	Zambon Switzerland Ltd.	China’s only IV NAC for respiratory care, delivering superior expectoration and additional antioxidant benefits for lung, kidney, and liver health	First-line mucolytic agent for expectorant therapy in critically ill or hospitalized patients with viscous sputum	Innovative drug
Asmeton® (阿斯美®)	Compound methoxyphenamine capsules	bronchial asthma and asthmatic bronchitis.	Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd. (第一三共製藥(上海)有限公司)	Guideline-recommended cough therapy that relieves symptoms by the next day with efficacy rates up to 90%	First-line empirical treatment for cough	Innovative drug
Infectious Diseases						
Monurol® (美樂力®)	Fosfomicin trometamol granules	acute uncomplicated lower urinary tract infections	Zambon Switzerland Ltd.	The only original fosfomicin trometamol granules, characterized by rapid onset, sustained efficacy, and high safety profile	First-line treatment for acute uncomplicated cystitis in non-pregnant women; First-line empirical treatment for acute uncomplicated cystitis during pregnancy	Innovative drug

¹ Source: CIC

SUMMARY

Brand name	Generic name	Indication(s)	MAH	Product highlight ¹	Targeted line of treatment	Drug category
Tamiflu [®] (達菲 [®])	Oseltamivir phosphate capsules	influenza	Roche Pharma (Schweiz) AG	The original oseltamivir and China's only antiviral approved for both treatment and prevention of influenza A and B	First-line treatment for all types of suspected or confirmed influenza and post-exposure prophylaxis	Innovative drug
Flumarin [®] (氟嗎寧 [®])	Flumarin injection	infections caused by susceptible pathogenic bacteria	Shionogi & Co., Ltd.	The only antibiotic suitable for premature infants and newborns that is effective against common drug-resistant bacteria	First-line treatment for community-acquired infections and hospital-acquired infections in pediatric patients (including neonates)	Innovative drug
Hepatology						
Hepa-Merz [®] (雅博司 [®])	Ornithine aspartate injection	blood ammonia elevation and hepatic encephalopathy	Merz Pharmaceuticals GmbH	Original LOLA injection with superior efficacy which enables rapid awakening within 6 hours of Hepa-Merz treatment in 94% of patients, and is endorsed for hepatic encephalopathy treatment by numerous national and international guidelines	First-line treatment for precision blood ammonia management	Innovative drug; Specialty drug
Kidney disease						
Perdipine [®] (佩爾 [®])	Nicardipine hydrochloride injection	emergency management of perioperative hypertension and hypertensive emergencies	LTL Pharma. Co., Ltd.	Guideline-endorsed first-choice nicardipine injection for hypertensive emergencies and perioperative hypertension, with renal protection efficacy	First-line treatment for hypertensive emergencies	Innovative drug
NESP [®] (耐斯寶 [®])	Darbepoetin alfa	anemia in adult patients with CKD who are receiving hemodialysis	Kyowa Kirin	China's first long-acting EPO- α drug and a first-line therapy for renal anemia, widely adopted across Europe and Asia	First-line treatment for renal anemia	Innovative drug; Specialty drug
Insomnia						
Dormicum [®] (多美康 [®])	Midazolam maleate tablets	short-term treatment of various types of insomnia or for premedication prior to surgery and instrumental diagnostic procedures	CHEPLAPHARM Arzneimittel GmbH	A short-acting benzodiazepine that helps patients fall asleep quickly with minimal next-day residual effects	First-line treatment for sleep-onset difficulty	Innovative drug

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 the core strength of our growth. We are committed to proactively identifying and evaluating opportunities to expand our presence in our existing therapeutic areas and advance innovative treatment solutions for major diseases in China. In addition, we are expanding our capabilities in drug development, manufacturing and commercialization, forming a virtuous cycle that enables efficient operations.

SUMMARY

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.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from other competitors:

- A comprehensive pharmaceutical enterprise based in China specializing in the treatment of kidney diseases and expanding into hematologic diseases.
- A rich and differentiated product matrix, complemented by a portfolio of competitive products.
- Multi-strategy driven business development model.
- Deep coverage of the treatment of kidney diseases through a comprehensive and differentiated product portfolio.
- Expanding drug development, manufacturing, and commercialization capabilities.
- Experienced management with an outstanding track record, forward-looking vision, and scientific expertise, supported by reputable healthcare industry investors.

OUR STRATEGIES

We are committed to driving equitable and accessible healthcare resources to improve patient health and well-being. To achieve this long-term vision, we plan to implement the following strategies:

- Focus on unmet clinical needs and optimize product portfolio and pipeline layout.
- Further strengthen end-to-end capabilities across drug development, manufacturing, and commercialization to drive sustainable performance growth.
- Further enhance our multi-pronged business development model to achieve comprehensive biopharma transformation.
- Further introduce high-quality products into the Chinese market and beyond.
- Continue to attract and develop the best talent and strengthen our human capital.

SALES AND PROMOTION

We have built a dedicated sales and marketing team consisting of 616 professionals as of December 31, 2025. During the Track Record Period, our sales network covered over 30 provinces (including autonomous regions and municipalities) and more than 300 prefecture-level cities nationwide, reaching over 10,000 hospitals and over 60,000 retail pharmacies as well as leading e-commerce platforms in China. Through the extensive geographical presence of our sales and promotion team, we have established direct contact with hospitals. In line with the customary practice in China’s pharmaceutical industry, we have engaged distributors for the sales of our products, and the responsibilities of such distributors are limited to the delivery of our products, and we remain responsible for the promotion of our products to end customers. For the year ended December 31, 2025, we engaged 241 distributors to deliver our products to hospitals, retail pharmacies, e-commerce platforms and other terminal channels. As of December 31, 2023, 2024 and 2025, we had an extensive distribution network of 173, 237, and 241 distributors, respectively.

SUMMARY

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties, and none of our distributors were wholly or majority owned by our current or ex-employees. In addition, to the best knowledge of our Directors, there is no other relationship or arrangement (including family, business, financing, guarantee, or otherwise in the past or present) between us and the distributors engaged by us during the Track Record Period.

In addition to our in-house sales and marketing team, we also engage third-party service providers to assist with downstream promotion activities in specified regions to supplement our own team’s coverage by leveraging the local resources and execution capabilities of such service providers. The services procured from such third-party service providers primarily include market research and information collection in target regions, and product information dissemination and routine visits at target end-user institutions such as hospitals and pharmacies. Such procurement arrangements were entered into in the ordinary course of business on common commercial terms and at arm’s length prices.

BUSINESS DEVELOPMENT

Our business development (“BD”) team comprises experts with extensive experience in business development and the pharmaceutical industry, including work experiences at multinational corporations such as Takeda, AstraZeneca, Johnson & Johnson, and GE healthcare. The BD team is highly international, with regional presence in Japan, U.S., Europe, in addition to China. The team is structured into dedicated groups according to the stages of business development projects, providing end-to-end support for each stage including scouting and searching, evaluation, term sheet negotiation, due diligence, transaction execution and alliance management, for potential CSO, in-licensing collaborations and mergers and acquisition.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customers primarily consist of distributors of pharmaceutical products and pharmaceutical companies seeking promotion services. For 2023, 2024 and 2025, our revenue from the five largest customers in each year during the Track Record Period in aggregate amounted to RMB486.8 million, RMB539.0 million and RMB972.8 million, representing 54.8%, 59.8% and 57.9% of our total revenue for the respective years. In the same years, revenue generated from our largest customer in each year was RMB159.7 million, RMB170.4 million and RMB369.1 million, representing 18.0%, 18.9% and 22.0% of our total revenue for the respective years. We believe that we do not have material reliance on any single customer. During the Track Record Period, our major customers comprised (i) distributors engaged in the delivery of pharmaceutical products in our portfolio to hospitals, pharmacies, and other terminal channels; and (ii) pharmaceutical companies engaging us to provide promotion services under the CSO model.

Our Suppliers

Our suppliers are primarily suppliers of pharmaceutical products and promotion services. For 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period in aggregate amounted to RMB317.6 million, RMB230.6 million and RMB832.8 million, accounting for 65.4%, 61.9% and 81.1% of our total purchases for the respective years. In the same years, purchases from our largest supplier in each year amounted to RMB123.1 million, RMB93.8 million and RMB457.0 million, accounting for 25.4%, 25.2% and 44.5% of our total purchases for the respective years. We believe that we do not have material reliance on any single supplier. We believe that we have long and stable relationships with our existing major suppliers. According to the CIC Report, it is in line with industry norm to procure a specific pharmaceutical product from a limited number of sources.

SUMMARY

Overlapping of Customers and Suppliers

The following table sets forth certain details of two overlapping customer-suppliers:

Customer/ Supplier	Ranking	Year/period	Revenue (RMB in thousands)	% of our total revenue	Purchase (RMB in thousands)	% of our total purchase
Winhealth China/Supplier E . . .	Among five largest customers in, 2023 and 2024 and five largest suppliers during each period in the Track Record Period	2025	—	—	245,858	24%
		2024	91,486	10.1%	83,763	22.5%
		2023	159,720	18.0%	22,313	4.6%
Customer F/Supplier A .	Among five largest customers in 2023 and 2025 and five largest suppliers during each period in the Track Record Period	2025	87,898	5.2%	456,967	44.5%
		2024	10,129	1.1%	93,750	25.2%
		2023	67,572	7.6%	123,097	25.4%

Our Directors have confirmed that all of our revenue and purchases from the overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms on an arm’s length basis. The terms of our agreements with these overlapping customers and suppliers are substantially the same as those with our other customers and suppliers. Save as disclosed above, during the Track Record Period and as of the Latest Practicable Date, to the best knowledge of our Directors, all of these customers and suppliers were Independent Third Parties. For details, please see “Business — Major Customers and Suppliers — Overlapping of customers and suppliers.”

COMPETITION

China’s pharmaceutical market is competitive, characterized by rapid changes from technological advances and scientific discoveries. We may face competition mainly from international and domestic pharmaceutical and biotech companies in the areas in which we primarily operate our current business and seek future expansion. See “Industry Overview” for more information about the competitive landscape of the relevant markets for our product portfolio and innovative pipeline. We believe our principal competitive advantages include a comprehensive and diversified product portfolio, effective collaboration and drug development capabilities, strong commercialization capabilities, and our experienced management team. However, some of our future competitors may have greater financial, research, and other resources; greater pricing flexibility; more extensive technical capabilities; greater sales and promotion efforts; longer track record of successfully commercializing new pharmaceutical products; and greater name recognition. For details, please see “Business — Competition.”

RISK FACTORS

Our operations and the [REDACTED] involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. See the section headed “Risk Factors” for details of our risk factors, which we strongly urge you to read in full before making an [REDACTED] in our Shares. In any such case, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED]. Some of the major risks we face include:

- We may not be successful in our efforts to identify, discover, acquire, in-license or develop new product candidates to build or maintain our product pipeline.
- Our products and the third-party products that we sell and/or promote may become subject to centralized procurement, national or other third-party reimbursement practices, healthcare reform initiatives, or unfavorable pricing regulations.

SUMMARY

- Our products and the third-party products that we sell and/or promote may fail to achieve the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community necessary for commercial success.
- We may not realize the benefits of licensing or collaboration arrangements, and disputes may arise between us and our collaboration partners.
- Failure to maintain an adequate and stable supply of products or other materials may cause us to lose sales or disrupt our operations.

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the [REDACTED] and the [REDACTED], assuming the [REDACTED] is not exercised, our Ultimate Controlling Shareholders, namely, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo, by virtue of the Acting in Concert Deed, will be entitled to exercise [REDACTED]% of the voting power at general meetings of our Company through their respective wholly-owned investment holding companies (namely, Supra Brilliant, Acme Gain, Rongshun Technology, Hangzhou Rongshun, Qingyun Technology and Hangzhou Qingyun) and our ESOP shareholding platform controlled by Ms. Hu (namely, Great Reputation). Accordingly, Mr. Wang, Ms. Hu, Mr. Xing, Ms. Guo, Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology, Hangzhou Rongshun, Qingyun Technology and Hangzhou Qingyun will be a group of our Controlling Shareholders upon [REDACTED].

MAJOR ACQUISITION

Our business relationship with Kyowa Kirin traces back to 2017, when we entered into a strategic partnership with Kyowa Kirin, pursuant to which we became the exclusive CSO for the original antihypertensive drug, Coniel[®], in Chinese mainland. In line with our business strategies and plans, and as part of the growth trend of our business, our Group acquired the entire equity interest in Kyowa Kirin China (which subsequently underwent a name change to currently WinHealth China) from Kyowa Kirin (the “**Kyowa Kirin China Acquisition**”) in 2024. WinHealth China is principally engaged in the manufacturing and sales of pharmaceutical products. This strategic acquisition expands the size of our business operations and product portfolio and enhances our competitiveness in the industry. According to CIC, the Kyowa Kirin China Acquisition is the first successful acquisition of the PRC entity of a multinational pharmaceutical company by a Chinese pharmaceutical company.

We have fully integrated WinHealth China’s operations, including (i) assuming its existing MAH licenses, organizational structure and quality management system, which significantly accelerated the establishment of our full-chain MAH model; (ii) incorporating its supply chain into our unified management system, with safety stock arrangements of three to twelve months for key products and phased localization of production planned; (iii) leveraging cross-functional collaboration between our drug development, production and commercialization teams to enhance development efficiency and mitigate manufacturing risks; (iv) merging its sales team with our existing team and integrating customer resources and channel networks; and (v) integrating back-office functions to optimize cost structures, with key management personnel such as Mr. Wang Xingyao, who held senior managerial roles at WinHealth China for over two decades, overseeing the seamless integration. WinHealth China has retained its key management officers and employees, who have therefore become employees of our Group.

For details of this acquisition, see “History, Development and Corporate Structure — Acquisitions During the Track Record Period” and “Business — Production, Procurement and Inventory of our Product — Kyowa Kirin China Acquisition.” Save for the Kyowa Kirin China Acquisition, our Group did not conduct any acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the Latest Practicable Date.

SUMMARY

PRE-[REDACTED] INVESTORS

Up to the Latest Practicable Date, we underwent several rounds of Pre-[REDACTED] Investments. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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 investors 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 of December 31, 2025, in relation to our Series A Preferred Shares and Series B Preferred Shares issued to certain Pre-[REDACTED] Investors. 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.

Summary 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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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/PERIOD	(17,000)	8,573	(79,033)

SUMMARY

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)
<i>Add/(less):</i>			
Share-based payments ⁽¹⁾	36	—	5,250
[REDACTED] expenses ⁽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

SUMMARY

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] expenses ⁽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

SUMMARY

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 ¹	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

Note:

- Other disease areas primarily include: (i) urea cycle disorders; (ii) hepatology; (iii) insomnia; (iv) dermatology, burn, plastic and wound repair, etc.; and (v) urinary tract infections, etc.

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

- 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.

SUMMARY

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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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.

SUMMARY

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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

SUMMARY

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

As of January 1, 2023, we recorded accumulated losses of RMB519.2 million. These accumulated losses primarily reflect our long-term strategy to build a diversified and differentiated product portfolio which required substantial upfront payments for obtaining distribution and promotion right of various drug products, which were recognized as expenses, reducing our profit before full revenue scale was achieved. In addition, several products remained in the early commercialization and market-building phases at that time, and we prioritized market access, academic promotion and sales network build-out, incurring considerable selling and distribution and related commercialization expenses ahead of scale efficiencies. The accumulated losses were also affected by non-operating financial items, including fair value changes in financial instruments issued to investors and share-based payment expenses, which are recognized in profit or loss and reduced earnings.

Our net results moved from a net loss in 2023, and returned to a net profit for 2024, and recorded a net loss in 2025. We had adjusted net losses (non-IFRS measure) of RMB6.7 million in 2023, primarily due to the significant selling and distribution expenses to support market building for several products, resulting in selling and distribution expenses representing 36.9% of revenue in 2023.

We recorded a net loss of RMB17.0 million for the year ended December 31, 2023. The net loss was primarily attributable to (i) significant selling and distribution expenses of RMB327.6 million to support market building for several products, representing 36.9% of revenue in 2023, as several of our products remained in the early commercialization and market-building phases, and we prioritized market access, academic promotion and sales network build-out, incurring considerable selling and distribution and related commercialization expenses ahead of scale efficiencies; (ii) research and development expenses of RMB19.4 million, primarily consisting of development and registration costs for two of our key rare disease product candidates and clinical trial expenses for Kapruvia®; and (iii) a write-off of uncollectible deposits and advances of RMB15.7 million 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 returned to profitability in 2024, primarily driven by the following factors: (i) The Kyowa Kirin China Acquisition completed in September 2024, expanding the scale of our operations and resulting in a strategic upgrade of the product and revenue mix. We added Orkedia®, Regpara®, Romiplate®, and Gran® to our product portfolio, and shifted Coniel® from a promotion service-fee model to a buy-sell model, which, together with channel integration, increased product sales. The acquisition also changed our revenue mix, with sales revenue continued to grow and increase its contribution year-on-year. See “Business — Production, Procurement and Inventory of our Product — Kyowa Kirin China Acquisition” for more details. (ii) We tightened control over operating expenses and achieved enhanced marketing cost efficiency. In 2023, we incurred significant selling and distribution expenses to support market building for several products, including academic promotion and hospital

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penetration for our core products. As these products progressed into the growth and maturity stages of their lifecycle by 2024, we dynamically adjusted our promotion strategies in line with our refined lifecycle operation approach, enabling stable revenue to be maintained with improved cost efficiency. On this basis, cost optimization coupled with revenue resilience jointly drove a rapid recovery in profitability. In particular, our selling and distribution expenses remained relatively stable year-on-year at RMB327.6 million in 2023 and RMB325.9 million in 2024 despite the broader business scale, and increased to RMB467.9 million in 2025. Consequently, selling and distribution expenses decreased as a percentage of revenue from 36.9% in 2023 to 36.1% in 2024, and further down to 27.9% in 2025, evidencing continued cost efficiency improvements. (iii) We recognized a one-off gain income (under other income and gain) of RMB27.5 million from the transfer of a product right of a drug product to a third party in 2024. As a result, we achieved revenue of RMB901.8 million and a profit of RMB8.6 million in 2024, marking a turnaround from a loss of RMB17.0 million in 2023.

Notwithstanding the significant improvement in our operating performance, we recorded a net loss of RMB79.0 million in 2025, compared to a net profit of RMB8.6 million in 2024. The net loss in 2025 was primarily attributable to (i) a substantial non-cash fair value change of RMB238.2 million in financial instruments issued to investors, and a gain of RMB69.7 million from the term modifications of Series A instruments, resulting in a total impact of RMB168.5 million, compared to RMB47.4 million in 2024, driven by the increase in the fair value of our Preferred Shares in line with the increase of our Company’s valuation and by our Company’s modification of the terms of the Series A Preferred Shares to align with those of the Series B Preferred Shares, which included adjustments to the annual return rate and other terms. These modifications resulted in a gain recognized in profit or loss. (ii) [REDACTED] expenses of RMB[REDACTED] incurred in connection with the [REDACTED]; and (iii) share-based payment expenses of RMB5.3 million. These items are non-recurring and/or non-cash in nature. In particular, the preferred shares will be reclassified from liabilities to equity upon their conversion into ordinary shares upon the [REDACTED], and we do not expect to record any further fair value change in financial instruments issued to investors thereafter.

We had an adjusted net profit (non-IFRS measure) of RMB112.8 million in 2025, representing a significant improvement compared to an adjusted net profit (non-IFRS measure) of RMB56.0 million in 2024 and an adjusted net loss (non-IFRS measure) of RMB6.7 million in 2023. This improvement was primarily driven by (i) an 86.3% increase in revenue from RMB901.8 million to RMB1,680.0 million, mainly attributable to the full-year consolidation of WinHealth China and significantly higher sales volume of Tamiflu®. The significantly higher sales volume of Tamiflu® in 2025 was primarily driven by the more severe influenza outbreaks in the spring and winter of 2025 compared to 2024, which substantially increased market demand for anti-influenza therapeutic drugs. Due to the heightened seasonal demand, sales volume of Tamiflu® increased by approximately 387.8% year-on-year and revenue from sales of Tamiflu® increased by approximately 363.8% year-on-year for the year ended December 31, 2025; (ii) a 57.5% increase in gross profit from RMB556.0 million to RMB875.5 million; and (iii) continued cost efficiency gains, with selling and distribution expenses as a percentage of revenue declining from 36.1% in 2024 to 27.9% in 2025. These improvements were partially offset by a decrease in gross profit margin from 61.7% to 52.1%, higher administrative expenses, the non-recurrence of a one-off gain of RMB27.5 million from the transfer of a product right in 2024 in connection with the disposal of exclusive distribution rights in respect of a kidney disease drug product to a third party, representing the difference between the consideration received and the carrying amount of the relevant intangible asset at the date of disposal, higher finance costs, and increased income tax expenses in line with business growth.

SUMMARY

Summary of Major Line Items from 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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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)

During the Track Record Period, we had net liabilities primarily due to financial instruments issued to investors, recorded as financial liabilities measured at fair value through profit or loss. Fair value change of our Preferred Shares will affect our performance subsequent to the Track Record Period and until conversion at the time of the [REDACTED]. Upon such conversion, our Preferred Shares will be converted to share capital/capital reserve upon conversion into ordinary shares, and we will revert back to net assets position.

From an equity movement perspective, as of January 1, 2023, we had net liabilities of RMB503.1 million. Our net liabilities increased by RMB27.7 million to RMB530.8 million as of December 31, 2023, primarily due to (i) a net loss for the year of RMB17.0 million, driven by factors including fair value changes in financial instruments issued to investors of RMB10.3 million recognized in profit or loss; and (ii) exchange differences on translation of our foreign operations of RMB11.1 million, reflecting the depreciation of the Renminbi against the U.S. dollars during the year; partially offset by a fair value gain on our equity investment designated at fair value through other comprehensive income, or the FVOCI Equity Investment, of RMB0.4 million.

Our net liabilities remained relatively stable, increasing slightly by RMB1.3 million from RMB530.8 million as of December 31, 2023 to RMB532.1 million as of December 31, 2024, primarily due to (i) a profit for the year of RMB8.6 million, reflecting our return to profitability driven by revenue growth and improved operational performance following the Kyowa Kirin China Acquisition, (ii) a fair value gain on our FVOCI Equity Investment of RMB1.7 million. However, these positive contributions were more than offset by unfavorable exchange differences on translation of our foreign operations of RMB11.6 million. As a result, total comprehensive loss for the year amounted to RMB1.3 million.

SUMMARY

Our net liabilities decreased by RMB42.2 million from RMB532.1 million as of December 31, 2024 to RMB489.9 million as of December 31, 2025, primarily due to a loss for the year of RMB79.0 million, mainly attributable to fair value changes in financial instruments issued to investors of RMB238.2 million and [REDACTED] expenses of RMB[REDACTED], partially offset by strong underlying operational performance. This was more than offset by (i) the issuance of ordinary shares in the amount of RMB93.7 million in connection with the allotment and issuance of shares to certain Pre-[REDACTED] Investors; (ii) favorable exchange differences on translation of foreign operations and our Company of RMB20.1 million; (iii) share-based payment expenses of RMB5.3 million; and (iv) a fair value gain on our FVOCI Equity Investment of RMB2.2 million.

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
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, recorded as financial liabilities 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, and, in 2024, the addition of convertible loans classified within the same line item.

Our net current liabilities increased from RMB793.9 million as of December 31, 2023 to RMB854.5 million as of December 31, 2024. The increase was primarily attributable to the growth in current liabilities outpacing the growth in current assets. Driven by the revenue growth and improved operational performance following the Kyowa Kirin China Acquisition, our current assets increased by RMB254.0 million. During the same period, our current liabilities increased by RMB314.6 million, primarily due to an increase of RMB237.1 million in financial instruments issued to investors, reflecting a higher fair value of our Preferred Shares consistent with the growth in our Company's

SUMMARY

valuation and the addition of the convertible loan classified within the same line item. Such valuation-driven increase on the liability side was the predominant factor contributing to the expansion of the net current liabilities position.

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.

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.

For a detailed analysis of our net current liabilities position and our financial instruments issued to investors, see “Financial Information — Description of Major Line Items in Our Consolidated Statements of Financial Position — Current assets and current liabilities.”

Summary Financial Data from Consolidated Statements of 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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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

For a detailed analysis of our cash flows for the year ended December 31, 2023, 2024 and 2025, please see “Financial Information — Liquidity and Capital Resources — Cash flows.”

SUMMARY

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.

[REDACTED]

[REDACTED]

This document is published in connection with the [REDACTED] as part of the [REDACTED]. The [REDACTED] comprises:

- (i) the [REDACTED] of initially [REDACTED] Shares (subject to [REDACTED]) in Hong Kong as described in “ Structure of the [REDACTED] — The [REDACTED]”; and
- (ii) the [REDACTED] of initially [REDACTED] Shares (subject to [REDACTED] and the [REDACTED]) outside the United States (including to professional and institutional [REDACTED] within Hong Kong) in offshore transactions in accordance with Regulation S as described in “ Structure of the [REDACTED] — [REDACTED]”.

The [REDACTED] will represent approximately [REDACTED]% of the issued share capital of our Company immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised. If the [REDACTED] is exercised in full, the [REDACTED] will represent approximately [REDACTED]% of the enlarged issued share capital of our Company immediately following the completion of the [REDACTED].

SUMMARY

[REDACTED]

DIVIDEND

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.

[REDACTED] EXPENSES

[REDACTED] expenses represent [REDACTED], [REDACTED] 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 the 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] expenses 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) fees of Sole Sponsor, [REDACTED] of approximately HK\$[REDACTED]; and (ii) other fees and expenses of approximately HK\$[REDACTED]. Subsequent to December 31, 2025, among the total [REDACTED] expenses, approximately HK\$[REDACTED] is expected to be charged to profit or loss; and approximately HK\$[REDACTED] directly attributable to the [REDACTED] of the Shares, which is expected to be deducted from equity upon the completion of the [REDACTED].

SUMMARY

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]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] after deducting [REDACTED] and other estimated expenses paid and payable by us in the [REDACTED] taking into account any additional discretionary incentive fee, assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share. We intend to use the [REDACTED] we will receive from this [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED], for strengthening our business development capabilities through multiple strategies.
- Approximately [REDACTED]%, or HK\$[REDACTED], for the expansion of production facilities.
- Approximately [REDACTED]%, or HK\$[REDACTED], for enhancing commercialization capabilities.
- Approximately [REDACTED]%, or HK\$[REDACTED], for implementing AI and digitalization initiatives.

Please refer to the section headed “Future Plans and [REDACTED]” for more details.

RECENT DEVELOPMENT

Major Developments on Our Products

Kapruvia[®] recently received regulatory approval from the NMPA in April 2026 and is currently in its pre-launch stage. The approval brings a new treatment option to patients with moderate-to-severe CKD-aP and represents another important milestone for us in kidney diseases.

No Material Adverse Change

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

Notwithstanding the foregoing, our Group expects to record a significant increase in net loss for the year ended December 31, 2026. Such expected increase in net loss is primarily attributable to a substantial non-cash fair value change in financial instruments issued to investors, as the fair value of our Preferred Shares, which are recorded as financial liabilities measured at fair value through profit or loss, is expected to increase significantly in line with the increase of our Company’s valuation prior to the [REDACTED]. The resulting fair value change in financial instruments issued to investors is expected to be considerably larger than the RMB238.2 million recorded in 2025. These items are non-recurring and/or non-cash in nature. In addition, the increase in net loss is expected to be partially attributable to [REDACTED] expenses incurred in connection with the [REDACTED]. The expected increase in net loss does not reflect any deterioration in the underlying business performance of our Group, and we expect continued growth in revenue and operating profit for the year ended December 31, 2026. 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. Subsequently, we do not expect to record any further fair value change in financial instruments issued to investors.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report of our Company prepared by Ernst & Young, details of which are set out in Appendix I to this document
“Accountants’ Report on Kyowa Kirin China”	the accountants’ report of historical financial information on Kyowa Kirin China prepared by Ernst & Young, details of which are set out in Appendix IA to this document
“Acme Gain”	Acme Gain Holdings Limited, a BVI business company incorporated in the BVI with limited liability on July 19, 2018 and one of our Controlling Shareholders
“Acting in Concert Deed”	the acting in concert deed dated October 24, 2025 and executed by our Ultimate Controlling Shareholders, the details of which are set out in “Relationship with our Controlling Shareholders — Acting in Concert Deed”
“affiliate(s)”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the [seventh] articles of association of our Company adopted on [•] upon registration with the Registrar of Corporate Affairs in the BVI, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this document
“Asia”	include, for the purpose of this document, Afghanistan, Armenia, Azerbaijan, Bahrain, Bangladesh, Bhutan, Brunei, Cambodia, Greater China, Georgia, India, Indonesia, Iran, Iraq, Israel, Japan, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Laos, Lebanon, Malaysia, Maldives, Mongolia, Myanmar (Burma), Nepal, North Korea, Oman, Pakistan, Philippines, Qatar, State of Palestine, Saudi Arabia, Singapore, South Korea, Sri Lanka, Syria, Tajikistan, Thailand, Timor-Leste (East Timor), Turkey, Turkmenistan, United Arab Emirates, Uzbekistan, Vietnam, and Yemen
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Board” or “Board of Directors”	the board of Directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands
“BVI Companies Act”	the BVI Business Companies Act, as amended from time to time
“CAGR”	Compounded annual growth rate

DEFINITIONS

[REDACTED]

“CDE”	Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA to review applications for clinical trials and drug marketing authorization
“Chairman”	the chairman of our Board
“China”, “Chinese mainland” or “PRC”	the People’s Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, excluding Taiwan, the Macao Special Administrative Region and Hong Kong
“CIC”	China Insights Industry Consultancy Limited, our industry consultant and an Independent Third Party
“CIC Report”	the market research report provided by CIC, which was commissioned by our Group in relation to, among other things, the overview of the industries in which our Group operates or intends to operate
“CIIO”	Operator of Critical Information Infrastructure
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“CMS Venture”	CMS Medical Venture Investment (HK) Limited (康哲醫藥創投(香港)有限公司), a company incorporated in Hong Kong with limited liability and one of our Pre-[REDACTED] Investors
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	WinHealth International Holding Group Company Limited (維健國際控股集團有限公司) (formerly known as WinHealth International Company Limited (維健國際有限公司) and Eternal Charm International Limited (恒雅國際有限公司)), a BVI business company incorporated in the BVI with limited liability on March 13, 2015
“Compliance Advisor”	China Sunrise Capital Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected subsidiary”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Mr. Wang, Ms. Hu, Mr. Xing, Ms. Guo, Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology, Hangzhou Rongshun, Qingyun Technology and Hangzhou Qingyun
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“DDAG”	Dr. Dünner Ag, a company limited by shares (<i>Aktiengesellschaft</i>) incorporated in Switzerland and one of our indirect wholly-owned subsidiaries

[REDACTED]

“Director(s)”	the directors of our Company, including all executive, non-executive and independent non-executive directors
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	any extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
“FDA”	the Food and Drug Administration of the U.S.

[REDACTED]

“first-tier cities”	Beijing, Shanghai, Guangzhou, Shenzhen according to the 2025 report published by Rising Lab (新一線城市研究所)
“third-tier cities”	Urumqi, Lanzhou, Zhongshan, Yancheng, Haikou, Yangzhou, Jinan, Huzhou, Ganzhou, Handan, Nanyang, Tangshan, Wuhu, Fuyang, Langfang, Shantou, Taizhou, Hohhot, Zhenjiang, Jiangmen, Heze, Lianyungang, Cangzhou, Zibo, Xinxian, Zhoukou, Xiangyang, Huai’an, Shangqiu, Guilin, Xianyang, Shangrao, Yinchuan, Suqian, Zhangzhou, Zunyi, Chuzhou, Mianyang, Yichang, Weihai, Zhanjiang, Jiujiang, Xingtai, Jieyang, Sanya, Hengyang, Xinyang, Taian, Jingzhou, Zhaoqing, Bengbu, Anyang, Anqing, Dezhou, Zhuzhou, Putian, Liaocheng, Zhumadian, Yueyang, Bozhou, Liuzhou, Yichun, Suzhou, Huanggang, Liu’an, Changde, Ningde, Maoming, Maanshan, Quzhou according to the 2025 report published by Rising Lab (新一線城市研究所)

[REDACTED]

DEFINITIONS

[REDACTED]

“Gongqingcheng”	Gongqingcheng Hongming Venture Capital Investment Partnership (LP) (共青城弘明創業投資合夥企業(有限合夥)) (formerly known as Zhejiang Pilot Free Trade Zone Hongming Equity Investment Partnership (Limited Partnership) (浙江自貿區弘明股權投資合夥企業(有限合夥))), a limited partnership established in the PRC with limited liability and one of our Pre-[REDACTED] Investors
“Gongshu Technology”	Hangzhou Gongshu Technology Entrepreneurship and Innovation Fund Co., Ltd. (杭州拱墅科技創業創新基金有限公司), a company established in the PRC with limited liability and was one of our Pre-[REDACTED] Investors
“Great Reputation”	Great Reputation Holding Limited (盛名控股有限公司), a company incorporated in the British Virgin Islands with limited liability on July 20, 2018 and one of our Controlling Shareholders
“Greater China”	the Chinese mainland, together with the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan Province
“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or the predecessors (as the case may be)
“Hangzhou Gongshu”	Hangzhou Gongshu Industrial Fund Co., Ltd. (杭州拱墅產業基金有限公司) (formerly known as Hangzhou Xiacheng Industrial Fund Co., Ltd. (杭州下城產業基金有限公司)), a company established in the PRC with limited liability and one of our Pre-[REDACTED] Investors
“Hangzhou Hainuo”	Hangzhou Hainuo Network Technology Co., Ltd (杭州海曙網絡科技有限公司), a company established in the PRC with limited liability on November 4, 2019 and an indirect wholly-owned subsidiary of our Company
“Hangzhou Investment”	Hangzhou Industrial Investment Company Limited (杭州產業投資有限公司) (formerly known as Hangzhou Strategic Emerging Industry Investment Company Limited 杭州戰略新興產業投資有限公司), a company established in the PRC with limited liability and one of our Pre-[REDACTED] Investors
“Hangzhou Qingyun”	Hangzhou Qingyun Trading Co., Ltd. (杭州青韻貿易有限公司), a company established in the PRC with limited liability on April 13, 2018 and one of our Controlling Shareholders
“Hangzhou Rongshun”	Hangzhou Rongshun Trading Co., Ltd. (杭州榮順貿易有限公司), a company established in the PRC with limited liability on April 17, 2018 and one of our Controlling Shareholders
“Hangzhou Taikun”	Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership) (杭州泰鯤股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC and one of our Pre-[REDACTED] Investors
“HK\$” or “HK dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“Independent Third
Party(ies)”

person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons

[REDACTED]

DEFINITIONS

[REDACTED]

“IQVIA”	IQVIA Solutions Enterprise Management Consulting Shanghai Co Ltd
“Kaitai Minde”	Hangzhou Kaitai Minde Investment Partnership (Limited Partnership) (杭州凱泰民德投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability and one of our Pre-[REDACTED] Investors
“Kaitai Ruide”	Hangzhou Kaitai Ruide Venture Investment Partnership (Limited Partnership) (杭州凱泰睿德創業投資合夥企業(有限合夥)) (formerly known as Hangzhou Kaitai Ruide Investment Partnership (Limited Partnership) (杭州凱泰睿德投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability and one of our Pre-[REDACTED] Investors
“Kyowa Kirin”	Kyowa Kirin Co., Ltd., a company established in Japan with limited liability on July 1, 1949
“Kyowa Kirin China”	Kyowa Kirin China Pharmaceutical Co., Ltd. (協和麒麟(中國)製藥有限公司), a company established in the PRC with limited liability on June 26, 1997, was a wholly-owned subsidiary of Kyowa Kirin before it was acquired by our Company in September 2024. This company subsequently underwent a name change to currently WinHealth China
“Latest Practicable Date”	[June 15, 2026], being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“LYFE Kings”	LYFE Kings Peak Limited, a company incorporated in the Cayman Islands with limited liability and one of our Pre-[REDACTED] Investors
“LYFE Mount”	LYFE Mount Rainer Limited, a company incorporated in the Cayman Islands with limited liability and one of our Pre-[REDACTED] Investors
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange

DEFINITIONS

“majority-controlled company”	has the meaning ascribed to it under the Listing Rules
“Marketing authorization holder” or “MAH”	an entity that has obtained marketing authorization for pharmaceutical products from the relevant drug regulatory authorities and are responsible for the quality, safety, efficacy and post-market surveillance of such products throughout their lifecycle
“Memorandum” or “Memorandum of Association”	the [seventh] amended and restated memorandum of association of our Company, conditionally adopted on [•], with effect on [•], as amended from time to time, a summary of which is set out in Appendix III to this document
“Memorandum and Articles of Association”	Memorandum of Association and Articles of Association
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“Mr. Wang”	Mr. Wang Wei (王威), our co-founder, Chairman, chief executive officer, one of our executive Directors and Controlling Shareholders
“Mr. Xing”	Mr. Xing Tongshun (邢同順), one of our Controlling Shareholders
“Ms. Guo”	Ms. Guo Qing (過青), one of our Controlling Shareholders
“Ms. Hu”	Ms. Hu Qing (胡青), our co-founder, one of our executive Directors and Controlling Shareholders and vice president
“NDA”	the application for marketing authorization of a new drug submitted to NMPA
“NDRC”	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)
“new first-tier cities”	Cities most likely to join the first-tier ranks in the future, as defined by the 2025 report published by Rising Lab (新一線城市研究所). According to the ranking, the 15 new tier-one cities include Chengdu, Hangzhou, Chongqing, Wuhan, Suzhou, Xi’an, Nanjing, Changsha, Zhengzhou, Tianjin, Hefei, Qingdao, Dongguan, Ningbo, and Foshan
“New Listing Guide”	Guide for New Listing Applicants issued by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“NHC”	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
“Ningbo Qimao”	Ningbo Qimao Investment Partnership (Limited Partnership) (寧波啓茂投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability and one of our Pre-[REDACTED] Investors
“NMPA”	the National Medical Products Administration of China (國家藥品監督管理局) or, where the context so requires, its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局), or CFDA
“Nomination Committee”	the nomination committee of our Board

DEFINITIONS

“NPC”	the National People’s Congress of the People’s Republic of China (全國人民代表大會)
“ODI”	overseas direct investment
“ODI Rules”	Administrative Measures for the Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission and Administrative Measures for Overseas Investment Management (《境外投資管理辦法》) promulgated by the MOFCOM
“OFAC”	the U.S. Department of Treasury’s Office of Foreign Assets Control

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisors”	Jingtian & Gongchen, our legal advisors as to PRC law
“Preferred Share(s)”	preferred share(s) of the Company, including the Series A-1 Preferred Shares, the Series A-2 Preferred Shares, the Series A-3 Preferred Shares, the Series A-4 Preferred Shares and the Series B Preferred Shares
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors prior to this [REDACTED], the details of which are set out in “History, Development, and Corporate Structure”
“Pre-[REDACTED] Investor(s)”	the pre-[REDACTED] investors of our Company, the details of which are set out in “History, Development and Corporate Structure”

DEFINITIONS

“Pre-[REDACTED] Share Incentive Plan” the equity incentive plan adopted by the Company which took effect on October 13, 2021 and as amended and restated with effect from October 30, 2025, the principal terms of which are set out in the section headed “Statutory and General Information — D. Pre-[REDACTED] Share Incentive Plan” in Appendix IV

[REDACTED]

“Qianhai Beizeng” Ningbo Qianhai Beizeng Investment Partnership (Limited Partnership) (寧波前海貝增投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability and one of our Pre-[REDACTED] Investors

“Qingyun Technology” Qingyun Technology Development HK Limited (青韻科技發展香港有限公司), a company incorporated in Hong Kong with limited liability on August 7, 2018 and one of our Controlling Shareholders

“Qinzhi Capital” Hangzhou Qinzhi Jianyuan Venture Capital Partnership (Limited Partnership) (杭州勤智健原創業投資合夥企業(有限合夥)), a limited partnership established in the PRC with limited liability and one of our Pre-[REDACTED] Investors

“Regulation S” Regulation S under the U.S. Securities Act

“Remuneration Committee” the remuneration committee of our Board

“RMB” Renminbi, the lawful currency of the PRC

“Rongshun Technology” Rongshun Technology Development HK Limited (榮順科技發展香港有限公司), a company incorporated in Hong Kong with limited liability on August 20, 2018 and one of our Controlling Shareholders

“SAFE” the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

“SAIC” the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR

“SAMR” the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

“SEA” South-East Asia consists of Vietnam, Laos, Cambodia, Thailand, Myanmar, Malaysia, Singapore, Indonesia, Brunei, Philippines, Timor-Leste

DEFINITIONS

“second-tier cities”	Ji’nan, Wuxi, Shenyang, Kunming, Fuzhou, Xiamen, Wenzhou, Shijiazhuang, Dalian, Harbin, Jinhua, Quanzhou, Nanning, Changchun, Changzhou, Nanchang, Nantong, Guiyang, Jiaxing, Xuzhou, Huizhou, Taiyuan, Yantai, Linyi, Baoding, Taizhou, Shaoxing, Zhuhai, Luoyang and Weifang according to the 2025 report published by Rising Lab (新一線城市研究所)
“Series A Preferred Shares”	Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series A-3 Preferred Shares and Series A-4 Preferred Shares
“Series A-1 Preferred Shares”	the redeemable and convertible series A-1 preferred shares of our Company which were issued by our Company as described in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series A-2 Preferred Shares”	the redeemable and convertible series A-2 preferred shares of our Company which were issued by our Company as described in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series A-3 Preferred Shares”	the redeemable and convertible series A-3 preferred shares of our Company which were issued by our Company as described in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series A-4 Preferred Shares”	the redeemable and convertible series A-4 preferred shares of our Company which were issued by our Company as described in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“Series B Preferred Shares”	the redeemable and convertible series B preferred shares of our Company which were issued by our Company as described in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments”
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of our Company of par value of HK\$0.001 per share as of the Latest Practicable Date
“Shareholder(s)”	holder(s) of our Share(s)
“Sixth Amended and Restated Memorandum and Articles of Association”	the memorandum of association and articles of association registered with the Registrar of Corporate Affairs in the BVI on October 30, 2025

[REDACTED]

DEFINITIONS

“Sole Sponsor”	Huatai Financial Holdings (Hong Kong) Limited
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

[REDACTED]

“State Council”	the State Council of the PRC (中華人民共和國國務院)

[REDACTED]

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supra Brilliant”	Supra Brilliant Investment Limited, a BVI business company incorporated in the BVI with limited liability on July 3, 2018 and one of our Controlling Shareholders

[REDACTED]

“TG Sino-Dragon”	TG Sino-Dragon Fund II L.P., an exempted limited partnership registered under the laws of the Cayman Islands and one of our Pre-[REDACTED] Investors
“Track Record Period”	the period comprising the financial years ended December 31, 2023, 2024 and 2025
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Ultimate Controlling Shareholder(s)”	Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo

[REDACTED]

“US\$”	U.S. dollar(s), the lawful currency of the United States
“VAT”	value-added tax; all amounts are exclusive of VAT in this document except where indicated otherwise

[REDACTED]

DEFINITIONS

[REDACTED]

“WinHealth APAC”	WINHEALTH PHARMA ASIA PACIFIC PTE. LTD., a company incorporated in Singapore with limited liability on July 17, 2024 and an indirect wholly-owned subsidiary of our Company
“WinHealth Business Consulting”	WinHealth Business Consulting (Hangzhou) Co., Ltd. (維健商務諮詢(杭州)有限公司), a company established in the PRC with limited liability on April 26, 2017 and an indirect wholly-owned subsidiary of our Company
“WinHealth China”	WinHealth (China) Pharmaceutical Co., Ltd. (維健(中國)製藥有限公司) (formerly known as Kyowa Kirin China Pharmaceutical Co., Ltd. (協和麒麟(中國)製藥有限公司)), a company established in the PRC with limited liability on June 26, 1997 and an indirect wholly-owned subsidiary of our Company
“WinHealth Enterprise”	WinHealth Enterprise Limited (維健實業有限公司), a company incorporated in the BVI with limited liability on February 25, 2019 and a direct wholly-owned subsidiary of our Company
“WinHealth HK”	Hongkong WinHealth Pharma Group Co. Limited (香港維健醫藥集團有限公司) (formerly known as Eternal Charm (China) Limited (恒雅(中國)有限公司)), a company incorporated in Hong Kong with limited liability on December 15, 2015 and a direct wholly-owned subsidiary of our Company
“WinHealth Overseas”	WinHealth Investment (Overseas) Limited (維健投資(海外)有限公司), a company incorporated in Hong Kong with limited liability on March 21, 2019 and an indirect wholly-owned subsidiary of our Company
“YD Capital”	YD Capital I L.P., a limited partnership established in the Cayman Islands with limited liability and one of our Pre-[REDACTED] Investors
“Zhejiang Medical”	Zhejiang Medical Technology Development Co., Ltd. (浙江醫學科技開發有限公司) (formerly known as Zhejiang Medical Technology Development Company (浙江醫學科技開發公司)), a company established in the PRC with limited liability on October 8, 1992 and an indirect wholly-owned subsidiary of our Company
“%”	per cent

In this document, unless expressly stated or the context requires otherwise:

- *all information and data is of the Latest Practicable Date;*
- *certain amounts and percentage figures, including but not limited to, shareholdings and operating data, may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them;*
- *all references to any shareholdings in our Company assume no exercise of the [REDACTED] unless otherwise specified;*
- *the names of the laws and regulations, governmental authorities, institutions, natural persons or other entities in the PRC (including certain of our subsidiaries) have been included in the document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purpose only.*

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this [REDACTED] in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

“ACEI”	angiotensin-converting enzyme inhibitors; a class of antihypertensive and cardioprotective medications that block conversion of angiotensin I to angiotensin II, thereby reducing vasoconstriction and aldosterone secretion and slowing kidney disease progression
“ARB”	angiotensin II receptor blockers; a class of medications that selectively antagonize the angiotensin II type 1 (AT1) receptor to lower blood pressure, protect the heart and kidneys, and reduce proteinuria
“ARNI”	angiotensin receptor neprilysin inhibitor; a combination therapy (e.g., sacubitril/valsartan) that pairs AT1 receptor blockade with neprilysin inhibition to enhance natriuretic peptides and improve outcomes in heart failure with reduced ejection fraction
“bioavailability”	the rate and extent to which the active pharmaceutical ingredient or other substance administered to a patient is absorbed into the bloodstream and becomes available at the intended site of biological activity, expressed as a percentage of the administered dose that reaches systemic circulation in an unchanged form
“calcium channel blocker” or “CCB”	a class of prescription medicine that works by slowing the entry of calcium — a mineral that helps heart and blood-vessel muscle cells tighten — into those cells. By limiting the inward flow of calcium, these drugs cause the heart muscle and the muscles lining the arteries to relax, which in turn widens the blood vessels, lowers blood pressure, eases chest pain caused by reduced blood supply to the heart (angina), and can help correct certain abnormal heart rhythms
“CaSR”	calcium-sensing receptor; a G protein-coupled receptor, prominently expressed in parathyroid glands and kidneys, that detects extracellular calcium levels and regulates parathyroid hormone secretion and renal calcium handling
“cell proliferation and differentiation”	the biological processes by which living cells first undergo repeated cycles of division to increase their number (proliferation) and thereafter acquire specialized structural and functional characteristics that distinguish one mature cell type from another (differentiation), thereby enabling the formation, maintenance and repair of tissues and organs
“chemotherapy-induced thrombocytopenia” or “CIT”	a treatment-related condition in which cytotoxic anticancer therapies suppress bone marrow megakaryocyte maturation and platelet production and/or increase peripheral platelet destruction, resulting in abnormally low platelet counts that elevate bleeding risk, necessitate chemotherapy dose reductions, delays, or discontinuations, and may require supportive care such as platelet transfusions or thrombopoietin-receptor agonists to restore safe treatment intensity “thrombopoietin”

GLOSSARY OF TECHNICAL TERMS

“CKD”	chronic kidney disease; a long-standing decline in kidney structure or function, typically defined by reduced glomerular filtration rate or markers of kidney damage persisting for at least three months
“CKD-aP”	chronic kidney disease-associated pruritus; persistent, often distressing itch occurring in patients with CKD, particularly those receiving dialysis, with multifactorial pathophysiology including immune, neurologic, and opioid receptor dysregulation
“CKD-SHPT”	secondary hyperparathyroidism in chronic kidney disease; compensatory elevation of parathyroid hormone due to CKD-related disturbances in calcium, phosphate, and vitamin D metabolism, leading to mineral and bone disorder
“clinical trial”	an experiment performed on human beings in order to evaluate the comparative safety and efficacy of two or more therapies. An experimental design used for testing the safety and effectiveness of a new medication or a new therapeutic procedure. Individuals are usually assigned randomly to a treatment group (experimental therapy) and a control group (placebo or standard therapy) and the outcomes of the two groups are compared. Clinical trials are usually divided into different phases. Please refer to the technical terms for Phase I, Phase II, and Phase III clinical trials below
“CSO”	contract sales organization, an entity that provides a series of services and solutions related to marketing and sales activities under contracts with pharmaceutical, biotechnology, and medical device companies
“CTIT”	chemotherapy-induced thrombocytopenia; a reduction in platelet count resulting from cytotoxic cancer therapy, increasing bleeding risk and potentially necessitating dose modifications or supportive care
“dialysis”	an extracorporeal or intraperitoneal medical procedure, including hemodialysis and peritoneal dialysis, performed to remove metabolic waste products, toxins, and excess fluids from a patient’s bloodstream when the patient’s renal function is impaired or absent, and typically requires the use of appropriate equipment, consumables, and associated clinical services to accomplish such blood purification
“disease manifestations”	the observable signs and symptoms that result from the presence and activity of a disease within the body. These manifestations are the clinical expressions of the underlying pathological processes and can include a wide range of effects, such as fever, rash, pain, swelling, fatigue, or organ dysfunction. Disease manifestations are what clinicians use to recognize, diagnose, and monitor the progression or resolution of a disease
“DOPPS”	Dialysis Outcomes and Practice Patterns Study; a large, international, prospective cohort study evaluating hemodialysis practices, patient characteristics, and outcomes to inform quality improvement in kidney care
“EPO”	erythropoietin; a glycoprotein hormone primarily produced by the kidneys that stimulates red blood cell production; recombinant forms are used to treat anemia, especially in CKD

GLOSSARY OF TECHNICAL TERMS

“EPO- α ”	Epoetin alfa, a medication used to treat anemia by stimulating the production of red blood cells in the bone marrow
“ESA”	erythropoiesis-stimulating agent; a class of therapeutics (including recombinant EPO and analogs) that promote erythropoiesis to manage anemia, commonly in CKD or chemotherapy settings
“estimated glomerular filtration rate” or “eGFR”	a common laboratory estimate of how well a person’s kidneys are cleaning the blood. In simple terms, eGFR measures how much blood passes through the tiny filters in the kidneys — called glomeruli — each minute. A higher eGFR means the kidneys are doing a better job of removing waste and excess fluid, while a lower eGFR signals reduced kidney function
“first-in-class drug”	a drug that uses a novel and unique mechanism of action to treat a medical condition. FIC drugs target molecules that have not been targeted by preceding drugs and provide a novel mechanism of action, adding to new therapeutic options for patients
“G-CSF”	granulocyte colony-stimulating factor; a hematopoietic growth factor that stimulates neutrophil production and function, used to prevent or treat chemotherapy-induced neutropenia
“GFR”	glomerular filtration rate; a quantitative measure of kidney function reflecting the volume of plasma filtered by the glomeruli per unit time, commonly estimated as eGFR
“hemodialysis”	an extracorporeal renal replacement therapy in which a patient’s blood is withdrawn, circulated through a dialyzer that contains a semi-permeable membrane, and returned to the patient’s circulation after the diffusive and convective removal of metabolic waste products, excess electrolytes and fluid
“hemoperfusion”	a blood-cleansing technique in which a patient’s blood is passed through a cartridge filled with special adsorbent material (often activated charcoal or resin). As the blood flows through this cartridge, unwanted substances — such as certain toxins, drugs, or inflammatory molecules — stick to the adsorbent material and are removed before the blood is returned to the body
“immune cells”	the diverse population of hematopoietic-derived cells, including but not limited to lymphocytes (such as B cells and T cells), natural killer cells, macrophages, dendritic cells, neutrophils and other leukocytes, that recognize, respond to and eliminate pathogens, malignant cells and other foreign substances as part of the body’s innate and adaptive immune responses
“inhibitory effect”	a biological or pharmacological action that diminishes, suppresses, slows or otherwise negatively modulates the activity, expression, signaling or function of a target molecule, cell population, biochemical pathway or physiological process
“intact parathyroid hormone” or “iPTH”	the complete, full-length hormone molecule made by the four tiny parathyroid glands in the neck. This hormone’s main job is to help the body keep the right balance of calcium and phosphorus — minerals essential for bone strength, neuromuscular activity and other physiological functions

GLOSSARY OF TECHNICAL TERMS

“ITP”	immune thrombocytopenia; an autoimmune disorder characterized by isolated thrombocytopenia due to immune-mediated platelet destruction and impaired platelet production, typically a diagnosis of exclusion and often presenting with mucocutaneous bleeding
“LOLA”	L-ornithine and L-aspartic acid; a chemical that is broken down by the body to increase levels of two amino acids: ornithine and aspartic acid, thereby reducing ammonia levels in the blood.
“KOR”	κ-opioid receptor; an opioid receptor subtype involved in modulation of pain, stress, and pruritus, targeted by selective agonists or antagonists for therapeutic effect
“MDT”	multidisciplinary team; a coordinated approach in which professionals from multiple specialties work together to plan and deliver comprehensive patient care
“megakaryocytes”	the large, polyploid cells resident primarily in the bone marrow that undergo a process of cytoplasmic fragmentation to release platelets (thrombocytes) into the bloodstream, thereby playing a central role in hemostasis and thrombopoiesis
“neutrophil”	a granulocytic leukocyte that represents the predominant subtype of circulating white blood cells in humans and constitutes a key effector component of the innate immune system, characterized by its rapid migration to sites of infection or inflammation, its ability to phagocytose and destroy microorganisms, and its multi-lobulated nucleus and cytoplasmic granules containing antimicrobial enzymes and proteins
“next-generation drug”	a medication that is developed based on an existing drug but is designed to improve upon it in some way. These improvements may include increased efficacy or bioavailability, reduced side effects, better dosing convenience, improved safety profile, or enhanced ability to overcome resistance
“parathyroid cells”	the endocrine cells located within the parathyroid glands that synthesize and secrete parathyroid hormone (PTH), which regulates serum calcium and phosphate homeostasis through its actions on bone, kidney and, indirectly on the gastrointestinal tract
“pathogenic mechanisms”	the study of the specific stages, processes, and patterns involved in the occurrence and development of diseases under their original causes and conditions. It aims to elucidate the internal mechanisms underlying disease onset, including genetic factors, physiological imbalances, and cellular or molecular changes
“peripheral sensory neurons”	the neurons situated outside the brain and spinal cord (the central nervous system) whose primary function is to detect and transmit sensory stimuli — including pain, temperature, touch and proprioception — from peripheral tissues to the central nervous system for processing and response
“pH”	potential of hydrogen; a logarithmic measure of hydrogen ion activity in a solution indicating its acidity or alkalinity, typically on a 0–14 scale where 7 is neutral, lower values are acidic, and higher values are basic

GLOSSARY OF TECHNICAL TERMS

“Phase I clinical trial”	the first systematic research stage conducted in humans during new drug development, primarily focusing on the preliminary evaluation of drug safety, tolerability, pharmacokinetics, and pharmacodynamics
“Phase II clinical trial”	a clinical trial that tests the new product candidate on a larger group of patients, to gather information about whether and how well it works
“Phase III clinical trial”	a clinical trial for a new product candidate that has already passed Phases I and II, which tests the new product candidate in larger groups of patients, and compares the new product candidate against an existing treatment or a placebo to see if it works better in practice and if it has important side effects
“Phase IV clinical trial”	a clinical trial conducted after a product has completed Phases I–III and received regulatory approval for marketing, which evaluates the product in broader, real-world use to assess long-term effectiveness and safety; identify rare or delayed adverse events; confirm outcomes across different patient populations and with concomitant therapies; compare the product to existing treatments; optimize dosing and use; and assess pharmacoeconomic outcomes, thereby supporting risk management, label updates, and clinical practice guidelines
“pivotal clinical trial”	a clinical study designed to provide definitive evidence of a drug’s efficacy and safety, often serving as the basis for regulatory approval
“placebo”	any dummy medical treatment; originally, a medicinal preparation having no specific pharmacological activity against the patient’s illness or complaint given solely for the psychophysiological effects of the treatment; more recently, a dummy treatment administered to the control group in a controlled clinical trial in order that the specific and non-specific effects of the experimental treatment can be distinguished
“platelet”	a small, anuclear, discoid blood component originating from the cytoplasmic fragmentation of bone-marrow megakaryocytes, the primary physiological function of which is to initiate and propagate hemostasis by adhering to damaged blood-vessel endothelium, aggregating with other platelets and facilitating the coagulation cascade, thereby forming a blood clot to prevent or arrest hemorrhage
“potential first-in-class”	an indication for which no product in the same category has been approved by the regulatory authority; and a product candidate with the most advanced stage of clinical development, evidenced by the earliest first-posted date for its most advanced clinical stage, the earliest date of NDA acceptance by the regulatory authority, or the earliest disclosure of study results
“PTH”	parathyroid hormone; a key regulator of calcium and phosphate homeostasis that increases serum calcium by acting on bone, kidneys, and indirectly on the intestine
“real-world study”	research using real-world data to evaluate drug safety and effectiveness
“rhTPO”	recombinant human thrombopoietin; a biologic analog of endogenous thrombopoietin that stimulates megakaryopoiesis and platelet production, used in selected thrombocytopenic conditions

GLOSSARY OF TECHNICAL TERMS

“SHPT”	secondary hyperparathyroidism; excessive parathyroid hormone secretion secondary to chronic stimuli such as hypocalcemia, vitamin D deficiency, or CKD, often leading to bone and mineral disturbances
“TPO”	an endogenous hematopoietic growth factor primarily produced by the liver that binds to and activates the c-Mpl (TPO) receptor on hematopoietic stem cells and megakaryocyte progenitors, triggering intracellular signaling pathways that promote megakaryocyte proliferation and maturation and thereby increase platelet production to maintain thrombopoiesis and hemostatic balance
“TPO-RA”	thrombopoietin receptor agonists; the hematopoietic growth factors that bind to and activate the thrombopoietin receptors on megakaryocytes and hematopoietic stem cells
“UCD”	urea cycle disorders; inherited metabolic diseases characterized by defects in enzymes or transporters of the urea cycle, leading to impaired ammonia detoxification and hyperammonemia
“VDR”	vitamin D receptor; a nuclear receptor that mediates the genomic actions of calcitriol, regulating calcium and phosphate homeostasis and modulating parathyroid hormone synthesis

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim”, “anticipate”, “believe”, “could”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our financial condition and operating results and performance;
- industry trends and competition;
- our product candidates under development or planning;
- the timing and outcome of the applications for registration of our products with the NMPA and other regulators;
- our strategies, plans, objectives and goals and our ability to successfully implement these strategies, plans, objectives and goals;
- our ability to attract customers and build our brand image;
- general political and economic conditions;
- changes to regulatory and operating conditions in the industry and markets in which we operate; and
- the amount and nature of, and potential for, future development of our business.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to the cautionary statements in this section.

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

RISK FACTORS

An [REDACTED] in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations, and prospects. In any such case, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may not be successful in our efforts to identify, discover, acquire, in-license or develop new product candidates to build or maintain our product pipeline.

As a leading China-based pharmaceutical enterprise specialized in the treatment of kidney diseases, our future growth depends in part on our ability to continuously enrich our product pipeline by identifying, discovering, acquiring, in-licensing and developing new product candidates. We will focus on the treatment of kidney diseases and seize the opportunity presented for hematologic, respiratory, cardiovascular and cerebrovascular, and dermatologic diseases, and other sub-markets, with a view to developing and bringing to the market products with strong market potential in such fields.

However, we may fail to identify, discover, in-license, acquire or develop new products or product candidates for clinical development for a number of reasons. Those we identify may eventually be unmarketable or unlikely to receive regulatory approval. Drug development programs require substantial technical, financial, and human resources whether or not we ultimately are successful. In addition, if we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing, or other royalty arrangements when it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

Regardless of whether we develop new product candidates in-house or through collaborative drug development, our drug development efforts may initially show promise in identifying potential indications and/or product candidates, yet fail to yield results for clinical development for a number of reasons, including:

- potential product candidates may, after further study, be shown to have serious adverse effects or other characteristics that indicate they are unlikely to be effective products; or
- it may take greater human and financial resources to identify additional therapeutic opportunities for our product candidate(s) or to develop suitable potential product candidates, thereby limiting our ability to diversify and expand our portfolio.

Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our product candidate(s), develop suitable potential product candidates through in-house drug development team, or enter into collaboration under favorable commercial terms or at all. Even if we are able to identify, discover, or develop the product candidates that we target, we cannot assure you that the product will be successfully commercialized. We may focus our efforts and resources on potential product candidates or other potential programs that ultimately prove to be unsuccessful.

Our failure to successfully introduce new products could materially and adversely affect our operations and financial performance. Our results of operations are significantly affected by the composition and evolution of our product portfolio, and the profit margin of each product varies. Our

RISK FACTORS

ability to develop and commercialize new products, replenish our pipeline with additional product candidates in our core therapeutic areas, introduce new products, and further diversify our portfolio has had, and will continue to have, a significant impact on our business prospects. In particular, our revenue increased from RMB887.4 million in 2023 to RMB901.8 million in 2024, and further to RMB1,680.0 million in 2025, and this growth was driven in significant part by the expansion of and upgrade to our product portfolio. If we are unable to continue to expand our product offerings, we may be unable to sustain our historical revenue growth or offset declines in sales of our existing products as they mature or face increased competition. Furthermore, as we operate in a highly competitive industry, if we are unable to introduce new competitive products in a timely manner, we could face significant pricing pressure or find it commercially unfeasible to bring such products to market. Any of the above could have a material adverse effect on our business, prospects, financial condition, and results of operations.

Our products and the third-party products that we sell and/or promote may become subject to centralized procurement, national or other third-party reimbursement practices, healthcare reform initiatives, or unfavorable pricing regulations.

In China, the pricing of prescription pharmaceutical products is continuously influenced by policies such as government centralized procurement. For example, centralized procurement in China has strong bargaining power over pricing of pharmaceutical products, often resulting in downward pressure on drug prices.

As of the Latest Practicable Date, among our major products, the generic names of two drugs acquired by us as part of the Kyowa Kirin China Acquisition (namely, cinacalcet hydrochloride tablet and benidipine hydrochloride tablet) and the generic name of one of our CSO products have been included in the national centralized procurement catalog, which may adversely affect the pricing and margins of these products; some of the CSO products that we sell and/or promote are subject to regional or provincial centralized procurement. Products included in centralized procurement are typically those already covered by the NRDL, high-volume products, or mature products facing intense homogeneous competition. While most of our major products are innovative drugs that are generally not subject to such procurement impact, there can be no assurance that centralized procurement policies will not be expanded in scope to cover a broader range of products in the future, including innovative or exclusive products in our portfolio.

The evolving requirements on centralized procurement may affect our operations and financial performance: in several respects. If any of portfolio drugs become subject to centralized procurement, we may be required to offer substantially lower prices to secure procurement volumes, which would directly reduce our revenue per unit and compress our profit margins. Furthermore, under the CSO model, any expansion of centralized procurement to cover additional CSO products could reduce the promotion service fees payable to us by the relevant product owners or MAHs due to the compression on their revenue per unit and profit margins. Additionally, the ongoing implementation of centralized procurement programs may alter hospital-level prescribing patterns and procurement volumes, which in turn may adversely affect the purchasing behavior of our distributor customers. In addition, to the extent that centralized procurement results in downward pricing pressure on competing products bearing the same generic name as our products, we may face intensified price competition and be compelled to reduce our own selling prices to remain competitive, even if our specific branded products are not themselves directly included in the centralized procurement catalog.

Additionally, our commercialized products and the third-party CSO products may also become subject to reimbursement practices, healthcare reform initiatives, or unfavorable price regulations. Our ability to generate substantial revenue from our products or successfully commercialize any product candidate will depend in part on whether these products will be included in the NRDL, as well as the extent to which reimbursement for these products will be available from third-party payors such as private health insurers and other organizations. As of the date of this document, among our major products, five of our acquired products and seven of our CSO products are included in the NRDL. Inclusion in the NRDL generally requires a pricing negotiation process based on factors such as clinical

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value, competition, and cost-effectiveness, and typically results in a reduction of the product’s selling price in exchange for expanded patient access and higher sales volume. While we believe the benefits of NRDL inclusion significantly outweigh the associated costs, such price reductions directly reduce our revenue per unit and may compress our gross profit margins for the affected products. In addition, if the prices negotiated upon NRDL inclusion or renewal are lower than anticipated, or if subsequent NRDL adjustments result in further price reductions, our revenue and profitability could be materially and adversely affected.

Government authorities and third-party payors have the discretion to decide which medications they will pay for and establish reimbursement levels. We cannot assure you that reimbursement will be available for any future product candidates that we commercialize and, if available, what the level of reimbursement will be. The availability and extent of reimbursement may impact the demand for, or the price of, our products. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any future product candidate. The relevant government authorities in China have implemented policies that aim to further increase the affordability of pharmaceutical products. See “Regulatory Overview—Other Laws and Regulations in Relation to Medical Industry” for further details. In the future, the relevant authorities may continue to implement policies which limit the prices that hospitals, clinics, and other medical practitioners can charge for our products, which in turn would limit the prices that we can charge them and adversely affect our profitability.

Other reform measures on the tender process or pricing policies may also result in downward adjustments to our product prices, and may in turn adversely affect our revenue and profitability. As China’s healthcare system as a whole has undergone continuous reform in recent years in respect of insurance coverage, access to medical products and services, and the role of the private sector in product development, we cannot predict if or when any changes to pricing or reimbursement policies will be introduced. Any negative developments in respect of the above could have a material adverse effect on our business, financial condition, and results of operations.

Our products and the third-party products that we sell and/or promote may fail to achieve the degree of market acceptance by physicians, patients, third-party payors, and others in the medical community necessary for commercial success.

Our products and product candidates, even if they receive regulatory approval, and the third-party products that we sell and/or promote, may not achieve sufficient market acceptance among physicians, patients, and other participants in the medical community. If such products fail to achieve adequate level of acceptance, we may be unable to generate sufficient revenue to achieve or sustain profitability. The degree of market acceptance depends on a number of factors, including the clinical indications for which such products are approved; the perceived safety and efficacy of such products relative to existing therapies and other alternatives; the prevalence and severity of any side effects; product labeling requirements and any limitations or warnings approved by the NMPA; the timing of market introduction relative to competing products; the cost of treatment in relation to alternatives; the availability of adequate coverage and reimbursement under the NRDL and the willingness of patients to pay out-of-pocket in the absence thereof; the relative convenience and ease of administration; and the effectiveness of our sales and marketing efforts.

We may not realize the benefits of licensing or collaboration arrangements, and disputes may arise between us and our collaboration partners.

We have entered into, and may continue to seek, licensing or collaboration arrangements with third parties whose products complement our business development strategy. We face significant competition in seeking appropriate partners, and any agreement we enter into may not result in the anticipated benefits. These relationships may require us to incur significant costs, increase expenditures, or issue securities that dilute our existing Shareholders. Our collaboration arrangements also involve numerous risks and are subject to significant business, economic, and competitive uncertainties beyond our control. Disputes may arise between us and our collaboration partners, including breaches of license agreements by either party, which could result in termination of such agreements and prevent us from

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developing and commercializing our in-licensed product candidates. Such disputes may cause delays or termination of drug development, or result in costly litigation or arbitration that diverts management attention and resources. If we fail to obtain licenses or enter into collaboration arrangements, our growth potential will be adversely affected.

Failure to maintain an adequate and stable supply of products or other materials may cause us to lose sales or disrupt our operations.

As of the Latest Practicable Date, the materials of all our products had been procured from third parties. Our ability to maintain an adequate and stable supply of products or other materials is impacted by factors beyond our control, including the production capacity of our suppliers, changing reimbursement policies, and launches of competing products. We cannot assure you that we can accurately predict market trends and events and maintain adequate levels of inventory at all times. Such inventory under-stock may cause us to lose sales and our business, financial condition, results of operations, and prospects may also be materially and adversely affected.

In addition, any significant disruption in our supplier relationships could harm our business. Our suppliers may not be able to keep up with our growth needs or may reduce or cease their supply of materials to us at any time. We also cannot assure you that our suppliers have obtained and will be able to renew all licenses, permits, and approvals necessary for their operations or comply with all applicable laws and regulations, and failure to do so by them may lead to interruption in their business operation, which in turn may result in shortage of materials. Any interruption in our supply of materials would force us to identify replacement suppliers, which may not be available to us on commercially favorable terms or at all. This in turn could have a material adverse effect on our business, financial condition, and results of operations.

Moreover, we rely on third-party pharmaceutical companies to which we provide promotion services. We have limited control over their manufacture process, delivery arrangement and supply chain management. In particular, the occurrence of any industry downturn, natural disaster or catastrophic event could interrupt their manufacturing or delivery of the relevant products, resulting in inadequate or delayed supply to us or to our designated distributors. Any potential inadequate or delayed supply may force us or our designated distributors to deliver the relevant products on a delayed basis, cancel product orders or cease product offering. Consequently, our results of operations could be adversely affected, our reputation and our relationships with our distributors could be harmed, and we could be potentially exposed to litigation and damage claims. Besides, our business may be materially and adversely affected if these third-party pharmaceutical companies distribute the relevant products in our designated geographic areas in violation of the terms of our agreements with them.

We operate in a competitive industry and may fail to compete effectively.

The pharmaceutical industry is highly competitive and characterized by extensive R&D, rapid technological innovation, and evolving industry standards. We face competition across multiple dimensions, including the quality and efficacy of products, breadth of product portfolio, intellectual property protection, and pricing. Certain of our competitors may possess greater financial and research resources, more established sales and marketing operations, and stronger brand recognition. In addition, generic and biosimilar competitors may rely on abbreviated regulatory approval pathways and lower development costs, enabling them to offer more aggressive pricing and erode our market share.

If we are unable to introduce new competitive products in a timely manner, or if competitors develop products targeting the same indications before us, we could face significant pricing pressure or find it commercially unfeasible to bring such products to market, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

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Our strategic acquisitions or investments may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.

We have engaged in and intend to continue to seek opportunities in strategic acquisitions and other investments to expand the size of our business operations, product portfolio and enhance our competitiveness in the industry. The success of our acquisitions depends on a number of factors, some of which are beyond our control. Investments and/or acquisitions may expose us to a number of risks, undisclosed issues or legal liabilities, such as diversion of management attention from our existing business, potential loss of our key employees or the key employees of any business that we acquire, unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the investments and/or acquisitions, and decline in the value of invested/acquired assets or companies. These risks could prevent us from realizing the benefits anticipated to result from the investments or acquisitions, and could have a material adverse effect on our ability to grow our business, financial condition and results of operations.

In addition, when evaluating potential acquisition or investment targets, we are required to make judgments regarding the valuation of the businesses, assets, and brands to be acquired, which involves significant estimation and inherent uncertainty. The valuations of target businesses and their associated brands may be based on assumptions regarding future revenue growth, market conditions, competitive dynamics, regulatory developments, discount rates, and other forward-looking factors that are difficult to predict with certainty. If any of these assumptions prove to be inaccurate or overly optimistic, we may pay consideration for an acquisition or investment that exceeds the actual fair value of the acquired business or brand, which may result in impairment losses or write-downs that could materially and adversely affect our financial condition and results of operations.

Furthermore, we may not be able to realize the anticipated benefits, synergies, cost savings, or operational efficiencies that we expected at the time of an acquisition or investment. The realization of such benefits depends on, among other things, our ability to successfully integrate the acquired business's operations, personnel, technologies, products, and information systems with our own, retain and motivate key employees of the acquired business, achieve expected economies of scale, leverage existing sales and distribution networks for the products or brands of the acquired business, and maintain relationships with the customers, suppliers, and partners of the acquired business. Achieving anticipated synergies may also require significant additional investment, take longer to accomplish than originally estimated, or may not be achievable at all. Any failure or delay in realizing anticipated benefits, synergies, cost savings, or efficiencies from our acquisitions or investments could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may face challenges in fully realizing the anticipated benefits of the acquisitions. In 2024, our Group acquired the entire equity interest in WinHealth China from Kyowa Kirin. We may need to make adjustments to certain aspects of its business operations as necessary. We cannot assure that these changes will not affect the business operations of WinHealth China. In addition, the integration of WinHealth China into our existing operations may be subject to unforeseeable delays or even the risk of failure due to various reasons which may be beyond our control, including, among others, regulatory changes, discovery of unforeseen or hidden liabilities, and unforeseen difficulties in integrating WinHealth China with our existing operational infrastructure. Such delays or failure in the integration may increase our integration costs, strain our capacity at other locations, and divert our management attention and resources from our existing business. Our existing operations may also not be able to generate sufficient revenues to offset the costs and expenses in connection with the delays in, or failure of, integrating our acquisitions. Any difficulties encountered in the acquisition and integration process may have an adverse effect on our ability to manage our business and harm our results of operations, financial condition and prospects.

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Drug owners, manufacturers, or MAHs from whom we acquire or license drugs may impose constraints on our manufacturing and distribution activities, which could limit our operational flexibility and adversely affect our business.

Our portfolio drug products are acquired from, licensed by, or sourced through third-party drug owners, manufacturers, and MAHs. As of the Latest Practicable Date, our product portfolio included five drugs obtained 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. Our agreements with these counterparties typically contain provisions that impose constraints on our manufacturing, supply, distribution, and commercialization activities, which may limit our operational flexibility. These provisions typically include territorial restrictions, exclusive supply obligations, non-compete and confidentiality undertakings, pricing constraints, and performance commitments.

For example, for our acquired products, we generally procure bulk drug product exclusively from Kyowa Kirin under a long-term supply arrangement, are required to restrict any diversion outside of China, and complete only secondary packaging domestically, effectively limiting our ability to independently manufacture these products or source alternative supply. For our in-licensed products, we generally acquire finished products directly from global pharmaceutical companies who retain control over the manufacturing process and finished product supply, and our license agreements may impose territorial restrictions and other conditions that circumscribe the scope and manner of our commercialization activities. For CSO products, product owners or MAHs control the product supply and authorize us to sell and/or promote under their MAH status, and we have limited control over the manufacture process, delivery arrangements, and supply chain management of such counterparties.

Accordingly, we face a number of risks that could adversely affect our business. Because each product can typically only be procured from its rights holder, MAH, or designated manufacturer, we may be unable to independently source alternative supply in response to disruptions or to increase production capacity or reduce procurement costs without the consent of the relevant counterparty. Drug owners, manufacturers, or MAHs may impose or tighten restrictions on the volume, timing, geographic scope, or pricing of products they supply or license to us, may prioritize their own operations or other commercial partners over our requirements, or may alter their strategies, terminate or decline to renew agreements, or impose less favorable renewal terms. Territorial restrictions may also prevent us from expanding distribution into new markets or channels without prior counterparty consent, and changes in the business strategies of drug owners, including decisions to shift manufacturing to alternative facilities or consolidate product lines, could result in supply interruptions, increased costs, or reduced product availability.

If any of the above risks materialize, we may experience disruptions in our product supply, be unable to meet market demand, lose sales, or face reputational harm, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Our profitability may be adversely affected by fluctuations in our cost of sales, selling and distribution expenses, research and development expenses, and administrative 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. Within cost of sales, procurement costs relating to the purchase of pharmaceutical products represent the largest component. 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. Labor cost is a significant component of our overall operating expenses. In addition, to incentivize and reward the eligible persons who have contributed to the development of our Group, we have adopted the Pre-[REDACTED] Share Incentive Plan. Expenses incurred with respect to any share-based payment made under such Share Schemes may

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increase our operating expenses in the future. We cannot assure you that there will be no further increase in labor cost. If we fail to effectively manage our cost of sales and operating expenses, there may be a material and adverse effect on our results of operations and financial condition.

The development process of pharmaceutical products is typically lengthy, costly, and with an uncertain outcome, and there is no assurance that our product candidate under development will receive regulatory approval.

As of the Latest Practicable Date, we had one major product candidate in the clinical stage in China. Before we can proceed to commercialize such product candidate, regulatory approval must first be obtained from the NMPA. There are comprehensive and stringent review procedures in respect of pharmaceutical product candidates; as a result, the process of developing and obtaining regulatory approvals for pharmaceutical products is typically lengthy, costly, and has no assured outcome.

Marketing approvals for pharmaceutical products are usually contingent on successful completion of clinical trials, which are expensive, difficult to design, and can take many years to complete. Commencement of a clinical trial is subject to the finalization of the trial design based on ongoing discussions with the NMPA. After commencement, the clinical trial could be suspended or terminated by us, the Institutional Review Board (the “IRBs”), ethics committees, the data safety monitoring board, or the NMPA, for a variety of reasons beyond our control. In particular, our product candidate could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including insufficient or slower-than-expected patient enrollment, inability to identify and maintain a sufficient number of trial centers, failure to demonstrate to the satisfaction of the NMPA or other relevant regulatory authorities that a product candidate is safe and effective for its proposed indication, non-compliance by contract research organizations (“CROs”) or investigators with good clinical practice (“GCP”) requirements, as well as feedback from regulatory authorities or clinical trial results that might require protocol modifications or render our clinical data insufficient for approval.

Even if our product candidate demonstrates favorable results in early clinical trials, we cannot assure you that the results of late-stage clinical trials will be favorable enough to support the continued development of our product candidate. In addition, the outcomes of early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Such variability in safety and/or efficacy results may be caused by numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations (including genetic differences, patient adherence to the dosing regimen, and other trial protocols), and the rate of dropout among clinical trial participants. Clinical data are also often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in clinical trials have nonetheless failed to obtain regulatory approval of their product candidates. We cannot assure you that any of our product candidates, regardless of whether they have achieved favorable early-stage results or favorable overseas clinical trial results, will achieve similar success in later clinical trial stages in China, or in post-clinical trials.

If we experience delays in clinical development or in obtaining regulatory approvals, our drug development costs will increase, and our competitors may bring products to market before us, impairing our ability to successfully commercialize our product candidates. In addition, if the results of clinical trials are not positive or raise safety concerns, the product candidate may be approved with a narrower label than desired, or approval may be contingent on post-marketing clinical trials. We may also be required to add labeling statements such as boxed warnings or contraindications, or to develop risk management plans to mitigate risks. For the above reasons, we cannot assure you that our product candidates will successfully progress through the development process or become commercially viable products, and any such failure could have a material adverse effect on our business, prospects, financial condition, and results of operations.

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We incurred net loss for the years ended December 31, 2023 and 2025.

For the years ended December 31, 2023 and 2025, we had net loss of RMB17.0 million and RMB79.0 million respectively. We had net losses in 2023 primarily because of the impact of substantial selling and distribution and administrative expenses, finance costs and fair value changes on financial instruments issued to investors and other expenses. We had net losses in 2025 primarily because of the impact of fair value change in financial instruments issued to investors.

In addition, we recorded a net profit of RMB8.6 million in 2024, partially due to the recognition of a one-off gain income (under other income and gain) of RMB27.5 million from the transfer of a product right of a drug product to a third party in 2024. Such gain income was of non-recurring nature.

Our future profitability will depend on a variety of factors, including the expansion and performance of our existing business, competitive landscape, customer preference, and macroeconomic and regulatory environment. Our revenues may not grow sufficiently to offset increases in our costs and expenses, and we may continue to incur losses and cannot assure you that we will eventually achieve our intended profitability. In addition, net outflows of operating cash could impair our ability to make necessary capital expenditures, constrain our operational flexibility, and adversely affect our ability to meet our liquidity requirements. If we are unable to maintain adequate working capital, there may be a material adverse effect on our business, financial condition, results of operations, and prospects.

We had net liabilities and net current liabilities during the Track Record Period.

We recorded net liabilities of RMB530.8 million, RMB532.1 million and RMB489.9 million, respectively, as of December 31, 2023, 2024 and 2025. We also had net current liabilities of RMB793.9 million, RMB854.5 million and RMB869.1 million, respectively, as of December 31, 2023, 2024 and 2025, primarily due to instruments to investors as well as our reliance on bank borrowings to finance our operations and acquisitions. See “Financial Information — Description of Major Line Items in Our Consolidated Statements of Financial Position — Current assets and current liabilities” for further details. We cannot assure you that we will not have a net liabilities or net current liabilities position in the future. If we continue to record net current liabilities or net liabilities, we may face liquidity risk which could restrict our ability to make necessary capital expenditure or develop business opportunities, and our business, results of operations, and financial condition could be materially and adversely affected.

Failure to maintain optimal inventory levels could increase our inventory holding costs.

We had inventories of RMB146.6 million, RMB180.7 million and RMB302.0 million, respectively, as of December 31, 2023, 2024 and 2025. Our inventory turnover days were 228 days, 239 days and 137 days, respectively, for the years ended December 31, 2023, 2024 and 2025. See “Financial Information — Description of Major Line Items in Our Consolidated Statements of Financial Position — Current assets and current liabilities” for further details. If we fail to estimate the sales of our products and the third-party products that we sell and/or promote or our consumption of supplies, we may be exposed to increased inventory risks due to the accumulation of excess inventory of our products, the third-party products that we sell and/or promote or supplies as a result of reasons such as slow-moving inventory. An unexpected decrease in the market demand for the products we sell could lead to excessive or obsolescent inventory, and we may be forced to offer discounts to dispose of slow-moving inventory, which in turn may materially and adversely affect our financial condition and results of operations.

Our historical operational and financial performance may not be indicative of our future performance, and we may not be able to sustain similar growth in the future.

We have experienced steady financial growth during the Track Record Period. Our revenue increased from RMB887.4 million for the year ended December 31, 2023 to RMB901.8 million for the year ended December 31, 2024, and further to RMB1,680.0 million for the year ended December 31, 2025. However, you should not rely on the revenue growth of any prior period as an indication of our

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future performance, as our operational and financial growth is not necessarily indicative of results that we may achieve in the future. There are a wide array of factors that will affect our performance and growth, including the overall economy, market acceptance of our products and the third-party products that we sell and/or promote, competitive products and technologies, and pricing pressures, many of which are beyond our control. We cannot assure you that we will be able to maintain our growth at the same rate as we did in the past, or avoid any decline in the future.

Our products and product candidate(s) as well as the third-party products that we sell and/or promote may cause undesirable side effects or other adverse events.

The use of our products, product candidates and the third-party products that we sell and/or promote could be associated with side effects or adverse events, which may be observed at any time, including during clinical trials or after commercialization. Because clinical trials assess only a sample of the potential patient population for a limited duration, severe side effects may only be uncovered when a significantly larger number of patients become exposed to the product. If undesirable side effects are identified, regulatory authorities may withdraw or limit existing approvals, impose additional labeling requirements, warnings or restrictions, require us to develop risk evaluation and mitigation plans, or revoke approvals for the relevant products or production facilities. We may also become subject to regulatory investigations, government enforcement actions, and more frequent or more stringent regulatory inspections. In addition, we may decide, or be required, to remove or recall such products from the market, and we could be sued and held liable for harm caused to patients. Any of the foregoing could result in significant costs, adverse publicity, and reputational harm.

If any serious adverse events are caused by our products and the third-party products that we sell and/or promote, we cannot assure you that we will be able to resolve such events to the satisfaction of the NMPA or any other relevant regulator in a timely manner or at all. Furthermore, regulatory authorities may require us to cross-report certain information about adverse medical events involving our product candidates to relevant regulators in other jurisdictions within a specified time frame. If we fail to comply with such reporting obligations in a timely manner for any reason, we could be subject to disciplinary or other actions by regulators, including criminal liability, civil penalties, product seizure, and/or delays in approval or clearance of future product candidates.

Given the nature of our business, we are exposed to product liability claims alleging that our products and the third-party products that we sell and/or promote have resulted in or could result in an unsafe condition or injury to patients. We may also be exposed to other liability lawsuits, such as tort or regulatory claims. Such lawsuits could be costly to defend, result in significant damages in excess of any applicable insurance caps, reduce sales, and divert management’s time, attention, and resources. Even claims without merit could subject us to adverse publicity, harm our reputation, and require us to incur significant legal fees.

Furthermore, products may be subject to off-label use. Even though the NMPA and other regulatory authorities actively enforce laws and regulations prohibiting the promotion of off-label use, there remains a risk that pharmaceutical products may be prescribed for patient populations, dosages, or dosage forms that have not been approved by the relevant authorities. Such off-label use may render the products less effective or entirely ineffective and may cause adverse events, which could generate negative publicity and significantly harm our reputation, brand, commercial operations, and financial condition. Any of the above negative developments could prevent us from achieving or maintaining regulatory approval or market acceptance of the affected product candidate(s), as well as substantially increase the costs of commercializing our product candidate(s) even if approved, which in turn could have a material adverse effect on our business, financial condition, and results of operations.

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If our products, or the third-party products that we sell and/or promote, are not produced to the necessary quality standards, our business and reputation could be harmed, and our revenue and profitability could be adversely affected.

Our products and manufacturing processes are required to meet certain quality standards. We may not be able to detect or cure product defects due to factors largely outside our control, including manufacturing errors, technical or mechanical malfunctions, human error or malfeasance by quality control personnel, tampering by third parties, and quality issues with raw materials. In addition, when we expand production capacity or acquire other pharmaceutical companies, we may not be able to ensure consistent quality across existing and new facilities without incurring substantial costs.

Failure to detect quality defects or prevent defective products from reaching end-users could result in patient injury or death, product recalls or withdrawals, license revocation, regulatory fines, product liabilities, or other problems that could seriously harm our reputation and business, and materially and adversely affect our revenue and profitability. We also have limited control over the quality of third-party products that we sell and/or promote. If such products are found defective or not produced to the necessary quality standards, our reputation and business could be harmed and we could be exposed to liability, which may materially and adversely affect our results of operations.

If we suffer substantial disruption to our production facilities or encounter problems in manufacturing our products, our business and results of operations could be adversely affected.

The continued operation of our production facilities may be substantially disrupted by factors largely outside our control, including natural disasters, fire, power outages, mechanical breakdowns, terrorist attacks, loss of licenses or permits, changes in governmental planning, and regulatory changes. Problems may also arise during manufacturing due to equipment malfunction, failure to follow specific protocols, issues with raw materials, or delays related to the construction or expansion of production facilities. If our production is substantially disrupted, we may not be able to replace the affected equipment or inventories, or secure alternative production arrangements, in a timely and cost-effective manner, and our insurance coverage may not be sufficient to cover such losses. As a result, any significant disruption to our production facilities may prevent us from fulfilling our contractual obligations or meeting market demand, and could adversely affect our business, revenue, and profitability.

If we fail to increase our production capacity, our business prospects could be adversely affected.

We plan to increase our production capacity by constructing new production facilities, new production workshops and new production lines. Please see “Business — Production, Procurement and Inventory of Our Products — Production facilities” for more details. However, our ability to successfully implement our expansion plan for increasing our production capacity is subject to a number of risks and uncertainties, including, but not limited to, our ability to obtain the requisite permits, licenses and approvals for the construction and operation of the new production facilities, production workshops and production lines, the risk of construction delays and delays in equipment procurement, as well as our ability to timely recruit sufficient qualified staff to support the increase in our production capacity. Consequently, there can be no assurance that we will be able to increase our production capacity in the manner we contemplate, or at all. In the event we fail to increase our production capacity, we may not be able to capture the potential growth in demand for our products, each of which could adversely affect our results of operations and business prospects. Moreover, our plans to increase our production capacity require significant capital investment, and the actual costs of our expansion plan may exceed our original estimates, which could adversely affect the return on our expenditures. Our expansion plans may also increase our operating costs, such as higher staff costs as well as depreciation and utility costs, which may adversely affect our results of operations and financial condition.

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Our anti-influenza product Tamiflu® is subject to seasonality.

The seasonality of the operations is primarily driven by the influenza season, during which demand for the anti-influenza product Tamiflu® tends to increase, typically peaking between November and March, while other products generally do not exhibit significant seasonal fluctuations. Our revenue from sales of Tamiflu® was RMB103.7 million in 2024 and RMB481.0 million in 2025, representing 11.5% to approximately 28.6% of our total revenue for the respective years.

We expect the impact of seasonality on sales of Tamiflu® to continue in the future. However, the seasonal trends that we have experienced in the past may not apply to, or be indicative of, our future operating results. The timing and severity of influenza outbreaks are inherently unpredictable and may vary significantly from year to year. Any failure to anticipate seasonal demand patterns and manage our inventory levels accordingly could result in excess inventory write-downs or supply shortages. Fluctuations in sales of Tamiflu® due to seasonality may materially and adversely affect the predictability of our results of operations, our business, financial condition and prospects.

We have engaged third parties to conduct certain aspects of our clinical trials.

As is common practice in the industry, we have engaged and plan to continue to engage third-party CROs, investigators, and hospitals to monitor and conduct certain aspects of our ongoing clinical programs. Outsourcing these functions involves the risk that third parties may not perform to our standards, may not produce results in a timely manner, or may fail to perform at all.

The staff of CROs, investigators, and hospitals engaged by us are not our employees and we cannot control whether or not they devote sufficient time, resources, and oversight to our ongoing clinical programs. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory, and scientific standards. Regulatory authorities enforce these requirements through periodic inspections of trial sponsors, investigators, and trial sites; the fact that we have engaged third parties to conduct our clinical trials does not relieve us of our regulatory responsibilities. If we or any of our CROs, investigators, or hospitals fail to comply with applicable GCP requirements, the data generated in the clinical trials may be deemed unreliable.

In addition, we may not be able to reach agreements on acceptable terms with prospective CROs, investigators, or hospitals, the terms of which can be subject to extensive negotiation and may vary significantly among different parties. The use of third-party service providers also requires us to disclose proprietary information to these parties, which could increase the risk that this information will be misappropriated. If CROs, investigators, or hospitals do not successfully carry out their contractual duties or obligations or meet expected deadlines, our clinical trials may be extended, delayed, or terminated. If any of our relationships with our third-party service providers is terminated, we may not be able to enter into arrangements with alternative third-party service providers timely or to do so on commercially reasonable terms, and we may not be able to meet our desired clinical development timelines. Any of the above could result in a material adverse effect on our business, financial condition, and results of operations.

Our revenue is concentrated among a few major customers, which may subject us to customer concentration risks.

For 2023, 2024 and 2025, our revenue from the five largest customers in each year during the Track Record Period in aggregate amounted to RMB486.8 million, RMB539.0 million and RMB972.8 million, representing 54.8%, 59.8% and 57.9% of our total revenue for the respective years. In the same years, revenue generated from our largest customer in each year was RMB159.7 million, RMB170.4 million and RMB369.1 million, representing 18.0%, 18.9% and 22.0% of our total revenue for the respective years. See “Business — Major Customers and Suppliers — Major customers”. Our continued success requires us to maintain our existing customers. There are a number of factors, other than our performance, that could cause the loss of, or decrease in the volume of business from, our customers. We cannot assure you that we will continue to maintain the business cooperation with these customers

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at the same level, or at all. The loss of any of our major customers, or a significant decrease in their procurement of our products or services could materially and adversely affect our business and results of operations.

We depend on a limited number of suppliers, which may subject us to supplier concentration risks.

For 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period in aggregate amounted to RMB317.6 million, RMB230.6 million and RMB832.8 million, accounting for 65.4%, 61.9% and 81.1% of our total purchases for the respective years. In the same years, purchases from our largest supplier in each year amounted to RMB123.1 million, RMB93.8 million and RMB457.0 million, accounting for 25.4%, 25.2% and 44.5% of our total purchases for the respective years. See “Business — Major Customers and Suppliers — Major suppliers” in this document for further details. We believe that we have stable relationships with our existing suppliers. However, the stability of operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable relationship with such suppliers. If any of our major suppliers terminates its business relationship with us, we may encounter difficulty in finding a replacement that can provide alternative products and on terms acceptable to us. If this occurs, our business, financial condition, and results of operations may be adversely affected.

Our ability to capitalize on our drug products in China depends on rights we acquired, licensed or sublicensed from third parties, and these arrangements subject us to detailed terms and conditions.

Our current and future products rely on exclusive rights acquired or licensed from third parties to develop, manufacture, distribute, market, and sell relevant drugs in specified territories. If our licensors fail to diligently prosecute, maintain, enforce, or defend the rights licensed to us, including material patent rights, we may not realize the expected benefits of these arrangements. For example, exclusivity could be reduced, terminated, or successfully challenged, potentially accelerating generic or biosimilar entry and increasing litigation risk and costs. In addition, our licensors may have relied on third-party consultants, collaborators, or resources such that they are not the sole owners of the licensed rights. If other third parties retain ownership or rights, they may license them to our competitors, enabling them to market equivalent products and technologies. If our licensors have not obtained adequate rights from these third parties, we may need to obtain additional rights on unfavorable terms, be forced to delay programs, or be prevented from developing the related drugs, and could face infringement or misappropriation claims. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

We, and the licensors of our intellectual property rights, may be subject to intellectual property infringement or misappropriation claims or other legal challenges, which could cause us to incur significant expenses, pay substantial damages, and delay or prevent us from selling our products or using technologies incorporated in our product candidates or future products.

We may from time to time be subject to claims that our product candidates and operations have infringed, misappropriated, or violated the intellectual property rights owned by others. As we develop our pipeline, we, and the licensors of our intellectual property rights, face uncertainty of patent infringement because it is possible that we, or the licensors of our intellectual property rights, might fail to identify, or may in the future fail to identify, relevant patents or patent applications held by third parties that cover our product candidate(s) or their contemplated therapeutic uses. In addition, the exact scope of patent claims if and when issued may differ from its scope in the application stage, and as a result, we cannot ensure that our product candidate(s) will not infringe patents that are issued in the future.

Given the nature of the pharmaceutical industry, we may be subject to intellectual property infringement or misappropriation claims in the ordinary course of business. The legal threshold for initiating such claims is low, and even claims with a low probability of success may require significant resources to defend. We could also face claims arising from alleged infringement by our third-party

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partners, including suppliers. Such claims, whether or not successful, can be complex, time-consuming, and costly, and could harm our reputation and market position. Intellectual property litigation or disputes could require us to cease developing, manufacturing, or selling products that incorporate the challenged intellectual property; discontinue the use and registration of certain names, trademarks, or brands; obtain licenses from the holder of the infringed intellectual property rights, which may not be available on commercially reasonable terms, or at all. Any intellectual property-related disputes or litigation, regardless of outcome or merit, could result in substantial costs and expenses, adverse publicity or diversion of management resources, any of which could have a material adverse effect on our business, financial condition and results of operations.

The forms of intellectual property protections we rely on may not be adequate.

We rely on a combination of trademark, trade secret, and other intellectual property laws in China, as well as intellectual property rights owned by our respective licensors, to protect our products and competitive position. However, such protections may not prove commercially meaningful. The intellectual property owned by our licensors may be challenged, potentially resulting in such rights being invalidated or held unenforceable. We cannot assure you that we will successfully obtain additional intellectual property protection or enforce our rights against unauthorized users.

We also rely on unregistered proprietary rights, including know-how and trade secrets, and enter into confidentiality agreements with our employees and relevant third parties to protect such information. However, these agreements may not effectively prevent unauthorized disclosure. Third parties who are not bound by such agreements may obtain access to our trade secrets, and others may independently develop substantially similar know-how or technology. Any unauthorized disclosure or use of our intellectual property by competitors could reduce or eliminate our competitive advantage and have a material adverse effect on our business, financial condition, results of operations, and prospects.

The illegal and/or parallel imports and counterfeit pharmaceutical products may reduce demand for our future approved product candidates and could have a negative impact on our reputation and business.

The illegal importation of competing products from countries with lower prices may adversely affect the demand for our future approved product candidates and our profitability. Although unapproved foreign imports are illegal under current laws of China, illegal imports and cross-border parallel imports may continue to occur or increase, harming sales and exerting commercial pressure on pricing. In addition, competent government authorities may approve lower priced versions of our future approved products or competing products, any of which may have a material adverse effect on our business.

The product control and enforcement system in developing markets such as China may be inadequate to eliminate the manufacturing and sale of counterfeit pharmaceutical products imitating our products and the third-party products that we sell and/or promote. Since counterfeit products generally have similar appearances but are sold at lower prices, they can quickly erode demand for our future approved product candidates. Moreover, counterfeit products may cause serious health consequences and our reputation and business could suffer harm as a result of counterfeit or stolen products sold through unauthorized channels.

Our products and the third-party products that we sell and/or promote and supplies may be damaged during storage and shipment.

Our pharmaceutical products and related supplies may become unusable or unsafe for use when exposed to unfavorable environmental conditions or when stored or shipped improperly. If we or any applicable third party fails to provide and maintain proper storage and shipping for our raw materials, semi-finished products and packaging material, our products and the third-party products that we sell and/or promote, or our product candidate(s), such goods could become unsuited for further use and require replacement orders, which could be costly and could delay our operating activities and in turn, have a material adverse effect on our business, financial condition, and results of operations.

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Failure to retain the services of our senior management and key personnel could severely disrupt our business and growth.

Our success depends upon the continued service of our senior management and key personnel, including our business development team. If we lose any of our senior management, we may not be able to identify, hire, and train suitable qualified replacements and may incur additional expenses and time to recruit and train new personnel, which could severely disrupt our business and growth. In addition, we may not always be able to successfully enforce these provisions should any of them leave us. Any of the above developments could severely disrupt our business and growth.

We may not be able to effectively manage our anticipated growth or execute our growth strategies.

Our growth strategies include continuing to strengthening our product portfolio, advancing clinical development, manufacturing and commercialization capabilities, and improving talent acquisition and management. See “Business — Our Strategies” for further details. Pursuing such strategies has resulted in, and will continue to result in, substantial demands on capital and other resources. In addition, managing our growth and executing on our growth strategies will require, among other things, our ability to continue to innovate and develop advanced technology in the highly competitive pharmaceutical industry, effective coordination and integration of our facilities and teams across different sites, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, increased marketing and customer support activities, effective quality control, and management of our suppliers to leverage our bargaining power. Any failure to execute our growth strategies or realize our anticipated growth could adversely affect our business, financial condition, and results of operations.

If our employees or distributors engage, or are perceived to engage, in misconduct or breaches, including corrupt practices, inappropriate promotion of our products or the third-party products that we sell and/or promote, or leakage of confidential information, our business and reputation could be harmed and we could be exposed to regulatory investigations, penalties or other negative consequences.

We have limited control over the interactions our employees or distributors have with hospitals, other medical institutions, pharmacies and healthcare professionals, and they may attempt to increase sales volumes through means that constitute violations of anti-corruption and other related laws in the PRC and other relevant jurisdictions. While we have implemented specific measures against corruption and bribery, there can be no assurance that we are able to entirely prevent our employees or distributors from engaging in such activities. If our employees or distributors engage in corrupt or other improper conduct, we could be held liable and exposed to regulatory investigations, penalties, revocation of operating licenses and permits, and even criminal liabilities, and our reputation, sales activities and business prospects could be materially and adversely affected.

Pursuant to the “Provisions on the Establishment of Adverse Records of Commercial Briberies in the Medicine Purchase and Sales Industry” (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》), which was promulgated by the former National Health and Family Planning Commission of the PRC — whose functions have since been consolidated into the newly established National Health Commission of the PRC (the “NHC”) — on December 25, 2013, and came into effect on March 1, 2014, if we are involved in criminal, investigational or administrative procedures for commercial bribery, we will be listed in the adverse records of commercial briberies by the relevant government authorities, as a result of which, for two years from the date the list of adverse records of commercial briberies is published, (i) our products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies within the relevant provinces, and (ii) the scores of our products in the centralized tender processes of public medical institutions or medical and health institutions receiving financial subsidies in other provinces will be reduced. See “Regulatory Overview — Laws and Regulations in Relation to Anti-bribery” for more details. We are required to comply with anti-corruption and confidentiality requirements in our agreements with business partners, including certain collaboration partners and manufacturers of third-party products. Any breach of such requirements by us, or any breach of confidentiality requirements by our business partners or of

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non-disclosure, non-compete and non-solicitation clauses by our employees, may result in negative consequences, including payment of penalties and termination of agreements, which could have a material adverse effect on our business, financial condition, results of operations and profitability.

We do not have full control over our distributors, which may breach their agreements with us.

In line with customary practice in China’s pharmaceutical industry, we have engaged distributors to deliver our products to hospitals and retail pharmacies.

We had an extensive distribution network of 173, 237, and 241 distributors as of December 31, 2023, 2024 and 2025, respectively. For the years ended December 31, 2023, 2024 and 2025, sales through our distribution channel accounted for approximately 86.9%, 93.5% and 95.3% of our revenue from sales of pharmaceutical products, respectively.

For revenue recognition purposes, our distributors are our customers, and we have a seller-buyer relationship with them. Upon delivery and acceptance of our products, all significant risks and rewards of ownership transfer to them, and we retain no further ownership interest. Our distributors independently on-sell these products to their customers, who have no contractual relationship with us and are not subject to our control or oversight. While our revenue is ultimately driven by end-market demand from hospitals, pharmacies and patients rather than by any individual distributor’s purchasing decisions, any disruption in our distribution network could impair our ability to reach these end customers and adversely affect our revenue.

However, while we believe that we can readily identify replacement distributors in the event that our existing distributor failed to perform their obligations effectively, we do not have full control over our distributors, which may fail to distribute our products in the manner we contemplate. For example, our distributors may fail to pay us on a timely basis, or breach our agreements with them, including failing in their obligations to on-sell our products. In addition, the ongoing implementation of centralized procurement programs, adjustments to the NRDL, and medical insurance cost control measures may alter hospital-level prescribing patterns and procurement volumes, which in turn may adversely affect the purchasing behavior of our distributor customers. Due to the implementation of the two-invoice system in China, in general, our distributors are legally prohibited from engaging sub-distributors for distribution of our products to public medical institutions, which imposes stricter compliance demands on distributor selection, regional coverage strategies, and distribution management. We have limited visibility over sub-distribution arrangements in the private medical institution and retail channels.

Any violation or alleged violation by distributors of our distribution agreements or any applicable laws and regulations could result in the erosion of our reputation, expose us to liabilities, disrupt our distribution network, and create an unfavorable public perception about the quality of our products. Any material disruption or deterioration in our distributor relationships could result in a significant decline in our revenue and could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Failure to obtain or renew certain approvals, licenses, permits, and certificates required for our business may materially and adversely affect us.

We are required to obtain and maintain various approvals, licenses, permits, and certificates to operate our business. Any failure to obtain or maintain such approvals may result in enforcement actions, including orders to cease operations or implement costly corrective measures. Some of these approvals are subject to periodic renewal and/or reassessment, and the applicable standards may change from time to time. We cannot assure you that we will successfully procure such renewals when due. Furthermore, if changes in the interpretation or implementation of existing laws, or new regulations, require us to obtain additional approvals that were previously not required, we cannot assure you that we will successfully obtain them, which could restrict our permitted business activities and constrain our product development and revenue generation capability. Any of these developments could have a material adverse effect on our business, financial condition, and results of operations.

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We face the risk of impairment losses relating to our intangible assets and goodwill.

As of December 31, 2023, 2024 and 2025, we had goodwill of RMB8.9 million, RMB8.9 million and RMB8.9 million, respectively. Our other intangible assets were RMB208.3 million, RMB354.8 million and RMB359.6 million, respectively, as of December 31, 2023, 2024 and 2025, primarily representing distribution and promotion rights. Our goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Our intangible assets are tested for impairment when needed. In addition, we make certain assumptions when assessing the value of our intangible assets and goodwill, including assumptions on impairment testing. There are inherent uncertainties relating to these assumptions. We cannot assure you that our assumptions will prove to be correct. Any such change in our assumptions may require us to re-evaluate our intangible assets and goodwill, which may in turn result in impairment losses. Significant impairment losses on intangible assets and goodwill may have a material adverse effect on our financial condition and results of operations and may in turn limit our ability to obtain financing in the future. For details of impairment assessment methods for our intangible assets and goodwill, see notes 2.3 and 15 to the Accountants’ Report in Appendix I to this document.

We are subject to credit risk with respect to trade and bills receivables and prepayments.

During the Track Record Period, we did not incur any bad debt. However, there is no guarantee that bad debt will not occur in the future.

As of December 31, 2023, 2024 and 2025, we had trade and bills receivables of RMB136.9 million, RMB190.3 million and RMB231.4 million, respectively. Our trade and bills receivables turnover days was 87 days, 55 days and 45 days, respectively, during the Track Record Period. Therefore, we face credit risk in collecting such balances. Our performance, liquidity, and profitability would be adversely affected if significant amounts due to us are not settled on time or substantial impairment is incurred. The bankruptcy or deterioration of the credit condition of any of these customers or suppliers could also materially and adversely affect our business, results of operations, and financial condition.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.

We maintain insurance coverage which we believe to be in line with the industry norm in the jurisdictions where we operate, such as open cover for cargo transportation during international and domestic shipment, insurance covering adverse events in clinical trials for our product candidate(s), and property loss insurance. If necessary, we may consider procuring product liability insurance to address any potential product liability claims from third parties after the commercialization of our product candidate(s). However, our insurance coverage may be insufficient to cover any such claims relating to the above or such claims may be excluded from insurance coverage, which in turn may result in us incurring substantial costs and a diversion of resources, and the occurrence of such incidents may lead to an increase in our insurance premiums.

Negative news or publicity about us, our Controlling Shareholders, Directors, or our management may adversely affect our reputation, business, and growth prospects.

Any negative news or publicity concerning us, our Controlling Shareholders, Directors, management, or affiliates, even if proven untrue, could adversely affect our reputation, business, and growth prospects. We cannot assure you that negative publicity about us or any of our affiliates or any entity that shares such names would not damage our brand image. Given our specialized industry and market, negative publicity and word of mouth could travel quickly and negatively impact our relationships with third parties, which could have a material adverse effect on our business, financial condition, and results of operations.

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We may handle personal information as we conduct our business and may be subject to patient privacy regulations.

We may be subject to patient privacy regulation by governments in the jurisdictions in which we conduct our business or clinical trials. There are numerous laws in the jurisdictions in which we operate that protect the confidentiality of individually identifiable patient health information, including patient records, and restricting the use and disclosure of that protected information. Local laws and regulations can expose us to enforcement actions and investigations by regulatory authorities and potentially result in regulatory penalties and significant legal liability, if our or our supplier’s information security efforts fail. These data protection and privacy law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance.

Regulatory authorities in China have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, The Cybersecurity Law of the People’s Republic of China(《中華人民共和國網絡安全法》), which became effective in June 2017, created China’s first national-level data protection for “network operators” referring to the owners or administrators of a network as well as network service providers. The Data Security Law of the PRC (《中華人民共和國數據安全法》), which took effect in September 2021, provides for a security review procedure for the data activities that may affect national security. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), which became effective from November 2021, provides the circumstances under which a personal information processor could process personal information and the requirements for such circumstances. The Personal Information Protection Law clarifies the scope of application, the definition of personal information and sensitive personal information, the legal basis of personal information processing, the basic requirements of notice and consent, and the compliance approaches for the cross-border transfer of personal information.

Determining whether protected information has been handled in compliance with applicable privacy and other standards and our contractual obligations can require complex factual and statistical analyses and may be subject to changing interpretation. Any mishandling, access, breach, or loss of information could result in legal claims or proceedings, reputational harm, and liability under the laws that protect information, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be involved in litigation, legal disputes, claims, or administrative proceedings which could be costly and time-consuming to resolve.

We may become subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activity. Any litigation or proceeding to which we become a party might result in substantial costs and divert management’s attention and resources. Furthermore, any litigation, legal disputes, claims, or administrative proceedings which are initially not of material importance may escalate and become important to us due to a variety of factors, such as changes in the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake, and the parties involved. Our insurance might not cover claims brought against us, provide sufficient payments to financially cover all of the costs to resolve such claims, or continue to be available on terms acceptable to us.

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

Our business operations are subject to national and local laws and regulations pertaining to environmental protection and health and safety. We cannot fully eliminate the risk of accidental contamination or exposure to biological hazards in the course of our operations. As such laws and regulations may change and more stringent requirements may be adopted, we may have difficulties complying with, or accurately predicting the potentially substantial cost of complying with, these laws

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and regulations, which may subject us to rectification orders, substantial fines, and suspension or cessation of business operations, any of which could have a material and adverse impact on our business, financial condition, results of operations, and prospects.

During the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds for a number of employees.

We are subject to various labor-related laws and regulations in the PRC and other jurisdictions where we operate. For example, PRC laws and regulations require us to participate in various government sponsored employee benefit plans. These benefit plans include social insurance, housing funds and other welfare-oriented payment obligations. See “Regulatory Overview — Laws and Regulations in Relation to Labor Protection — Social insurance and housing fund” for their details. During the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds for a number of employees. We might be subject to additional contribution, late payment fee, and/or penalties imposed by the relevant PRC authorities if the third-party human resources agencies failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by competent PRC authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees. During the Track Record Period and as of the Latest Practicable Date, no administrative penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any rectification order concerning this matter. During the Track Record Period and as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy.

Up to the Latest Practicable Date, all formally employed staff of the PRC Subsidiaries have entered into written labor contracts with their respective employing entities, and all such employees are enrolled in the social insurance and housing provident fund schemes by the PRC Subsidiaries themselves. Our PRC Legal Advisors confirm that during the Track Record Period and up to the Latest Practicable Date, the Company and its PRC Subsidiaries had not been subject to any legal proceedings or penalties by any competent authorities in relation to the compliance of the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases (which took effect in September 2025) (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)). See “Business — Legal Proceedings and Compliance — Social insurance and housing provident funds” for more details.

We depend on information technology and other infrastructure that are exposed to certain risks, including cyber security risks.

We rely on a variety of information technology and automated operating systems to manage or support our operations, including protecting our intellectual property. The proper functioning of these systems is critical to the efficient operation and management of our business. In addition, these systems may require modifications or upgrades as a result of technological changes or growth in our business. These changes may be costly and disruptive to our operations and could impose substantial demands on management time. Our systems and those of third-party providers may be vulnerable to damage or disruption caused by circumstances beyond our control, such as catastrophic events, power outages, natural disasters, computer system or network failures, viruses or malware, physical or electronic break-ins, unauthorized access, cyber-attacks, and thefts. We cannot assure you that the measures and steps we take to secure our systems and electronic information are adequate. Any significant disruption to our systems could result in unauthorized disclosure of confidential information and adversely affect our business and operating results.

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We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Our operations may be threatened by natural disasters (such as floods, earthquakes, snowstorms, fire or drought), widespread health epidemics (such as SARS, COVID-19 or other infectious diseases), power or fuel shortages, failures of information management systems, or potential wars and terrorist attacks. The occurrence of such events could materially disrupt our business and operations, including causing delays to our clinical trials, disrupting the operations of our business partners and CROs, and adversely affecting the broader economy. Any of these events beyond our control could cause uncertainties in the regions where we conduct business and materially and adversely impact our business, financial condition, and results of operations.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures and economic or trade sanctions.

We are subject to the risks associated with international trade policies, geopolitics and trade protection measures and economic or trade sanctions, which could adversely affect our business, financial condition and results of operations. Members of our Group domicile and operate in multiple jurisdictions, including Chinese mainland, Hong Kong, Japan, Singapore and Switzerland. These cross-border operations could be materially and adversely affected by international trade regulations, which could disrupt our supply chain, impact the competitive position of our products, or affect our capability to sell products in certain countries or regions.

In recent years, complexities in international relations, such as the geopolitical tensions between the United States and China, have presented new challenges. There has been substantial fluctuation in the level and scope of tariffs and other trade restrictions imposed by both countries over the past period. Major trading partners have announced substantial new tariff frameworks and trade policies affecting a wide range of products and jurisdictions, including the pharmaceutical industry, while certain governments have announced or implemented retaliatory tariffs and other protectionist measures in response. These developments have created a dynamic and unpredictable trade landscape, which may adversely impact our business, results of operations, financial condition and prospects. Looking ahead, there remains significant uncertainty on how the relevant tariffs or other trade restrictions measures may evolve.

We purchase finished products from global pharmaceutical companies based overseas, such as Japan, Germany, and the U.S. For example, for the drug products obtained by us as part of the Kyowa Kirin China Acquisition, we procure raw materials (including APIs and raw materials) and semi-finished products from third-party suppliers in Japan and China. Our procurement activities involve multiple jurisdictions and are therefore exposed to heightened geopolitical sensitivities and regulatory scrutiny. In particular, periodic strains in China-Japan relations and other developments in the international political environment could adversely affect cross-border supply chain flows, lengthen lead times, and increase costs, or otherwise disrupt the availability of inputs required for our operations. Furthermore, there can be no assurance that our existing or potential business partners will not alter their perception of us or their preferences as a result of changes to the relationships between China and the relevant foreign countries or regions. Any of the foregoing could adversely affect our ability to source inputs and finished products on commercially acceptable terms or timelines and could result in shortages or stock-outs in some markets.

The Chinese government has been encouraging domestic substitution of imported pharmaceutical products. This policy direction may intensify market competition and potentially affect the market position of our imported products. Similar localization or import-substitution initiatives have been advanced with respect to certain of our drugs, including measures that encourage domestic production for public procurement access or impose price ceilings and reference pricing on essential medicines, and any expansion of such measures could reduce demand for our imported portfolio.

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Governments have also expanded the application of export controls, economic sanctions and other national security-related measures that may directly or indirectly affect the pharmaceutical industry. Evolving export controls, licensing requirements, economic sanctions, and associated compliance burdens lead to increased operating costs and reduced flexibility in counterparty selection. Any expansion of these regimes, or the introduction of new country-specific or product-specific restrictions, could disrupt our sourcing of inputs and finished products, constrain our ability to transact with certain counterparties, and otherwise adversely affect business operations.

Trade disputes, tariffs, restrictions and other political tensions between the United States and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns. While we actively monitor these risks, any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of China-based companies could materially and adversely affect our business, results of operations, financial condition and prospects.

RISKS RELATING TO DOING BUSINESS IN CHINA

We are subject to political, economic, and social developments as well as the laws, rules, and regulations in China, and any adjustments in these respects may materially affect us.

Most of our businesses, assets, and operations are located in or derived from our activities in China, and as a result, our business, financial condition, and results of operations are subject, to a significant degree, to the economic, political, social, and regulatory environment in China. The Chinese government has implemented various measures to encourage economic development, including policies targeting specific operators in the pharmaceutical industry, which could adversely affect us. Any changes in such regulations, economic fluctuations, or changes in the political environment could increase our costs and heighten the legal and business risks we face, any of which may materially and adversely affect our business, financial condition, and results of operations.

Transfers of equity interests in a PRC resident enterprise by a non-resident enterprise are regulated by the Chinese tax authorities.

On February 3, 2015, the PRC State Administration of Taxation issued the Announcement on Several Issues concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (關於非居民企業間接轉讓財產企業所得稅若干問題的公告) (“**Circular 7**”). This regulation repealed certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on Non-Resident Enterprises’ Equity Transfer Income (關於加強非居民企業股權轉讓所得企業所得稅管理的通知) (“**Circular 698**”) and certain rules clarifying Circular 698. Circular 698 was issued by the PRC State Administration of Taxation on December 10, 2009.

Circular 7 provides comprehensive guidelines relating to, and heightened the Chinese tax authorities’ scrutiny on, indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise (“**PRC Taxable Assets**”). For example, when a non-resident enterprise transfers equity interests in an overseas holding company that directly or indirectly holds certain PRC Taxable Assets and if the transfer is believed by the Chinese tax authorities to have no reasonable commercial purpose other than to evade enterprise income tax, Circular 7 allows the Chinese tax authorities to reclassify this indirect transfer of PRC Taxable Assets into a direct transfer and impose on the non-resident enterprise a 10% rate of PRC enterprise income tax. Circular 7 exempts this tax, for examples, (i) where a non-resident enterprise derives income from an indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company in the public market, and (ii) where a non-resident enterprise transfers PRC Taxable Assets that it directly holds and an applicable tax treaty or arrangement exempts this transfer from PRC enterprise income tax. It remains unclear whether any exemptions under Circular 7 will be applicable to our transfers of the shares of our subsidiaries. If the Chinese tax authorities impose PRC enterprise income taxes on these activities, the value of your [REDACTED] in our Shares may be adversely affected.

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You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

Most of our operating subsidiaries and a substantial part of our assets and their respective assets are located within Chinese mainland. As a result, it may not be possible to effect service of process outside Chinese mainland upon all our operating subsidiaries and officers, or enforce judgments against our operating subsidiaries or officers located in Chinese mainland. In particular, China does not have treaties providing for the reciprocal enforcement of judgments of courts with the United States, the United Kingdom, Japan, or many other countries.

On July 14, 2006, Chinese mainland and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), or the Arrangement, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in Chinese mainland. Similarly, a party with a final judgment rendered by a mainland Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland Chinese court is expressly designated as the court having sole jurisdiction for the dispute. On January 18, 2019, the Supreme People’s Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and the Chinese mainland. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement has superseded the Arrangement.

The Arrangement was superseded upon the effectiveness of the New Arrangement on January 29, 2024 but remained applicable to a “written choice of court agreement” entered into before the New Arrangement taking effect. However, the New Arrangement does not apply to certain judgments of civil and commercial matters. Furthermore, there remain uncertainties as to the outcome of any applications to recognize and enforce such judgments and arbitral awards in the PRC.

Fluctuation in the exchange rate of the Renminbi may have a material adverse effect on our business.

We conduct most of our business in Renminbi, which is our reporting currency. We also have bank balances in U.S. dollars, Japanese yen, euro and Hong Kong dollars for use in our activities outside Chinese mainland. The exchange rate of the Renminbi against the U.S. dollar, Japanese yen, euro, Hong Kong dollar, and other currencies may be affected by changes in government policies in China and international economic and political developments. Fluctuations in exchange rates may adversely affect the value, translated or converted into U.S. dollars or Hong Kong dollars (which are pegged to the U.S. dollar), of our cash flows, revenues, earnings, and financial position.

Regulations on currency conversion may adversely affect the value of your [REDACTED], and payment of dividends is subject to restrictions under PRC law and regulations.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of foreign currency out of Chinese mainland, are subject to restrictions under the relevant laws and regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to

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holders of our Shares. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends, or otherwise satisfy foreign currency denominated obligations.

Under existing foreign exchange regulations, payments of current account items, including the payment of dividends, interest payments, and expenditures from the transaction, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, approval from appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of Chinese mainland to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. Further, there may be government policies that restrict access to foreign currencies for current account transactions. If we cannot obtain sufficient foreign currency to satisfy our currency demands, we may not be able to pay certain of our expenses as they come due or to pay dividends in foreign currencies.

Filings with the CSRC or other regulatory authorities may be required in connection with our future securities activities, and we cannot predict whether we will be able to obtain such approval or complete such filings.

On February 17, 2023, the CSRC released the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and five ancillary interpretive guidelines (collectively, the “**Overseas Listing Trial Measures**”), which apply to overseas offerings and listing by domestic companies of equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, for a listing in an overseas market, the issuer shall designate a major domestic operating entity to file with the CSRC within three working days after the relevant application is submitted overseas. See “Regulatory Overview — Laws and Regulations Relating to M&A Rules and Overseas Listing” in this document for further details. In addition, our future capital raising activities and listings on other stock exchanges, and going private transactions, may also be subject to the filing requirement with the CSRC or other regulatory authorities. Failure to complete such filing procedures as required under the Overseas Listing Trial Measures, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other regulatory authorities, which may adversely affect our business, financial conditions, and results of operations.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] market for our Shares prior to the [REDACTED], and you may not be able to resell our Shares at or above the price you pay, or at all.

Prior to the completion of the [REDACTED], there has been no [REDACTED] market for our Shares. We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the Shares. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active [REDACTED] market for our Shares will develop or be sustained after completion of the [REDACTED] or that the [REDACTED] of our Shares will not decline following the [REDACTED]. The [REDACTED] is the result of negotiations between our company and [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the [REDACTED] at which our Shares will be [REDACTED] following the completion of the [REDACTED]. The [REDACTED] of our Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

The [REDACTED] volume and [REDACTED] of the Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] volume and [REDACTED] of our Shares may be volatile and could fluctuate widely in response to various factors beyond our control, including general market conditions of the securities markets in Hong Kong SAR, the Chinese mainland, the United States and elsewhere in the world. In particular, a number of the Chinese mainland-based companies have listed their securities, and

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some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards the Chinese mainland-based companies listed in Hong Kong and consequently may impact the [REDACTED] performance of our Shares. These broad market and industry factors may significantly affect the [REDACTED] and volatility of our Shares, regardless of our actual operating performance.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and substantial Shareholders, could adversely affect the [REDACTED] of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and substantial Shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

Prior to the [REDACTED], there has not been a [REDACTED] market for our Shares. Only a limited number of the Shares currently outstanding will be available for [REDACTED] or [REDACTED] immediately after the [REDACTED] due to contractual and regulatory restrictions on disposal and new [REDACTED]. Nevertheless, after these restrictions lapse or if they are waived, the [REDACTED] of our Shares could decline as a result of future [REDACTED] or [REDACTED] of a substantial number of our Shares or other securities relating to our Shares in the [REDACTED] market, or the perception that such sales or issuances may occur. Moreover, such future [REDACTED] or [REDACTED] may also adversely affect the prevailing [REDACTED] of our Shares and our ability to raise capital in the future at a favorable time and price. The Shares held by our substantial Shareholders are subject to certain [REDACTED] periods beginning on the date on which [REDACTED] in our Shares commences on the Stock Exchange. See “[REDACTED]” for further details. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the [REDACTED], we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing Shareholders of our Shares are not subject to [REDACTED] agreements. [REDACTED] of Shares by such Shareholders and the availability of these Shares for future [REDACTED] may have negative impact on the [REDACTED] of our Shares. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for further details of the existing Shareholders not subject to [REDACTED] agreements.

Furthermore, if additional funds are raised through our issuance of new equity, including [REDACTED] of Shares, convertible securities or equity-linked securities including through the vesting of the Shares which have been granted under the any share incentive scheme, other than on a pro-rata basis to existing Shareholders, the percentage ownership for such Shareholders may be reduced. Such new securities may also confer rights and privileges that take priority over those conferred by the Shares.

You will incur immediate and substantial dilution and may experience further dilution if we [REDACTED] additional Shares or other equity securities in the future.

As the [REDACTED] of our Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] will experience an immediate dilution and our Shareholders prior to the [REDACTED] will experience an increase in the [REDACTED] consolidated net tangible assets book value per Share of their Shares. Moreover, in order to expand our business, we may consider [REDACTED] and [REDACTED] additional Shares in the future. If we issue additional Shares in the future, [REDACTED] of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

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We cannot assure you that the Shares will remain [REDACTED] on the Stock Exchange.

Although it is currently intended that the Shares will remain [REDACTED] on the Stock Exchange, there is no guarantee of the continued [REDACTED] of the Shares. Among other factors, our Company may not continue to satisfy the [REDACTED] requirements of the Stock Exchange. [REDACTED] of Shares would not be able to sell their Shares through [REDACTED] on the Stock Exchange if the Shares were no longer [REDACTED] on the Stock Exchange.

Our Controlling Shareholders have substantial control over the Company and their interests may not be aligned with the interests of other Shareholders.

Immediately following the [REDACTED], our Controlling Shareholders will hold approximately [REDACTED]% of our Shares, assuming the [REDACTED] is not exercised. Our Controlling Shareholders will, through their voting power at the Shareholders’ meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, [REDACTED] of additional shares or other [REDACTED], timing and amount of any dividend payments, as well as our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a [REDACTED] of our Company and may significantly reduce the price of our Shares.

If [REDACTED] or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the [REDACTED] for our Shares and [REDACTED] volume could decline.

The [REDACTED] for our Shares will depend in part on the research and reports that [REDACTED] or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our Shares or publishes inaccurate or unfavorable research about our business, the [REDACTED] for our Shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the [REDACTED] or [REDACTED] volume for our Shares to decline.

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our Shares for return on your [REDACTED].

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. You should not rely on an investment in our Shares as a source for any future dividend income.

Our board of Directors has discretion as to whether to distribute dividends, subject to the provisions of the constitution documents of our Company and certain restrictions under the British Virgin Islands law, namely that our Company may only pay dividends if it satisfies, on reasonable grounds, the solvency test under the British Virgin Islands law, meaning that (i) the value of our Company’s assets exceeds its liabilities, and (ii) our Company is able to pay its debts as they fall due, immediately after the distribution of dividends. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of Directors. Even if our board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of Directors. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares

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will appreciate in value or even maintain the price at which you [REDACTED] the Shares. You should not rely on an [REDACTED] in our Shares as a source for any future dividend income. You may not realize a return on your [REDACTED] in our Shares and you may even lose your entire [REDACTED] in our Shares.

We have no experience operating as a public company, and we may incur increased costs as a result of becoming a [REDACTED].

We have no experience conducting our operations as a [REDACTED] company. As a result of the [REDACTED] on the Stock Exchange, we may face enhanced administrative and compliance requirements, which may make us incur substantial related costs and expenses that we did not incur as a private company. We expect rules and regulations applicable to [REDACTED] companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management may be required to devote substantial time and attention to our [REDACTED] company reporting obligations and other compliance matters. We will evaluate and monitor developments with respect to these rules and regulations, but we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a [REDACTED] company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government sources contained in this document.

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the pharmaceutical industry. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of the information from official government sources. Such information has not been independently verified by us, the [REDACTED], the [REDACTED], the Sole Sponsor, the [REDACTED] and the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on information from official government sources. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong courts may be limited, because we are incorporated under British Virgin Islands.

We are a BVI business company incorporated under the laws of the British Virgin Islands with limited liability. Our corporate affairs are governed by, among others, our constitution documents as well as the BVI Business Companies Act and the common laws applicable in the BVI. The laws of the BVI relating to the protection of the interests of minority Shareholders may differ from those of Hong Kong or other jurisdictions where [REDACTED] may be located. As such, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. For a discussion of significant differences between the provisions of the Companies Act and the laws applicable to companies incorporated in Hong Kong, see “Summary of the Constitution of our Company and the BVI Company Law” in Appendix III to this document.

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Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “aim,” “anticipate,” “believe,” “could,” “predict,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and the negative of these terms as well as similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information. Accordingly, prospective [REDACTED] are cautioned to make their decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the [REDACTED], our Group has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong and, in normal circumstances, at least two of the issuer’s executive directors must be ordinarily resident in Hong Kong.

Our Company has four executive Directors, of which all are not, and for the foreseeable future will not be, ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Notwithstanding that our Company is incorporated in the BVI, our Group’s management headquarters and our executive Directors are in the PRC, and our business operations and assets are primarily based outside Hong Kong. As such, this would be practically difficult and not commercially necessary for us to relocate our executive Directors to Hong Kong, or to appoint additional executive Directors solely for the purpose of satisfying Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from compliance with Rule 8.12 of the Listing Rules on the basis that the following measures have been adopted by us:

- (a) we have appointed Mr. Wang, our Chairman, executive Director and chief executive officer, and Ms. Ho Wing Nga (何詠雅) (“**Ms. Ho**”), one of our joint company secretaries, pursuant to Rule 3.05 of the Listing Rules who will act as our Company’s principal channel of communication with the Stock Exchange. Ms. Ho is ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email. Each of our two authorized representatives is authorized to communicate on our behalf with the Stock Exchange;
- (b) both our authorized representatives have means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. All Directors have provided his/her mobile phone numbers, fax numbers and e-mail addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or maintain an open line of communication via his/her mobile phone and all Directors and authorized representatives have provided his/her mobile numbers, office phone numbers, fax numbers and email addresses (where available) to the Stock Exchange;
- (c) we have appointed China Sunrise Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules, which has access at all times to our authorized representatives, Directors, senior management and other officers of our Company, and will act as an additional channel of communication with the Stock Exchange in addition to the authorized representatives of our Company; and
- (d) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes of our authorized representatives and/or the Compliance Advisor.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 of the Listing Rules, an issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

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

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

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles they played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

In addition, pursuant to Chapter 3.10 of the New Listing Guide, the waiver from strict compliance with Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Ho and Mr. Hu Fan (胡帆) (“**Mr. Hu**”) as the joint company secretaries of our Company. Our Company is of the view that with the assistance of Ms. Ho, Mr. Hu is capable of discharging the functions of a company secretary of our Company. See “Directors and Senior Management — Joint Company Secretaries” for their biographies.

Mr. Hu is the assistant to our chief executive officer and is primarily responsible for overseeing our Group’s investment, financing, and administrative affairs. Mr. Hu has over a decade of experience in the pharmaceutical industry, as well as extensive experience in investment and financing. Our Directors are of the view that, given Mr. Hu’s thorough understanding of investment and financing, legal, and administrative affairs of our Group, he is considered as a suitable person to act as a company secretary of our Company. In addition, as the headquarters of our Group are located in Hangzhou, the PRC, our Directors believe that it is necessary to appoint Mr. Hu as a company secretary whose presence in Hangzhou enables him to attend to the day-to-day company secretarial matters concerning our Group. However, as Mr. Hu does not possess a qualification as stated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Therefore, our Company has appointed Ms.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

Ho, a member of The Hong Kong Chartered Governance Institute (“HKCGI”), who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to provide support to Mr. Hu on an ongoing basis.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rule 3.28 and 8.17 of the Listing Rules on the conditions that Mr. Hu will be assisted by Ms. Ho as our joint company secretary throughout the three-year period from the [REDACTED]. Being an associate of HKCGI, a fellow of The Chartered Governance Institute, a holder of the practitioner’s endorsement of HKCGI, a member of The Hong Kong Institute of Directors and by virtue of her experience in company secretarial practice, Ms. Ho is, in our Company’s opinion, a suitably qualified person to render assistance to Mr. Hu, for a three-year period from the [REDACTED] so as to enable him to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties. In addition, Mr. Hu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. Our Company will further ensure that Mr. Hu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an [REDACTED] on the Stock Exchange.

It is expected that Ms. Ho will, subject to her resignation or the termination of the agreement between our Company and Ms. Ho in designating her acting as a joint company secretary of our Company, assist Mr. Hu for the initial three-year period from the [REDACTED] and will provide training and guidance to Mr. Hu up to three years from the [REDACTED]. Such waiver will be revoked immediately if and when Ms. Ho ceases to provide such assistance or if our Company commits any material breaches of the Listing Rules during the three-year period from the [REDACTED]. Before the end of the three-year period, we will demonstrate and seek confirmation from the Stock Exchange that Mr. Hu (i.e. the proposed company secretary not fulfilling the requirement under Rule 3.28), having had the benefit of Ms. Ho’s (i.e. the qualified person) assistance during the three-year period, has attained the relevant experience under note 2 to Rule 3.28 and is capable of discharging the functions of company secretary so that a further waiver would not be necessary. In addition, our Company has appointed China Sunrise Capital Limited as compliance adviser under Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing from the [REDACTED] to provide our Company with professional advice on continuing obligations under the Listing Rules. Mr. Hu will have access to the compliance adviser during the term of appointment, which will provide Mr. Hu with an additional source of guidance to assist him to familiarize himself with the functions of a company secretary of a company [REDACTED] on the Stock Exchange.

The biographical information of Ms. Ho and Mr. Hu is set out in “Directors and Senior Management” in this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Mr. Wang Wei (王威)	Room 301, Unit 1, Building 3, Chengshi Xinyu Apartment Xihu District, Hangzhou, Zhejiang Province, PRC	Chinese
Ms. Hu Qing (胡青)	Room 301, Unit 1, Building 3, Chengshi Xinyu Apartment Xihu District, Hangzhou, Zhejiang Province, PRC	Chinese
Ms. Shen Huacheng (沈華程)	12-1-102, Baoshi New Village, Xihu District, Hangzhou Zhejiang Province, PRC	Chinese
Ms. Lin Jing (林靜)	Room 201, Building 3, No. 23, Santang Residential Complex Dongxin Sub-district, Gongshu District Hangzhou, Zhejiang Province, PRC	Chinese
Non-executive Directors		
Ms. Chen Muyu (陳慕雨)	Building 8, Bincheng Kechuang Apartment, Xixing Street Binjiang District, Hangzhou, Zhejiang Province, PRC	Chinese
Dr. Jiang Fei (姜非)	Apartment 1701, 528 Tiantong Road, Hongkou District Shanghai, PRC	Chinese
Mr. Chen Long (陳龍)	03-21 Avenue South Residences, 7 Silat Avenue, Singapore	Chinese
Independent non-executive Directors		
Dr. Toshifumi Mikayama (三箇山 俊文)	4-852-63 Nonoshita, Nagareyama-shi, Chiba, 270-0135 Japan	Japanese
Prof. Ma Jun (馬軍)	No. 5 Jingwei Badao Street, Daoli District, Harbin, Heilongjiang Province, PRC	Chinese
Dr. Peng Tao (彭滔)	Room 1009, Building 5, No. 6, Xueyuan Road, Haidian District, Beijing, PRC	Chinese
Mr. Liu Kai Yu Kenneth	Flat C, 16/F, Block 13, Braemar Hill Mansions 39 Braemar Hill Road, North Point, Hong Kong	British

See “Directors and Senior Management” for further details.

OTHER PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, [REDACTED]	Huatai Financial Holdings (Hong Kong) Limited 62/F, The Center 99 Queen’s Road Central Central, Hong Kong

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Accountants**

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

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Industry Consultant

China Insights Industry Consultancy Limited

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CORPORATE INFORMATION

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Company’s Website	www.winhealth.hk (information contained on this website does not form part of this document)
Joint Company Secretaries	Ms. Ho Wing Nga (何詠雅) FCG (CS, CGP), HKFCG (CS, CGP) (PE) 46/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong Mr. Hu Fan (胡帆) Room 501, Building 5, No. 812 Dujuan Road, Yuelu District, Changsha, Hunan Province, PRC
Authorized Representatives	Mr. Wang Wei (王威) Room 301, Unit 1, Building 3, Chengshi Xinyu Apartment Xihu District, Hangzhou, Zhejiang Province, PRC Ms. Ho Wing Nga (何詠雅) 46/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
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Remuneration Committee	Dr. Peng Tao (彭滔) (<i>Chairperson</i>) Prof. Ma Jun (馬軍) Ms. Shen Huacheng (沈華程) Mr. Liu Kai Yu Kenneth
Nomination Committee	Prof. Ma Jun (馬軍) (<i>Chairperson</i>) Dr. Peng Tao (彭滔) Mr. Wang Wei (王威) Mr. Liu Kai Yu Kenneth Ms. Shen Huacheng (沈華程)

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INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, available sources from public market data providers and an Independent Third-Party source, CIC. The report prepared by CIC and cited in this document was commissioned by us. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], [REDACTED] and [REDACTED], the [REDACTED], any of their respective directors, employees, agents or advisers or any other person or party involved in the [REDACTED], and no representation is given as to its accuracy, fairness and completeness. For discussion of the risks relating to our industry, see “Risk Factors” in this Document.

OVERVIEW OF THE PHARMACEUTICAL MARKET IN CHINA

In recent years, healthcare expenditure in China has experienced significant growth, increasing from RMB7,217.5 billion in 2020 to RMB9,507.5 billion in 2024, representing a CAGR of 7.1%. With increasing disposable income and aging population, rising health awareness and life expectancy, implementation of healthcare reform plans and the continuous introduction of more innovative therapies, the total healthcare expenditure in China is expected to grow further at a CAGR of 4.0% from 2024 to 2035, reaching RMB14,684.5 billion in 2035.

Similarly, the pharmaceutical market in China has also grown in recent years from RMB1,458.4 billion in 2020 to RMB1,733.1 billion in 2025, representing a CAGR of 3.5%, and is expected to grow further at a CAGR of 6.2% from 2025 to 2035, reaching RMB3,153.0 billion in 2035.

In line with the market trends, pharmaceutical companies in China have adopted various business strategies to commercialize drugs and expand their product portfolios. These strategies can be broadly categorized into three models: (i) mergers and acquisitions, (ii) in-licensing and strategic partnerships, and (iii) contract sales organization (CSO) arrangements. The table below sets forth a comparison of the key arrangements, roles and responsibilities under different drug commercialization models commonly adopted in the pharmaceutical industry:

Comparison of different drug commercialization models

Item	Mergers and Acquisitions	Licensed	CSO
Arrangements	A company acquires the target company or asset outright, including drug rights and often the team to control development and commercialization fully.	A company (licensee) obtains rights from another (licensor) to develop, market, manufacture, distribute or sell a drug under agreed terms	Provides a series of services and solutions related to marketing and sales activities under contracts with pharmaceutical companies
Roles & Responsibilities	Acquirer: Strategic planning and leading commercialization, pricing, and sales channel configuration, overall responsibility for regulatory compliance and so on. Target: Provide R&D, clinical, and intellectual property documentation, assist with business transition and systems integration and so on.	Licensor: Provide data, know-how and possibly early-stage development support. Licensee: Often responsible for further clinical development, regulatory submissions, manufacturing, marketing, sales, and compliance. Revenue sharing (royalties, milestones) is typical.	Contract sales organization Provide outsourced services such as sales promotion and marketing teams for third-party pharmaceutical companies.

Source: CIC

Future Trends of Pharmaceutical Market in China

The pharmaceutical market in China is expected to be influenced by the following trends:

Chronic disease patients drive market demand: China’s aging population (65+ accounted for ~15.6% in 2024) and lifestyle changes are increasing chronic disease prevalence, fueling sustained pharmaceutical demand.

R&D investment addresses healthcare gaps: Pharmaceutical companies are increasing R&D, exploring new therapeutic targets, and partnering with multinationals to develop safer, more effective drugs amid ongoing healthcare capacity shortages.

Payment capacity and insurance improve access: Rising disposable income, more innovative drugs included in the NRDL, and commercial insurance development are strengthening patient affordability and supporting market expansion.

INDUSTRY OVERVIEW

Policy reforms accelerate drug launches: National price negotiations and bulk procurement have accelerated innovative drug inclusion in NRDL. In 2024, the State Council launched the Implementation Plan for Full-Chain Support of Innovative Drug Development. In 2025, NHSA and NHC jointly released measures creating a dedicated commercial health insurance list for innovative drugs.

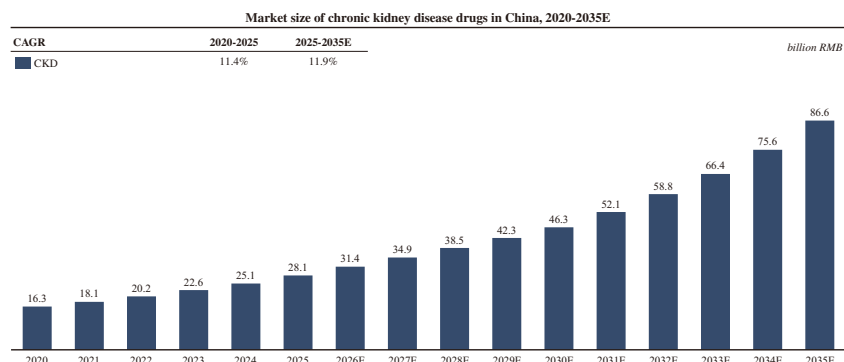
CKD TREATMENT MARKET IN CHINA

CKD is defined by kidney damage or a GFR $< 60\text{ml}/(\text{min}\cdot 1.73\text{m}^2)$ for at least three months. It has five stages: Stages 1-2 (mild damage, normal/slightly reduced function), Stage 3 (moderate reduction), Stage 4 (severe reduction), and Stage 5 (kidney failure, requiring dialysis or transplant). In 2024, China had ~1.2 million dialysis patients. CKD is classified into primary (kidney-originating) and secondary types (caused by systemic diseases like metabolic disorders, hypertension, or immune diseases).

CKD develops through: (i) immune-mediated damage from abnormal immune complex deposition causing inflammation (cause unknown); and (ii) non-immune-mediated injury from abnormal renal hemodynamics affecting glomerular microcirculation.

The prevalence of CKD in China grew at a CAGR of 0.4% from 121.2 million in 2020 to 123.8 million in 2025, and is expected to continue to grow at a CAGR of 0.4% to 129.4 million in 2035.

The CKD drug market in China has grown in recent years from RMB16.3 billion in 2020 to RMB28.1 billion in 2025, representing a CAGR of 11.4%. With the introduction of more new drugs and the continuous improvement of patient treatment rates, the CKD drug market is expected to grow further at a CAGR of 11.9% from 2025 to 2035, reaching RMB86.6 billion in 2035.



Source: JAMA, Clinical and Experimental Nephrology, NHSA, NRDL, Guidelines for early screening, diagnosis, prevention and treatment of chronic kidney disease, CIC Report

Characteristics of the CKD Treatment in China

Low early diagnosis rate, complex pathogenesis: China’s CKD field struggles with low early diagnosis rates, uneven resource distribution, and low diagnostic accuracy. The complex pathogenesis leads to complications like cardiovascular disease and anemia, requiring integrated care.

Limited CKD treatment options: Treatments rely on conventional drugs with limited specificity, causing resistance, side effects, and relapse. Advanced-stage patients depend on dialysis or transplant, creating a need for safer, more effective drugs and advanced strategies.

Lack of comprehensive complication management solutions: CKD causes complications like hyperparathyroidism and anemia, but management solutions are underdeveloped. Companies addressing these complications will strengthen their market position.

Entry Barriers to the CKD Treatment Market in China

Channel barriers: CKD treatment spans multiple departments (nephrology, cardiology), requiring extensive commercial networks and cross-specialty academic engagement, making new therapy promotion highly resource-intensive.

Brand barriers: Mature brands dominate with strong physician trust. New entrants need clear differentiation, but stable prescribing habits and patient reluctance to switch lead to slow market penetration.

INDUSTRY OVERVIEW

Product portfolio barriers: CKD covers diverse sub-indications with distinct treatment needs. New entrants struggle to build comprehensive pipelines quickly, limiting economies of scale and synergy effects.

Drivers and Future Trends of the CKD Treatment Market in China

Technological and commercial development: Innovative molecular design, new targets, and new molecules can address CKD demand. NRDL inclusion boosts market growth, while global drugs enter China through partnerships, filling therapeutic gaps with domestic expertise.

Aging population: The prevalence of CKD in China is increasing, driven by diabetes, hypertension, and an aging population, resulting in a large and growing patient base. Policy support: Inclusion of CKD-related innovative drugs in national and provincial reimbursement lists reduces patient out-of-pocket costs and improves accessibility.

Technological innovation driving treatment shifts: Advances in genomics and molecular chemistry are enabling innovative therapies with novel targets, improved efficacy, and less frequent dosing, shifting CKD treatment from passive management to proactive prevention.

Advancing comprehensive complication management: CKD involves multiple interconnected complications (anemia, hyperparathyroidism, cardiovascular disorders). Companies are developing multi-target and combination therapies to improve effectiveness and quality of life beyond single-drug approaches.

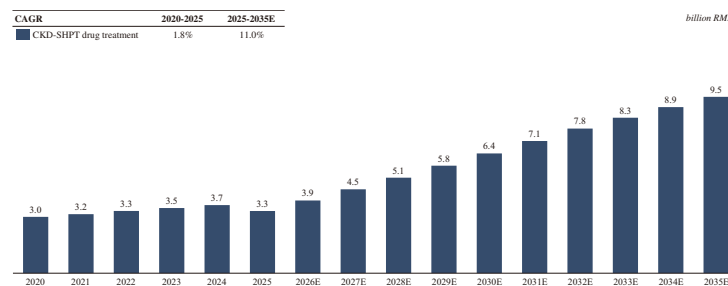
Market expansion into grassroots levels: The widely distributed CKD patient population extends into county-level markets. Companies are strengthening distribution networks and physician education in grassroots healthcare to unlock growth potential by aligning products with primary care needs.

Secondary Hyperparathyroidism in Patients with CKD Treatment Market in China

CKD-SHPT is a serious complication in CKD, marked by parathyroid hyperplasia, elevated PTH, and calcium-phosphorus imbalances, causing multisystem damage and increased mortality. Symptoms include bone pain, fractures, vascular calcification, anemia, and pruritus. The incidence rises with dialysis, with some developing SHPT within the first year. In China, only 33.8% of hemodialysis patients achieve target iPTH levels, leading to common parathyroidectomy and disability. The prevalence of SHPT in patients with CKD in China grew at a CAGR of 0.5% from 48.8 million in 2020 to 50.7 million in 2025, and is expected to continue to grow at a CAGR of 0.5% to 53.2 million in 2035.

The drug treatment for SHPT in patients with CKD market in China has grown in recent years from RMB3.0 billion in 2020 to RMB3.3 billion in 2025, representing a CAGR of 1.8%, and is expected to grow further at a CAGR of 11.0% from 2025 to 2035, reaching RMB9.5 billion in 2035.

CKD-SHPT drug treatment market size, China, 2020-2035E

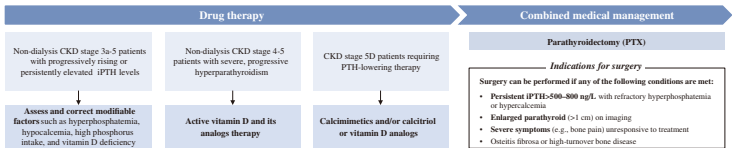


Source: KDIGO, Nephrology Branch, NHSA, NRDL, Clinical practice guideline for delaying the progression of chronic kidney disease (2025), CIC Report

INDUSTRY OVERVIEW

Treatment pathway of CKD-SHPT

The current treatment pathway of CKD-SHPT is set forth below:



Source: Clinical practice guideline for delaying the progression of chronic kidney disease (2025), CIC Report

Current treatments for CKD-SHPT include active vitamin D analogs and calcimimetics. Vitamin D analogs lower PTH but raise calcium and phosphate, increasing risks of hypercalcemia and vascular calcification. In contrast, next-generation calcimimetics (e.g., Evocalcet) reduce PTH, calcium, and phosphate, with fewer GI effects and hypocalcemia, and may provide cardiovascular benefits via CaSR activation and reduced FGF23, potentially lowering CV risk and slowing LVH progression.

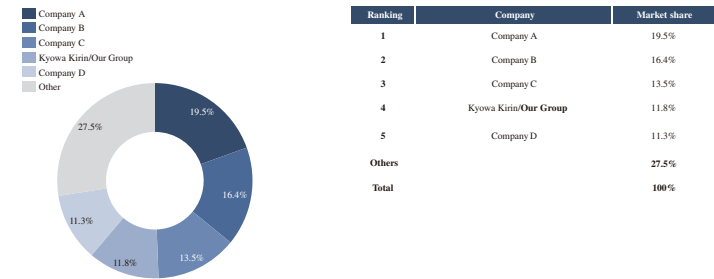
Competitive landscape

The competitive landscape of calcimimetics approved to treat SHPT is set forth below:

Generic Name	Brand Name	MoA	Company	First Approval Date	Indication	NRDLStatus	Price
Cinacalcet	Regpara® 盖平®	CaSR	Amgen/Kyowa Kirin/Our Group	2014-08	SHPT in chronic kidney disease patients on maintenance dialysis	NRDL listed	~300 RMB (25mg*10 tablets)
Etelcalcetide	Parsabiv® 旁必福®	CaSR	Amgen	2023-05	SHPT in adult patients with chronic kidney disease receiving hemodialysis	/	~150 RMB (1ml*5mg)
Evocalcet	Orkedia® 盖优平®	CaSR	Kyowa Kirin/Our Group	2024-06	SHPT in chronic kidney disease patients on maintenance dialysis	NRDL listed	~700 RMB (2mg*10 tablets)

Source: NMPA, CIC Report

Cinacalcet is the first-generation calcimimetics and currently represents the mainstream drug in the China market. Regpara® is the original drug version of cinacalcet. The competitive landscape of calcimimetics approved to treat SHPT in China in 2025 is set forth below:



Notes:

- Company A:** It was established in 2018 and is headquartered in Shijiazhuang, Hebei Province, engaging in the R&D, production, and sale of pharmaceutical technologies.
- Company B:** Founded in 1995 and headquartered in Beijing, the company is primarily engaged in the R&D, production, and sale of high-end generic drugs and biologics, covering therapeutic areas such as cardiovascular and digestive systems.
- Company C:** It was established in Jiangsu in 2013, and has been listed on the Stock Exchange in 2025, covering the industry value chain from R&D, clinical research, and manufacturing to commercialization.
- Company D:** Founded in 1995 and headquartered in Nanjing, the company operates across innovative drugs, generics, specialty APIs, high-end formulations and pharmaceutical packaging.

Source: NMPA, expert interviews, CIC Report

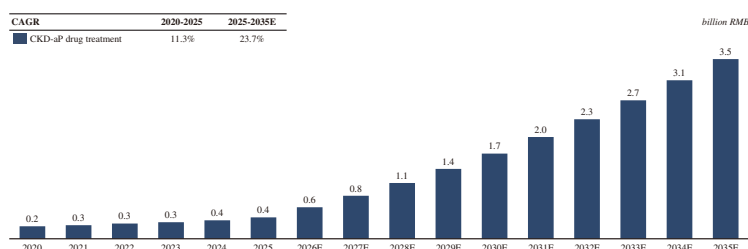
Orkedia® (盖优平® evocalcet) is an oral next-generation calcimimetic that activates the calcium-sensing receptor (CaSR) on parathyroid cells, increasing sensitivity to calcium and suppressing PTH secretion, thereby lowering serum PTH. Compared with traditional calcimimetics, it more effectively reduces iPTH and improves target attainment. Its high CaSR specificity and minimal CYP2D6 inhibition are associated with fewer gastrointestinal adverse events and hypocalcemia, supporting better long-term tolerability. As an oral therapy, it also offers convenient dosing, improved adherence, and favorable cost-effectiveness.

INDUSTRY OVERVIEW

Chronic Kidney Disease-associated Pruritus Treatment Market in China

CKD-aP is moderate to severe itching related to kidney disease, often worsening at night and impairing quality of life. A 2023 KDIGO consensus highlights pruritus as a key issue in dialysis patients. The 2021 DOPPS study in China reported 82% had pruritus, including 39% with moderate-to-severe and 19% with severe or extreme symptoms, indicating a substantial burden. Treatment remains suboptimal due to low awareness, under reporting (17% of patients), and physician underestimation (69%). Its pathophysiology is multifactorial, involving immune-inflammation, opioid system imbalance (MOR overactivation, KOR under activation), uremic toxin accumulation (e.g., calcium-phosphate crystals), and xerosis from epidermal barrier dysfunction. The prevalence of CKD-aP in China grew at a CAGR of 10.3% from 0.6 million in 2020 to 0.9 million in 2025, and is expected to continue to grow at a CAGR of 5.5% to 1.6 million in 2035.

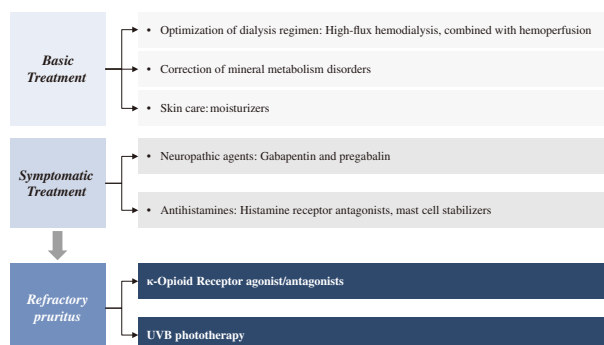
The drug treatment for CKD-aP market in China has grown in recent years from RMB0.2 billion in 2020 to RMB0.4 billion in 2025, representing a CAGR of 11.3%, and is expected to grow further at a CAGR of 23.7% from 2025 to 2035, reaching RMB3.5 billion in 2035.



Source: *Progress in the pathogenesis and drug treatment of pruritus in hemodialysis patients, Chronic kidney disease associated pruritus, NHSA, NRDL, CIC Report*

Treatment pathway of CKD-aP

The current treatment pathway of CKD-aP is set forth below:



Source: *CMT, Chinese expert consensus on the management of chronic kidney disease-associated pruritus (2025), CIC Report*

Current available treatment for CKD-aP include antihistamines, neuropathic agents, and KOR agonists. Antihistamines have limited efficacy, offering no significant benefit over emollients. Gabapentin and pregabalin require slow titration due to prolonged half-lives, may increase complications in dialysis patients, and can cause adverse effects; pregabalin is also a controlled substance in the US. The endogenous opioid system includes μ , δ , and κ receptors: KOR agonists suppress itching, while μ -opioid receptor activation induces it and is associated with analgesia, euphoria, and addiction, making selective KOR agonists preferable. Difelikefalin shows low adverse event rates (6%–9%) and discontinuation, with rapid, sustained efficacy and improvements in sleep, and is effective in refractory CKD-aP.

INDUSTRY OVERVIEW

Competitive landscape

As of the Latest Practicable Date, there were three NDA or commercialized KOR targeted drugs with the indication of CKD-aP in China, further details of which are set forth below:

Generic Name	Brand Name	Company	MoA	Indication	Route of Administration	First Approval Date ⁽¹⁾	NRDL Status	Price
Nalfurafine	Remitch®	3SBio/Takeda	KOR	Treatment of pruritus in hemodialysis patients who have not responded to current therapies	Oral	2023-06	NRDL listed	~397 RMB (2.5µg*14 tablets)
Difelikefalin	Korsuva®	Our Group /VFMCRP	KOR	Treatment of moderate - to-severe CKDaP in adults undergoing hemodialysis	Injection	2026-04	/	/
Anrikefon	思舒静®	Haisco	KOR	Treatment of moderate - to-severe CKDaP in adults undergoing hemodialysis	Injection	2025-09	/	/

Note:

(1) NDA received by NMPA

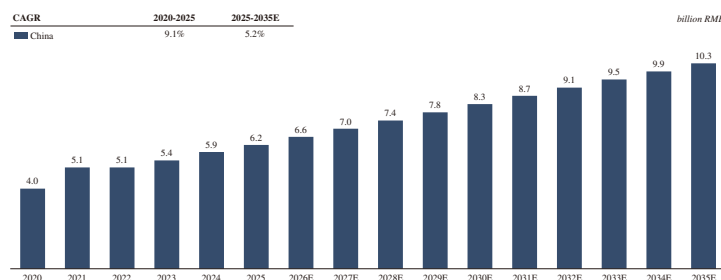
Source: NMPA, CIC Report

CKD Anemia Treatment Market in China

CKD anemia is caused by reduced erythropoietin production due to kidney dysfunction, along with uremic toxin-mediated inhibition of erythropoiesis and shortened red blood cell lifespan. Contributing factors include iron, folate, or vitamin B12 deficiency and blood loss (e.g., gastrointestinal bleeding). Its prevalence increases with disease progression, reaching 51.1% in stage 3 CKD and up to 90.2% in stage 5. Cardiovascular disease is a leading complication and cause of death in CKD, and anemia is an independent risk factor; each 10 g/L increase in hemoglobin is associated with about a 17% reduction in cardiovascular event risk. The prevalence of CKD anemia in China grew at a CAGR of 3.3% from 38.7 million in 2020 to 45.6 million in 2025, and is expected to continue to grow at a CAGR of 3.2% to 62.2 million in 2035.

The drug treatment for CKD anemia market in China has grown in recent years from RMB4.0 billion in 2020 to RMB6.2 billion in 2025, representing a CAGR of 9.1%, and is expected to grow further at a CAGR of 5.2% from 2025 to 2035, reaching RMB10.3 billion in 2035.

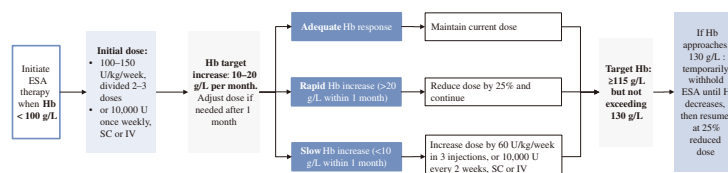
China market size of renal anemia drugs, 2020-2035E



Source: Clinical Kidney Journal, Nephrology, NHSA, NRDL, CIC Report

Treatment pathway of CKD anemia

The current treatment pathway of CKD anemia is set forth below:



Source: KDIGO 2024, Chin J Nephrol, CIC Report

INDUSTRY OVERVIEW

Current available treatments for CKD anemia include iron therapy, HIF-PH stabilizers, and erythropoiesis-stimulating agents (ESAs), red blood cell transfusion where clinically necessary, dialysis optimization and management of underlying CKD. ESAs mimic erythropoietin to stimulate red blood cell production, increase hemoglobin, reduce transfusion needs, and improve symptoms and quality of life. Higher hemoglobin targets may be associated with better survival and fewer cardiovascular events. Long-acting ESAs allow less frequent dosing and better adherence, and are particularly effective in dialysis patients with impaired oral iron absorption.

Competitive landscape

In China, only three long-acting ESAs are approved, and short-acting ESAs still dominate clinical use. Long-acting ESAs account for less than 5% of sales in China, compared with over 50% globally. The market share is expected to grow steadily due to better compliance, safety, and efficacy.

The details of the approved long-acting ESAs with the indication of renal anemia in China as of the Latest Practicable Date were set forth below:

Generic Name	Brand Name	Company	MoA	Indication	Route of Administration	First Approval Date	NRDL Status	Price
Methoxy Polyethylene Glycol-Epoetin Beta	MERCERA® 美信罗®	Roche	ESA	Anemia in chronic kidney disease (long-acting monthly formulation)	Injection	2018-07	NRDL listed	~1,200 RMB (50µg*0.3ml/vial)
Darbepoetin alfa	NESP® 耐斯宝®	Kirin Pharma	ESA	Renal anemia	Injection	2020-06	NRDL listed	~115 RMB (40µg*0.5ml/vial)
Pegmolsesatide	圣罗美®	Hansoh	ESA	Renal anemia	Injection	2023-06	NRDL listed	~1,980 RMB (4.0mg*1.0ml/vial)
Loncipoetinalfa	新比图	3S Bio	ESA	Renal anemia	Injection	2026-03	/	/

Source: NMPA, CIC Report

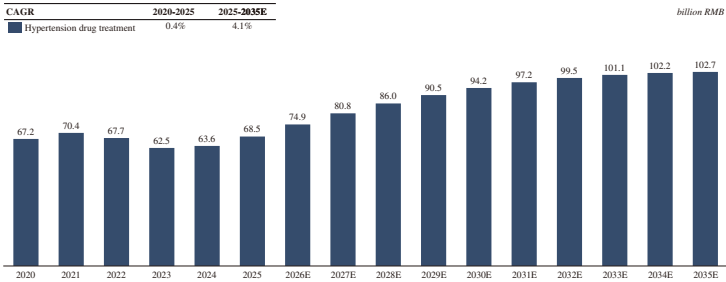
As of the Latest Practicable Date, only four long-acting ESAs have been approved in China. Among them, NESP®, produced by Kyowa Kirin/Our Group, accounting for approximately 15.8%.

Hypertension Treatment Market in China

Hypertension is defined as office BP ≥140/90 mmHg, home BP ≥135/85 mmHg, or 24-hour BP ≥130/80 mmHg. Early symptoms are often absent, and mild cases may present with nonspecific symptoms such as dizziness and headache, while severe cases can lead to hypertensive crisis with serious complications. Chronic hypertension damages renal vessels and causes CKD, while CKD worsens hypertension via fluid retention, RAAS activation, and sodium imbalance, forming a vicious cycle that accelerates cardio-renal damage. The prevalence of hypertension in China has shown a significant upward trend in recent years, especially among young and middle-aged people. The prevalence of hypertension in China grew at a CAGR of 2.9% from 325.4 million in 2020 to 374.6 million in 2025, and is expected to continue to grow at a CAGR of 1.1% to 419.4 million in 2035.

The hypertension drug treatment market in China is expected to grow from RMB68.5 billion in 2025 to RMB102.7 billion in 2035, representing a CAGR of 4.1%.

Hypertension drug treatment market size, China, 2020-2035E

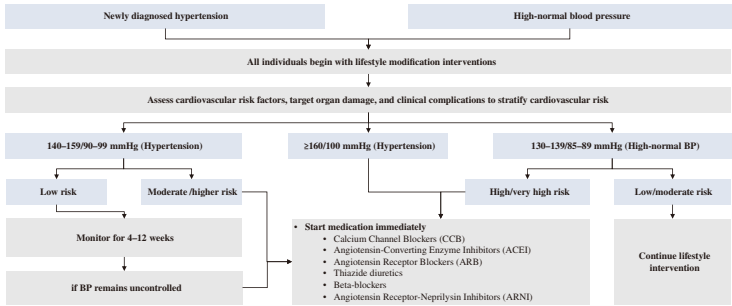


Source: China Cardiovascular Health and Disease Report, NHSA, NRDL, CIC Report

INDUSTRY OVERVIEW

Treatment pathway of hypertension

The purpose of treatment for patients with hypertension is to effectively lower blood pressure, control the course of hypertension, and prevent or delay the occurrence of complications such as stroke, myocardial infarction, heart failure, and renal insufficiency.



Source: Chinese Hypertension Prevention and Treatment Guidelines (2024 Revised Edition), CIC Report

Current available treatment options for hypertension include lifestyle modification interventions and antihypertensive drug therapies such as calcium channel blockers (CCBs), angiotensin-converting enzyme inhibitors (ACEIs), angiotensin receptor blockers (ARBs), thiazide diuretics, beta-blockers and angiotensin receptor-neprilysin inhibitors (ARNIs), depending on patients’ blood pressure level and cardiovascular risk profile. CCBs targeting L-, T-, and N-type calcium channels are a core class of antihypertensive drugs that lower blood pressure by blocking calcium influx and promoting vasodilation. Triple-channel CCBs such as Benidipine provide stable, sustained BP control. Compared with conventional CCBs, they offer better renal protection, a lower risk of edema, and minimal impact on heart rate. As a fourth-generation CCB, benidipine’s T-channel blockade supports renal protection and vasodilation, while N-channel inhibition reduces reflex sympathetic activation and helps prevent angina.

Competitive landscape

The representative drugs of CCB with the indication of hypertension in China as of the Latest Practicable Date are set forth below, only benidipine is the triple-channel calcium channel blocker:

Representative Drug	Calcium Channel Subtype	Short or Long-Acting	Daily Dosing Frequency
Nifedipine	L-type	Short-acting	2-3
Nicardipine	L-type	Short-acting	2
Felodipine	L-type	Long-acting	2
Lacidipine	L-type	Long-acting	1
Amlodipine	L-type	Long-acting	1
Cilnidipine	L/N-type	Long-acting	1
Benidipine	L/N/T-type	Long-acting	1

Source: NMPA, Drug labels, CIC Report

Coniel[®] is currently the only original drug of benidipine in China, approved in 2004, and ranked first in market share of benidipine in 2024.

OVERVIEW OF THE HEMATOLOGIC DISEASE TREATMENT MARKET IN CHINA

Hematologic diseases are disorders of the blood and hematopoietic system (blood, bone marrow, and lymphoid tissues), often presenting with anemia, bleeding, or fever. Representative conditions include iron deficiency anemia, lymphoma, hemophilia, thrombocytopenia, and neutropenia. Their pathogenesis involves multiple factors, including genetic predisposition (e.g., hemophilia, some leukemias and myelodysplastic syndromes), immunodeficiency, tumor susceptibility, and exposure to radiation, chemical toxins, or drugs such as anticancer agents, pesticides, and formaldehyde.

With the rising incidence of hematologic diseases in both elderly and younger populations and increasing environmental risk factors, the number of patients in China is expected to continue growing. Major hematologic diseases include lymphoma, leukemia, ITP, and neutropenia. In 2025, the prevalence reached 23.5 million in China and is projected to increase to 26.1 million by 2035, indicating a large and expanding patient population.

INDUSTRY OVERVIEW

Entry Barriers to the Hematologic Disease Market in China

Technical complexity in drug development and manufacturing: Developing hematologic therapies requires expertise in immunology, molecular biology, and formulation science, while overcoming challenges like immunogenicity to ensure long-term efficacy and safety.

Complex etiology and disease segmentation: Hematologic diseases involve diverse mechanisms with overlapping presentations, leading to highly segmented indications. Companies need deep clinical insights and precise patient stratification — latecomers face difficulty covering numerous sub-indications and competing with established players.

Commercialization in the hematologic disease market also demands cross-departmental capabilities: Many secondary hematologic diseases are prescribed across hematology, nephrology, infectious diseases, and oncology. Companies must build broad sales networks and academic promotion capabilities spanning multiple specialties to reach all relevant prescribers and achieve deep market penetration.

Drivers and Future Trends of the Hematologic Disease Market in China

Expanding patient population driving demand for advanced therapies: In 2024, hematologic diseases in China reached 23.0 million patients, with aging and earlier onset trends. Rising cancer incidence fuels chemotherapy-related blood disorders (e.g., CTIT, neutropenia), driving demand for innovative treatments.

Accelerated horizontal expansion of indications for innovative drugs: Indications for innovative drugs are expanding rapidly — e.g., long-acting TPO-RA in CTIT shows continued efficacy validation, addressing significant unmet needs.

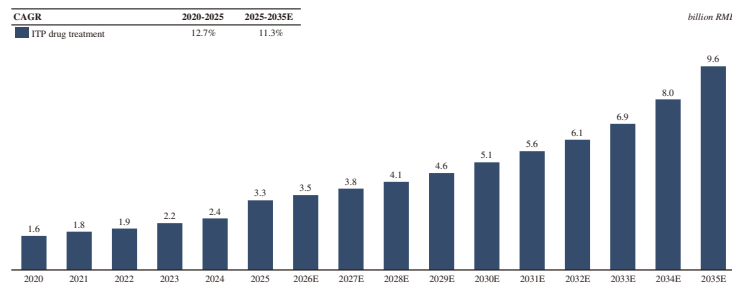
Growing emphasis on comprehensive disease management throughout the patient’s journey: Latest CSCO guidelines recommend secondary prevention of CTIT with TPO-RA prophylaxis, ensuring chemo dosing and reducing interruptions, reflecting a shift toward holistic patient care.

HEMATOLOGIC DISEASE TREATMENT MARKET BY INDICATION IN CHINA

ITP Treatment Market in China

ITP is an acquired autoimmune bleeding disorder characterized by immune-mediated platelet destruction and impaired production, driven by loss of immune tolerance and pathogenic antiplatelet autoantibodies (targeting GPIIb/IIIa or GPIb/IX). Clinical manifestations are highly heterogeneous — ranging from asymptomatic to life-threatening severe bleeding (e.g., visceral bleeding, fatal intracranial hemorrhage), depending on thrombocytopenia severity and individual factors such as age and comorbidities. The incidence of ITP in China grew at a CAGR of 1.1% from 124.6 thousand in 2020 to 131.5 thousand in 2025, and is expected to continue to grow at a CAGR of 0.4% to 137.3 thousand in 2035.

The drug treatment for ITP market in China has grown in recent years from RMB1.6 billion in 2020 to RMB3.3 billion in 2025, representing a CAGR of 12.7%, and is expected to grow further at a CAGR of 11.3% from 2025 to 2035, reaching RMB9.6 billion in 2035.

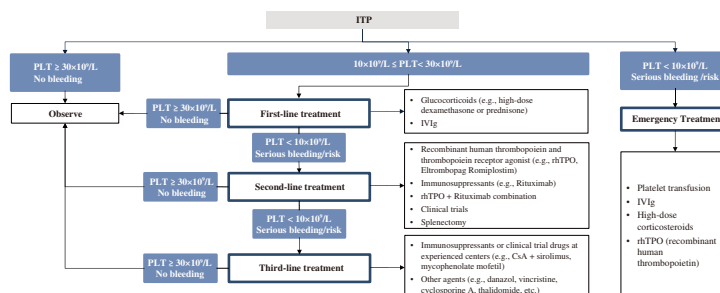


Source: China J Hematol, NHSA, NRDL, CIC Report

INDUSTRY OVERVIEW

Treatment pathway of ITP

The treatment of ITP follows the principle of individualized therapy, encouraging patient involvement in decision-making.



Source: Chinese guideline on the diagnosis and management of adult primary immune thrombocytopenia, CIC Report

Current available treatment options for ITP include glucocorticoids, IVIg, platelet transfusion, rhTPO, TPO receptor agonists and other subsequent-line therapies such as immunosuppressants, chemotherapy or clinical trial drugs where appropriate. Conventional ITP therapies (e.g., glucocorticoids) provide initial efficacy but poor long-term outcomes, with frequent relapse after discontinuation. rhTPO also has limitations, including immunogenicity risk, daily injections, and suboptimal response, making it less suitable for long-term management; only ~15% of patients achieve 10-year survival with current first-/second-line treatments. Romiplostim, a TPO receptor agonist, offers stronger and more sustained platelet increases, faster onset, and higher response rates than rhTPO. It works by inducing TPO receptor phosphorylation and activating multiple downstream pathways. With an extended half-life, once-weekly dosing replaces daily injections, improving adherence and quality of life.

Competitive landscape

The market is currently dominated by short-acting TPO-RA drugs with the indication of ITP; however, there is a trend towards long-acting TPO-RA drugs due to their convenience. The approved TPO/TPO-RA drug with the indication of ITP in China as of the Latest Practicable Date are set forth below:

Generic Name	Brand Name	Company	MoA	Indication	Route of Administration	First Approval Date	NRDL status	Price
Romiplostim	Romiplate® 惠爾福®	Kyowa Kirin Co Ltd/WuHealth Pharma	TPORA	Adult patients (≥18 years old) with chronic ITP who have had an inadequate response to other treatments	Injection	2022-01	NRDL listed	~1,500 RMB (250ug/bottle)
	Romiplostim NO1® 瑞立升®	Qilapharmaceutical	TPORA	Adult patients (≥18 years old) with chronic ITP who have had an inadequate response to other treatments	Injection	2024-04	/	~1,500 RMB (250ug/bottle)
Herombopag	恒曲®	Hengrui Pharmaceuticals	TPORA	ITPSAA (poor response to IST)	Oral	2021-06	NRDL listed	RMB~120/tablet
Eltrombopag	Revolade® 瑞弗蘭®	Novartis	TPORA	ITPSAA (poor response to IST)	Oral	2017-12	NRDL listed	~1,650 RMB (14 tablets/box)
Avatrombopag	Doptelet® 蘇可欣®	Akara/Fosun Pharma	TPORA	ITPCLDT	Oral	2024-06	NRDL listed	~5,000 RMB (10 tablets/box)
rhTPO	Tpoan® 特比蘭®	3SBio	rhTPO	CTD/ITP	Injection	2010	NRDL listed	~560 RMB (7,500U:1ml)

Source: NMPA, CIC Report

As of the Latest Practicable Date, romiplostim is the only long-acting TPO-RA approved in China. Romiplate® is the original drug and holds a market share of approximately 20.6% in 2025.

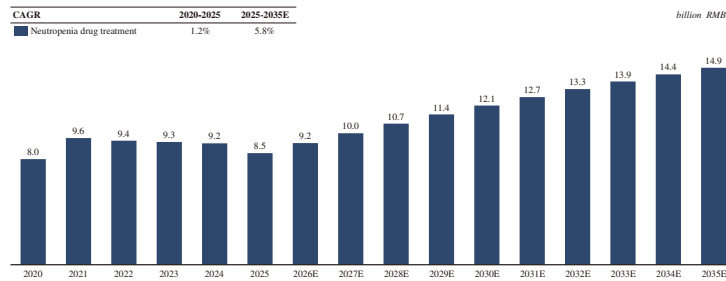
Neutropenia Drug Treatment Market in China

Chemotherapy and radiotherapy can cause neutropenia, defined as a neutrophil count <500 cells/mcL or <1,000 with a decline to ≤500 within 48 hours, increasing infection risk. Though neutropenia may have no obvious symptoms, infections can cause fever, chills, mouth ulcers, sore throat, cough, difficulty breathing, diarrhea, painful urination, and skin lesions. The incidence of neutropenia in China grew at a CAGR of 2.7% from 2.2 million in 2020 to 2.6 million in 2025, and is expected to continue to grow at a CAGR of 1.4% to 2.9 million in 2035.

The drug treatment for neutropenia market in China has grown in recent years from RMB8.0 billion in 2020 to RMB8.5 billion in 2025, representing a CAGR of 1.2%, and is expected to grow further at a CAGR of 5.8% from 2025 to 2035, reaching RMB14.9 billion in 2035.

INDUSTRY OVERVIEW

Market size of neutropenia drug treatment in China, 2020-2035E



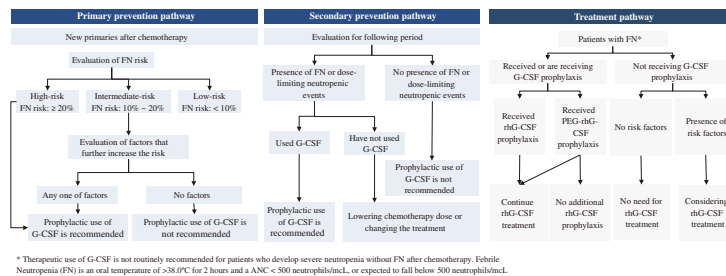
Note:

(1) The market size of neutropenia treatment in China only includes G-CSF market.

Source: CSCO, NHSA, NRD, CIC Report

Treatment pathway of neutropenia

The following diagram sets forth the details of the treatment pathway of neutropenia:

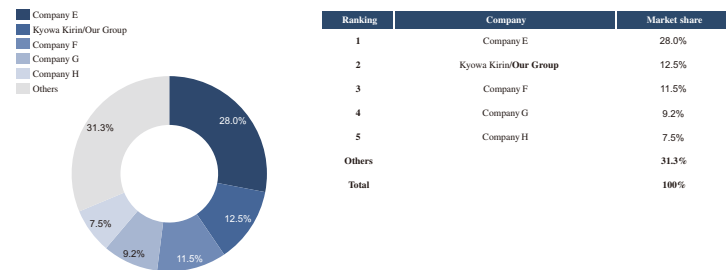


Source: CSCO, NCCN, ESMO, CIC Report

Currently available treatment options for neutropenia include primary prevention, secondary prevention and treatment approaches, such as prophylactic or therapeutic use of G-CSF (granulocyte colony-stimulating factor), adjustment of chemotherapy dose or treatment regimen where appropriate, anti-infective therapy, infection prophylaxis and other supportive care. G-CSF stimulates bone marrow to produce more white blood cells, particularly neutrophils, by binding to receptors on neutrophil progenitors and mature neutrophils. Short-acting G-CSF (e.g., filgrastim) requires daily injections to treat established neutropenia or manage febrile neutropenia. Long-acting G-CSF is given once per chemotherapy cycle for prevention, providing sustained neutrophil support and reducing the incidence of febrile neutropenia and hospitalizations during high myelosuppressive risk periods.

Competitive landscape

The details of top five best-selling rhG-CSF drug the indication of neutropenia in China in 2025 are set forth below:



Notes:

- Company E:** Founded in 1981 and headquartered in Jinan, Shandong Province, it focuses on the development of pharmaceuticals and APIs for treating diseases in oncology, cardiovascular and cerebrovascular, anti-infection, psychiatric, neurological, and ophthalmic fields.
- Company F:** Established in 1996 and listed on the STAR Market in 2020, it is dedicated to the R&D, production, and sale of recombinant proteins and their long-acting modified drugs, focusing on immunology-related cytokine therapies.

INDUSTRY OVERVIEW

- Company G:** Founded in 1993 and headquartered in Hangzhou, Zhejiang Province, the company was listed on the Hong Kong Stock Exchange in 2024. It is primarily engaged in the R&D, production, and sale of genetic engineering drugs, biochemical pharmaceuticals, and medical devices.
- Company H:** Founded in 1925 and headquartered in Tokyo, Japan, the company is a research-based pharmaceutical company focused on innovative drugs, particularly in oncology, immunology, and bone/joint diseases. It is a subsidiary of the Roche Group and operates globally with a strong presence in biopharmaceutical R&D and commercialization.

Source: NMPA, CIC Report

OTHER DISEASE TREATMENT MARKET IN CHINA

Scar Treatment Drug Market in China

A scar is a structural change in skin after injury due to imbalance in collagen synthesis and degradation. It includes normal scars (flat, fade over time), hypertrophic scars (raised, confined to the wound, may improve), and keloids (extend beyond the wound, invade surrounding skin, rarely regress), which guides diagnosis and treatment. The incidence of hypertrophic scars and keloids in China grew at a CAGR of 1.9% from 9.5 million 2020 to 10.2 million in 2024, and is expected to continue to grow at a CAGR of 1.5% to 12.1 million in 2035.

The drugs for hypertrophic scars and keloids market in China has grown in recent years from RMB2.5 billion in 2020 to RMB3.3 billion in 2024, representing a CAGR of 7.6%, and is expected to grow further at a CAGR of 7.3% from 2024 to 2035, reaching RMB7.3 billion in 2035.

Treatment pathway of hypertrophic scars and keloids

Currently available treatment options for hypertrophic scars mainly include conservative therapies (e.g., corticosteroids, compression, gel sheets, topical agents), with surgery reserved for functional impairment; combination therapies, including lasers, are used for refractory cases.

Keloids are treated based on severity: small lesions often respond to conservative therapy, while large or multiple keloids require surgery, radiotherapy, and adjuvant treatments. Traditional options like steroid injections, cryotherapy, laser, and excision are limited by side effects and high recurrence rates (>50%).

Competitive Landscape

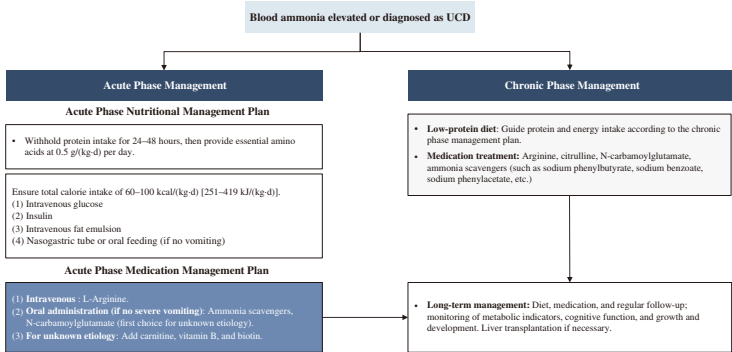
Topical scar treatments are limited to a few guideline-recommended options, including silicone gels, centella asiatica extracts, and onion extract formulations (e.g., Contractubex). Silicone gels provide modest scar softening via occlusion and hydration but lack direct anti-fibrotic effects, while centella asiatica mainly aids early wound healing with limited efficacy on established hypertrophic scars. Contractubex® is the only NMPA-approved topical anti-scar prescription in China containing onion extract, indicated for various scar types. Clinical studies show it can reduce scar thickness and hardness, improve color, and has minimal side effects without systemic risks.

Urea Cycle Disorders Treatment Market in China

Urea cycle disorders (UCD) are inherited metabolic diseases caused by deficiencies in enzymes or transporters of the urea cycle, leading to impaired conversion of ammonia from amino acid catabolism into urea. This results in hyperammonemia, with toxic ammonia accumulation due to disrupted detoxification and excretion. According to CIC, it is estimated that there are over 10,000 patients with UCD in China. However, due to low diagnosis and treatment rates, the actual number of identified patients is fewer than 1,000.

Treatment pathway of UCD

The following diagram sets forth the treatment pathway of UCD:



Source: Guidelines for diagnosis, treatment and management of urea cycle disorders in China, CIC Report

INDUSTRY OVERVIEW

Currently available treatment options for UCD include acute nutritional and medication management, chronic dietary control, nitrogen scavenger therapy and liver transplantation where necessary. Nitrogen scavengers are key UCD treatments, removing 28%~59% of waste nitrogen. Glycerol phenylbutyrate is a colorless, odorless liquid with better tolerability and precise dosing, clearing about three times more nitrogen than sodium phenylbutyrate with slower release, enabling more stable ammonia control, and may have potential in STXBP1-related epilepsy.

Competitive landscape

The approved ammonia scavengers for UCD treatment in China as of the Latest Practicable Date are set forth below:

Generic Name	Brand Name	Company	First Approved Date	NRDL Status	Price
Glycerol phenylbutyrate oral liquid	RAVICTI® 瑞维安®	Immedica Pharma/Our Group	2023-06	/	6,980 RMB (25ml)
Sodium phenylbutyrate granules	瑞本纳平®	Zhaoke Pharmaceutical	2021-05	/	12,620 RMB (150g)

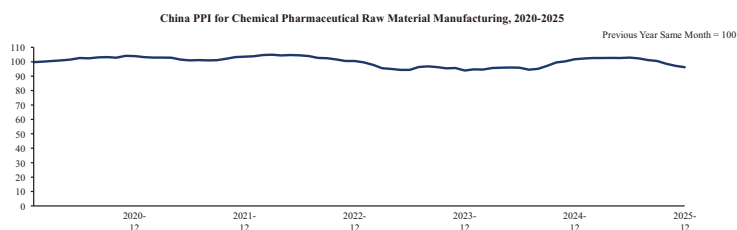
Source: NMPA, CIC Report

As of the Latest Practicable Date, there are only two ammonia scavengers approved for UCD in China, with glycerol phenylbutyrate (RAVICTI®) holding a market share of 65.4% in 2025.

Cost Analysis of Key Commercialized Products

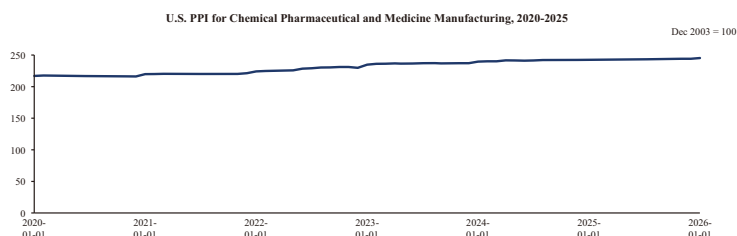
From an industry perspective, the cost of pharmaceutical products is affected by raw materials, manufacturing labour, quality control, logistics and other manufacturing-related expenses. Among these factors, raw material and manufacturing labour costs are two major cost components for pharmaceutical manufacturing and are therefore discussed below as key industry-level indicators.

Raw material cost is one of the key cost components for chemical pharmaceutical products. Based on China's PPI for chemical pharmaceutical raw material manufacturing, raw material manufacturing prices fluctuated during 2020 to 2025. The index was generally above 100 in 2020 and 2021, indicating year-on-year price increases, before declining from 2022 and staying below 100 for most of 2023. The index recovered in 2024 but softened again in 2025. This indicates that raw material costs in China's chemical pharmaceutical manufacturing sector were subject to fluctuations during the period, while recent years did not show sustained upward cost pressure.



Source: Wind, CIC

From an overseas perspective, the U.S. PPI for pharmaceutical and medicine manufacturing may be used as a reference proxy for the overseas pharmaceutical manufacturing cost and price environment. The index showed a generally upward trend during 2020 to 2025. Although China's PPI for chemical pharmaceutical raw material manufacturing and the U.S. PPI for pharmaceutical and medicine manufacturing are not directly comparable due to different methodologies and base periods, China's chemical pharmaceutical raw material manufacturing prices showed more visible cyclical softness in recent years, indicating relatively moderate domestic raw material cost pressure compared with the firmer overseas pharmaceutical manufacturing price environment.



Source: U.S. Bureau of Labor Statistics, CIC

INDUSTRY OVERVIEW

SOURCE OF INFORMATION

In connection with the [REDACTED], we commissioned CIC, an Independent Third Party, to prepare a report on China’s renal disease, hematologic disease and rare disease market. Except as otherwise noted, all data and forecasts in this section come from the CIC Report. We have agreed to pay a total of RMB0.5 million in fees for the preparation of the CIC Report. CIC is a market research and consulting company that provides market research on a variety of industries including healthcare. In preparing the report, CIC collected and reviewed publicly available data such as government-derived information, annual reports and industry association statistics, as well as market data collected by conducting interviews with key industry experts and leading industry participants. CIC has exercised due care in collecting and reviewing the information so collected.

The market projections in the CIC Report were based on the following key assumptions: (i) the overall social, economic and political environment in China is expected to remain stable during the forecast period; (ii) China’s economic and industrial development is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the CIC Report may be affected by the accuracy of the foregoing key assumptions.

Our Directors confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by CIC which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

REGULATORY OVERVIEW

We are subject to a variety of PRC laws, rules, and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

LAWS AND REGULATIONS IN RELATION TO THE PHARMACEUTICAL INDUSTRY

Regulatory Framework of the Pharmaceutical Industry

The PRC Drug Administration Law (《中華人民共和國藥品管理法》), promulgated by the Standing Committee of the National People’s Congress of China (the “**SCNPC**”) in September 1984 and last amended in August 2019 (effective as of December 2019), along with the Regulations for the Implementation of the Drug Administration Law (《中華人民共和國藥品管理法實施條例》), promulgated by the State Council in August 2002 and last amended in January 2026 (effective as of May 2026), collectively form the legal framework for the administration of pharmaceutical products in China. This framework governs the research, development, and manufacturing of drugs. The PRC Drug Administration Law regulates pharmaceutical manufacturers, drug trading companies and medicinal institutions’ preparations, covering R&D, manufacturing, distribution, packaging, pricing and advertisement of pharmaceuticals. The Regulations for the Implementation of the Drug Administration Law provide detailed rules for the PRC Drug Administration Law.

Major Regulatory Authorities of the Pharmaceutical Industry

The pharmaceutical industry in the PRC is mainly administered by three governmental agencies — namely, the National Medical Products Administration (國家藥品監督管理局) (the “**NMPA**”), a department under the State Administration for Market Regulation (國家市場監督管理總局)(the “**SAMR**”), the National Health Commission (國家衛生健康委員會) (the “**NHC**”) and the National Healthcare Security Administration (國家醫療保障局) (the “**NHSA**”).

The NMPA serves as China’s primary pharmaceutical regulator. It is responsible for overseeing nearly all critical stages of a drug’s lifecycle, including non-clinical research and clinical trials, marketing approvals, manufacturing, advertising and promotion, distribution and pharmacovigilance. The NMPA’s Center for Drug Evaluation (國家藥品監督管理局藥品審評中心) (the “**CDE**”) conducts technical evaluations of drug and biologic applications to assess safety and efficacy.

The NHC functions as China’s principal healthcare regulator. It is primarily responsible for drafting national healthcare policies, regulating public health and medical services, managing the health emergency response system, coordinating healthcare reforms, and overseeing medical institutions and practitioners.

Established in May 2018, the NHSA is tasked with drafting and implementing policies, plans, and standards relating to medical insurance, maternity insurance, and medical assistance. It administers healthcare funds, formulates uniform medical insurance catalogs and payment standards on drugs, medical disposables, and healthcare services, and oversees the formulation and administration of bidding and tendering policies for drugs and medical disposables.

REGULATIONS IN RELATION TO CLINICAL TRIALS AND DRUG REGISTRATION

Drug registration refers to the regulatory process through which applicants seek approval for clinical trials, marketing licenses, re-registration, and other supplementary applications in accordance with legal procedures and relevant requirements. The NMPA reviews the safety, effectiveness, and quality controllability of the drug based on laws, regulations, and existing scientific knowledge, and decides whether to approve the application. Once a drug registration certificate is obtained, the applicant becomes a drug marketing authorization holders (the “**DMA Holders**”). The SAMR promulgated the Measures for the Administration of Drug Registration (the “**Registration Measures**”) (《藥品註冊管理辦法》), which apply to drug development, registration, supervision, and administration activities within the PRC for the purpose of drug marketing.

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Application for Clinical Trial

The CFDA released the Circular Concerning Several Policies on Drug Registration Review and Approval (《關於藥品註冊審評審批若干政策的公告》) in November 2015, which clarified the measures and policies regarding, among others, simplifying and accelerating the approval process of clinical trials, including but not limited to the adoption of a one-time umbrella approval procedure allowing the overall approval of all phases of a new drug’s clinical trials, replacing the phase-by-phase application and approval procedure.

According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and effective on May 1, 2017, the decision on the approval of clinical trials of drugs shall be made by the CDE from May 1, 2017.

After obtaining the clinical trial approval from the NMPA, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform for public disclosure in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013. The applicant shall complete the initial registration of the trial within one month after obtaining the clinical trial approval to obtain an exclusive trial registration number, and then complete the subsequent information registration before the first patient is enrolled in the trial and submit the registration for public disclosure for the first time.

Conduct of Clinical Trials

After obtaining clinical trial approval, the applicant shall conduct clinical trials at qualified clinical trial institutions. The qualified clinical trial institution refers to institutions that have the conditions to conduct clinical trials in accordance with the requirements and technical guidelines set forth in the Regulations for the Administration of Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect on December 1, 2019.

Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) promulgated by the NMPA and NHC on April 23, 2020 and effective on July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including pre-clinical trial preparation, trial protocols, protection of trial subjects’ rights and interests, duties of researchers, sponsors and monitors, as well as data management and statistical analysis.

Acceptance of Foreign Clinical Trial Data

According to the International Multi-Center Clinical Trial Guidelines (Trial) (《國際多中心藥物臨床試驗指南(試行)》), which was issued by the CFDA on January 30, 2015 and became effective on March 1, 2015, the sponsor may conduct clinical trials simultaneously at multiple centers in multiple regions in accordance with the same clinical trial protocol, and may also conduct regional clinical trials simultaneously at multiple centers in different countries within a region in accordance with the same clinical trial protocol. If the applicants plan to use the data derived from international multi-center clinical trials for approval of drug registration in China, such international multi-center clinical trials shall comply with the provisions concerning clinical trials in the Registration Measures. When planning and implementing international multi-center clinical trials in China, the sponsor shall comply with the Drug Administration Law, the Implementation Regulations, the Registration Measures and other related laws and regulations, implement the Good Clinical Practice (《臨床試驗質量管理規範》) provided by the International Conference on Harmonization of Technical Requirements for the Registration of Pharmaceuticals for Human Use (人用藥品註冊技術國際協調會議), and meet the legal and regulatory requirements of the corresponding countries.

The NMPA issued the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data (《接受藥品境外臨床試驗數據的技術指導原則》) in July 2018, as one of the implementing rules for the Innovation Opinions, which provides that overseas clinical data can be submitted for drug marketing registration applications in China. Such applications can be in the form of waivers to

REGULATORY OVERVIEW

China-based clinical trials, bridging trials and direct drug marketing registration. According to the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data, sponsors may use the data of foreign clinical trials to support drug marketing registration in China, provided that sponsors must ensure the authenticity, integrity, accuracy and traceability of foreign clinical trial data and such data must be obtained consistent with the relevant requirements under the Good Clinical Practice. Moreover, sponsors shall ensure the scientific design of overseas clinical trials, the compliance with clinical trial quality management system requirements, and the accuracy and integrity of statistical analysis of data.

New Drug Registration

Pursuant to the Registration Measures, upon completion of clinical trials, determination of quality standards, completion of validation of commercial-scale production processes and completion of other related preparation work, the applicant may apply with the NMPA for the marketing authorization. The NMPA then determines whether to approve the application according to applicable laws and regulations. The applicant must obtain the marketing authorization for a new drug before the drug can be manufactured and sold in the China market. According to the Registration Measures, the holders of any of the following drugs can apply for conditional approval of such drugs: (i) drugs which are used for the treatment of severe life-threatening diseases currently lacking effective treatment and the data of clinical trials can confirm their efficacy and forecast their clinical value; (ii) drugs which are urgently needed for public health and data of clinical trials can demonstrate their efficacy and forecast their clinical value; and (iii) vaccines which are urgently needed to deal with major public health emergencies or other vaccines which the NHC deems to be urgently needed, the benefits of both of which are assessed to be outweigh the risks.

The CFDA released the Circular Concerning Several Policies on Drug Registration Review and Approval (《關於藥品註冊審評審批若干政策的公告》) in November 2015, which clarified the measures and policies regarding simplifying and accelerating the approval process of clinical trials, and provided that a fast drug registration pathway can be available for the applications for certain drugs, including the registration of innovative new drugs treating HIV, cancer, serious infectious diseases and orphan diseases, and registration of pediatric drugs, etc.

According to the Announcement on Matters Concerning the Optimization of Drug Registration Review and Approval (《關於優化藥品註冊審評審批有關事宜的公告》) jointly issued by the NMPA and the NHC in May 2018, the CDE will prioritize the allocation of resources for review, inspection, examination and approval of registration applications that have been included in the scope of fast track clinical trial approval.

The Registration Measures have incorporated the previous reform in respect of the accelerated approval for clinical trial and drug marketing registration and introduces four procedures for expedited marketing registration of drugs, which are procedures for breakthrough therapeutic drugs, procedures for conditional approval, procedures for prioritized reviews and approval, and procedures for special examination and approval.

According to the Registration Measures, the applicant may submit an application for drug marketing registration to the CDE upon completion of relevant research on pharmacy, pharmacology, toxicology and drug clinical trials, determination of the quality standards of the drug, validation of commercial-scale production processes and preparation for acceptance of verification and inspection conducted by a professional technical institution designated by the competent NMPA. The CDE will organize pharmaceutical, medical and other technicians to conduct comprehensive review of the safety, efficacy and quality controllability, among others, of the drug according to the application materials submitted by the applicant, the results of the verification and inspection conducted by a professional technical institution, etc. If the comprehensive review conclusion is affirmative, the drug shall be approved for marketing and a drug registration certificate will be issued containing the information of the drug approval number, the MAH and the manufacturer.

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The MAH System

Pursuant to the Drug Administration Law, China implements the MAH system. Under the Drug Administration Law and the Registration Measures, the holder of a Drug Registration Certificate shall be an MAH. An MAH may manufacture and sell drugs or engage a pharmaceutical manufacturing enterprise to manufacture drugs and/or a pharmaceutical distribution enterprise to sell drugs.

An MAH shall be responsible for non-clinical research, clinical trials, manufacturing and business operation, post-marketing research, adverse reaction monitoring and reporting and handling.

Where an MAH is an overseas enterprise, its designated domestic enterprise shall perform the obligations of an MAH and jointly assume the responsibilities of an MAH.

REGULATION IN RELATION TO MEDICAL DEVICES

Pursuant to the Regulations on the Supervision and Administration of Medical Devices (《醫療器械監督管理條例》) last amended by the State Council on December 6, 2024 and came into effect on January 20, 2025, in the PRC, medical devices are classified into three categories based on the degree of risk. Class I medical devices refer to those devices with low risk and whose safety and effectiveness can be ensured through routine administration. Class II medical devices refer to those devices with medium risk and whose safety and effectiveness should be strictly controlled. Class III medical devices refer to those devices with high risk and whose safety and effectiveness must be strictly controlled with special measures. The medical devices of Class I shall be subject to product filing administration, and the medical devices of Class II and Class III shall be subject to product registration administration.

LAWS AND REGULATIONS IN RELATION TO DRUG MANUFACTURING ENTERPRISE AND DRUG MANUFACTURING

Drug Manufacturing License

According to the PRC Drug Administration Law, which was promulgated by the SCNPC in September 1984 and last amended in August 2019, a drug manufacturing enterprise is required to obtain a Drug Manufacturing License from the relevant provincial counterpart of the NMPA. According to the Measures for the Supervision and Administration of Drug Production (《藥品生產監督管理辦法》), which was promulgated by the CFDA on August 5, 2004 and last amended on January 22, 2020, a Drug Manufacturing License is valid for five years. It may be renewed if the holder submits at least six months before its expiration and receives approval from the provincial counterpart of the NMPA that originally issued the license.

Good Manufacturing Practice (“GMP”)

Prior to December 1, 2019, in accordance with the provisions of the Administrative Measures for the Certification of Good Manufacturing Practices issued by the CFDA in August 2011, which have since been repealed, the establishment of a new drug manufacturer, construction of new production premises for a drug manufacturer or production of new dosage forms were required to submit an application for Good Manufacturing Practice certification (GMP certification) to the drug regulatory authority in accordance with relevant provisions. If the Good Manufacturing Practices were satisfied, a GMP certificate would be issued. Pursuant to the Announcement on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), promulgated by the NMPA on November 29, 2019, and the Drug Administration Law, the GMP and Good Supply Practice (GSP) certifications have been cancelled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. When engaging in drug manufacturing activities, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing consistently meets the statutory requirements, and meet the GMP requirements enacted

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by the drug regulatory authority under the State Council in accordance with the law. The legal representative, and principal person in charge of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

The Good Manufacturing Practices for Pharmaceutical Products (《藥品生產質量管理規範》), promulgated by the Ministry of Health of the PRC (the “MOH”, now known as the NHC) in March 1988, newly amended in January 2011 and coming into effect on March 1, 2011, provided guidance for the quality management, organization and staffing, production premises and facilities, equipment, materials and products, recognition and inspection, documentation maintenance, manufacturing management, quality control and quality assurance, contractual manufacturing and contractual inspection of the products, product delivery and recalls of a manufacturer in a systematic manner.

Contract Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委托生產監督管理規定》), which was issued by the NMPA in August 2014, a drug manufacturer in China that holds a drug marketing authorization but temporarily lacks manufacturing conditions due to technology upgrades or insufficient manufacturing capabilities can entrust the production of that drug to another drug manufacturer in China. Such contract manufacturing arrangements require approval by the provincial drug regulatory department of the NMPA.

The PRC Drug Administration Law specifies that the DMA Holders may either produce drugs themselves or entrust their production to other drug manufacturers. DMA Holders and the commissioned manufacturers must enter into an entrustment agreement and a quality agreement, and they are required to strictly fulfill the obligations under these agreements.

The Measures for the Supervision and Administration of Drugs further implement the drug marketing authorization holder system as stipulated in the PRC Drug Administration Law. DMA Holders who entrust others to manufacture preparations must enter into an entrustment agreement and a quality agreement with a qualified drug manufacturing enterprise. They must submit these agreements, along with the actual manufacturing site application materials, to the competent drug administrative authority to apply for a Drug Manufacturing License.

LAWS AND REGULATIONS IN RELATION TO DRUG OPERATION

Drug Operation

According to the Drug Administration Law, the operation of drug business, including drug wholesale and drug retail, is prohibited without a Drug Operation Permit. A Drug Operation Permit shall state the validity period and the scope of business and be subject to review and reissuance upon expiry of the validity period.

According to the Measures for the Supervision and Administration of Drug Quality in Operation and Usage (《藥品經營和使用品質監督管理辦法》), promulgated on September 27, 2023 and coming into effect on January 1, 2024, a Drug Operation Permit is valid for five years. Each holder of the Drug Operation Permit must apply for an extension of its permit between six and two months prior to expiration.

The Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) (the “GSP Rules”) was last amended and came into effect on July 13, 2016. The GSP Rules set forth the basic standards in management of operation quality of drugs and apply to enterprises engaged in drug operations in the PRC, which require drug operators to implement strict controls on their operation of pharmaceutical products, including standards regarding staff qualifications, premises, warehouses, inspection equipment and facilities, management and quality control. Under the Drug Administration Law of the PRC, the GSP certification is no longer required for drug operators, but drug operators are still required to comply with GSP Rules.

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Drug Price

Pursuant to the PRC Drug Administration Law, for drug products with market-regulated prices, the DMA holder, the drug manufacturer, the drug distributor and medical institution shall set prices based on principles of fairness, reasonableness, integrity and trustworthiness, ensuring quality for value. This is intended to provide drug users with reasonably priced products. These entities must also comply with drug price administration requirements issued by the State Council’s pricing authorities, determining and clearly marking the retail prices of drug products.

Pursuant to the Opinions on Promoting Drug Price Reform (《推進藥品價格改革意見》), which were jointly promulgated by the NDRC, the National Health and Family Planning Commission, the Ministry of Human Resources and Social Security of the PRC (the “MOHRSS”), the MIIT, the Ministry of Finance of the PRC, the MOFCOM and the CFDA and came into effect in June 2015, the PRC government will no longer set drug prices, except for narcotic drugs and first-class psychotropic drugs.

Drug Advertisements

The PRC Advertising Law (《中華人民共和國廣告法》), most recently amended and effective as of April 29, 2021, outlines the regulatory framework for the advertising industry. Advertisers, advertising agents and advertising publishers are required to ensure that the contents of the advertisements they prepare or distribute are true and in full compliance with applicable laws and regulations.

For drug advertisements, the advertisement contents shall be examined by the relevant authorities prior to publication. Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》) promulgated by SAMR on December 24, 2019 and effective as of March 1, 2020, advertisements for drugs shall not contain any false or misleading contents. Advertisers shall be responsible for the veracity and legitimacy of the contents of advertisements for drugs, medical devices, health food and formula food for special medical purposes.

Pursuant to the Measures Regarding the Administration of Drug Information Service through the Internet (《互聯網藥品信息服務管理辦法》), promulgated by the CFDA and effective as of July 8, 2004, and subsequently amended with effect from November 17, 2017, Internet drug information services, referring to that of providing medical information (including medical devices information) services to Internet users through the Internet, are classified into two categories, for-profit services and non-profit services. Any website intending to provide drug information services through Internet, shall be approved by the provincial-level NMPA before applying for an operation permit or filing a record with the authority in charge of information industry under the State Council or the provincial-level administration of telecommunication.

OTHER LAWS AND REGULATIONS IN RELATION TO MEDICAL INDUSTRY

Coverage of the National Medical Insurance Program

The national medical insurance program was first adopted under the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (《國務院關於建立城鎮職工基本醫療保險制度的決定》) issued by the State Council on December 14, 1998. This program requires all employers in urban cities to enroll their employees in the basic medical insurance program, with insurance premiums jointly contributed by the employers and employees. On July 10, 2007, the State Council issued the Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》), which expanded the program’s coverage to include urban residents in the pilot districts, allowing them to voluntarily join urban resident basic medical insurance. In addition, on January 3, 2016, the State Council issued the Opinions of the State Council on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》), requiring the integration of the

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urban resident basic medical insurance and the new rural cooperative medical care system. This integration established a unified basic medical insurance system covering all urban and rural residents, except for rural migrant workers and individuals in flexible employment arrangements who participate in the basic medical insurance for urban employees.

National Essential Drug List

On August 18, 2009, the Ministry of Health of the PRC and eight other ministries and commissions in the PRC issued the Provisional Measures on the Administration of the National Essential Drug List (the “**NEDL**”) (《國家基本藥物目錄管理辦法(暫行)》), which was amended on February 13, 2015, along with the Guidelines on the Implementation of the National Essential Drug List System (《關於建立國家基本藥物制度的實施意見》). These measures and guidelines aim to promote the sale of essential medicines at fair prices in the PRC and ensure equal access to the drugs listed in the NEDL for the general public in the PRC. On September 30, 2018, the NHC promulgated the NEDL (2018 edition) (《國家基本藥物目錄(2018年版)》), replacing the NEDL (2012 edition) (《國家基本藥物目錄(2012年版)》) which was promulgated on March 13, 2013. According to these regulations, basic healthcare institutions funded by the PRC government are required to store and use drugs listed in NEDL. The drugs listed in NEDL shall be purchased by centralized tender process and subject to price adjustments by the NDRC. All remedial drugs in the NEDL are listed in the National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》), or the National Reimbursement Drug List (the “**NRDL**”) and the entire purchase price of such drugs is entitled to reimbursement.

Medical Insurance Catalog

According to the Interim Measures for the Administration of Use of Drugs Covered by the Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) or the NRDL Administrative Measures, which were promulgated by the NHSA, on July 30, 2020 and took effect on September 1, 2020, the scope of drugs covered by the basic medical insurance shall be administered through a reimbursement drug list.

The NRDL, which was promulgated by the NHSA and the MOHRSS and took effect on January 1, 2025 and last amended on January 6, 2025, sets forth the payment standard for pharmaceutical products under the basic medical insurance, work-related injury insurance and maternity insurance funds. The local government shall strictly implement the NRDL and shall not adjust the contents contained in the NRDL at their own discretion. Medicines listed in the NRDL are divided into two parts, List A and List B. List A drugs are widely used clinical treatments with good efficacy and lower prices compared to similar drugs, while List B drugs are clinical treatments with good efficacy and slightly higher prices compared to List A drugs.

According to the NRDL Administrative Measures, a Provincial Reimbursement Drug List (“**PRDL**”) must be made by the provincial healthcare security authorities. Patients purchasing List A drugs can directly obtain reimbursement under the basic medical insurance program. Patients purchasing List B drugs shall pay a certain percentage of the purchase price first and then obtain reimbursement under the basic medical insurance program.

Two-Invoice System

According to the Implementing Opinions on Promoting the “Two-Invoice System” for Drug Procurement By Public Medical Institutions (For Trial Implementation) (《關於在公立醫療機構藥品採購中推行“兩票制”的實施意見(試行)》) issued on December 26, 2016, or the Two-Invoice System Notice, the Two-Invoice System refers to a system that requires one invoice to be issued from pharmaceutical manufacturers to pharmaceutical distributors and the other invoice to be issued from pharmaceutical distributors to medical institutions. According to the Dual Invoicing System Notice and the Several Opinions of the General Office of the State Council on Further Reform and Improvement in Policies of Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使

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用政策的若干意見》) issued on January 24, 2017, the Two-Invoice System would be promoted in pilot provinces (autonomous regions and municipalities directly under the central government) involved in the comprehensive medical reform program and pilot cities for public hospital reform on a priority basis.

Centralized Procurement and Bidding Process

On May 20, 2024, the NHSA published the Notice of the National Healthcare Security Administration on Further Promotion of the Experience of Medical Reform in Sanming City and to Continuously Promote the Innovative Development of Medical Insurance (Yibaohan [2024] No. 25) (《國家醫療保障局關於進一步推廣三明醫改經驗持續推動醫保工作創新發展的通知》(醫保函[2024]25號)), providing guidance on centralized procurement practices, aiming to aggressively promote the centralized procurement of drugs and high-value medical consumables organized by national authorities. It emphasizes the need to strengthen coordination among regions, guide and promote local governments to conduct centralized procurement in a regulated manner, and support the targeted expansion of the range of drugs and medical consumables under centralized procurement. This expansion is to be led by willing and responsible provinces, with the participation of all provinces. The notice aims to establish a new pattern of centralized procurement, where the provinces organize the centralized procurement of drugs and high-value medical supplies, the national alliance, led by provinces, acts as the main body, and provincial-level centralized procurement serves as a supplement.

On May 14, 2024, the National Healthcare Security Administration published the Notice of the National Healthcare Security Administration on Strengthening Regional Coordination to Improve the Quality and Coverage of Centralized Procurement of Pharmaceuticals in 2024 (Yibaobanfa [2024] No. 8) (《國家醫療保障局辦公室關於加強區域協同做好2024年醫藥集中採購提質擴面的通知》(醫保辦發[2024]8號)), aiming to improve the centralized pharmaceutical procurement system, promote the quality and coverage of centralized VBP, and further enhance the capacity and scale of local procurement alliances. The goal is to achieve linkage and coordinated progress at the national and local levels.

Rare Disease Scope

On May 11, 2018, the NHC and the NMPA jointly issued the Notice on the Announcement of the First Batch of Rare Diseases List (《關於公佈第一批罕見病目錄的通知》), including 121 rare diseases. On July 10, 2025, the NHC issued the Notice on Printing and Distributing the Therapeutic Guidelines for 86 Rare Diseases such as Cartilage Dysplasia (2025 Edition) (《關於印發軟骨發育不全等86個罕見病病種診療指南(2025年版)的通知》). According to the Notice on Printing and Distributing the Work Program for the Preparation of the Rare Diseases List (《關於印發罕見病目錄製訂工作程序的通知》) issued by the National Health Commission on May 28, 2018. The identification of rare diseases should meet the following four criteria simultaneously: (i) the disease has a low incidence or prevalence rate in the People’s Republic of China and abroad; (ii) the disease has a significant impact on the patients and their families; (iii) there is a clear diagnostic method; (iv) the disease can be treated or intervened in an economically feasible manner, or if there are no effective treatment or intervention measures, the disease has been included in the national scientific research projects. In principle, the update time of the list should not be less than 2 years. After certain drugs for rare diseases are listed in the national rare disease list, the company may meet the conditions for the NMPA to prioritize the review and approval of new drugs.

In recent years, the PRC’s pharmaceutical industry has undergone multiple policy reforms and implementations, such as adjustments to the NRDL and PRDL, national volume-based procurement (“National VBP”), the two-invoice system, and centralized procurement and bidding process reforms. See “— Other Laws and Regulations in Relation to Medical Industry” for more details. While these reforms have aimed to promote the long-term healthy development of the industry, they have exerted significant short-term pressure on pharmaceutical companies, including us. As of the date of the document, among our major products, five of our acquired products and 13 of our CSO products are included in the NRDL.

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We primarily sell our products to independent distributors through a buy-sell model. Apart from contractual safeguards required by law and market practices, we do not retain ownership or day-to-day control over downstream inventory or resale activities and typically enter into standard buy-sell agreements with our distributors. In light of the “Two-Invoice System” implementation, for distributors selling our products to public medical institutions, the law generally prohibits them from appointing sub-distributors. However, for sales to private medical institutions and pharmacies, distributors may collaborate with sub-distributors. We do not have contractual relationships with sub-distributors, nor does it directly manage them or verify their precise numbers. Instead, our distributors are responsible for supervising their respective sub-distributors.

Consequently, the substantive impact of the Two-Invoice System on our business operations is primarily reflected in two aspects. First, in the public medical institution channel, product coverage and distribution fulfillment must rely on distribution arrangements that comply with the Two-Invoice System requirements, thereby imposing stricter compliance demands on distributor selection, regional coverage strategies, and distribution management. Second, in the private medical institution and retail terminal channels, distributors may adopt sub-distribution collaboration models to expand coverage. However, we still need to ensure indirectly the channels’ compliance and service quality through contractual constraints on distributors and ongoing assessments.

Furthermore, regarding financial performance, the Two-Invoice System itself does not directly determine whether products are included in the national medical insurance system or centralized procurement programs. However, it may indirectly affect the sales expense structure, coverage efficiency, and payment collection pace through channel structure adjustments, distribution management and compliance investments, and changes in fulfillment arrangements in the public channel. The extent of such impacts will depend on the terminal sales structure of our products, the compliance execution level of the distribution network, and differences in policy implementation across provinces.

To ensure ongoing compliance with relevant rules, regulations, and policies, we have implemented internal control measures to monitor the implementation of the Two-Invoice System in each province. These measures include providing training to management and commercial teams, requiring commercial teams to adjust distribution strategies promptly based on the latest developments in Two-Invoice System implementation, and suspending or terminating distribution agreements with distributors if violations are identified, along with potentially taking other legal actions.

Products included in centralized procurement are typically those already covered by the NRDL, high-volume products, or mature products facing intense homogeneous competition. Homogeneous competition refers to situations where mature products have been on the market for a long time, and many local manufacturers have developed numerous generic versions with the same chemical name. In contrast, innovative or exclusive products do not face such homogeneous competition. Most of our major products are innovative drugs, which are generally not affected by such procurement policies. See “Business — Overview — Our Diversified and Differentiated Product Portfolio — Our Major Products and Pipeline of Innovative Products” for more details. For some of our mature non-innovative products, we can effectively manage potential procurement risks and stabilize sales performance by leveraging the products’ strong brand recognition, reliable quality, and our innovative multi-channel marketing models. As of the Latest Practicable Date, none of our major products have been included in centralized procurement in China.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any legal proceedings or penalties by any competent authorities in relation to the compliance of the NRDL and PRDL, the “Two-Invoice System” and centralized procurement and bidding process.

LAWS AND REGULATIONS IN RELATION TO ANTI-BRIBERY

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC, as amended and effective as of October 15, 2025, and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》)

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promulgated by the State Administration for Industry and Commerce on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules mentioned above may be subject to administrative punishment or criminal liability depending on the seriousness of the case.

According to the Regulations on the Establishment of Adverse Records with Respect to Commercial Briberies in the Medicine Purchase and Sales Industry (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》) promulgated in January 2007 and amended in December 2013, where a manufacturer of drugs, medical devices and medical disposables, an enterprise, an agency or an individual offers staff of a medical institution any items of value or other benefits, the enterprise should be listed in the adverse records with respect to commercial bribery in the event of the following circumstances: (1) where the act has constituted a crime of bribery as determined by the ruling of a people’s court, or where the circumstance of crime is not serious enough for the imposition of criminal punishment and criminal punishment is exempted as decided by the people’s court in accordance with the Criminal Law; (2) where the circumstance of the crime of bribery is minor and the relevant people’s procuratorate has decided not to lodge a prosecution; (3) where a discipline inspection and supervision authority has initiated a case of bribery and conducted investigation, and punishment has been imposed in accordance with the law; (4) where administrative penalties against the act of bribery have been imposed by, *inter alia*, the finance administration, the SAMR, the NMPA; (5) any other circumstances specified by laws, regulations and rules.

If medical production and operation enterprises are listed into the Adverse Records of Commercial Briberies for the first time, their products shall not be purchased by public medical institutions, and medical and health institutions receiving financial subsidies in the local province for two years since publication of the record, and public medical institution, and medical and health institutions receiving financial subsidies in other provinces shall lower their rating in bidding or purchasing process. If medical production and operation enterprises are listed into the Adverse Records of Commercial Bribery for twice or more in five years, their products shall not be purchased by public medical institutions, and medical and health institutions receiving financial subsidies nationwide for two years since publication of the record.

According to the Guiding Opinions on Establishment of the Trustworthiness Evaluation System for Drug Prices and Procurement by Bidding (《關於建立醫藥價格和招採信用評價制度的指導意見》) promulgated by the NHSA in August 2020 and taking effect simultaneously, the NHSA would establish a catalog of dishonest matters involving drug prices and procurement by bidding, and the kickbacks or other improper benefits in the purchase and sale of drugs, tax-related violations of laws, monopolistic practices, improper pricing practices, disruption of the order of centralized procurement, malicious breach of contracts and other malpractices, will be included in such catalog. Provincial centralized procurement agencies shall assess and rate the dishonest conduct of pharmaceutical enterprises into four levels: general, medium, serious and particularly serious, based on the nature, circumstances, effectiveness and impact of such dishonest conduct. Further, the provincial centralized procurement agencies shall, according to the trustworthiness ratings of pharmaceutical enterprises, take punitive measures, such as warnings and admonishments, restriction on market entry, and release of dishonest information.

LAWS AND REGULATIONS IN RELATION TO ENVIRONMENT PROTECTION

Environmental Protection Law

Pursuant to the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》) promulgated by the SCNPC on December 26, 1989, and amended on April 24, 2014, with effect from January 1, 2015, any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards

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and procedures to control and properly treat waste gas, wastewater, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities.

Environment Impact Assessment Law

According to the Environmental Impact Assessment Law of PRC (《中華人民共和國環境影響評價法》) (the “**Environmental Impact Assessment Law**”), which was promulgated by the SCNPC on October 28, 2002, amended on July 2, 2016 and December 29, 2018, construction entities shall implement the following procedures for their construction projects in accordance with the Category-based Administration Directory for the Environmental Impact Assessment of Construction Projects (《建設項目環境影響評價分類管理名錄》): (i) for projects with potentially significant environmental impacts, an environment impact report shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially minor environmental impacts, an environmental impact statement shall be prepared to provide an analysis or specialized assessment of their environmental impacts; and (iii) for projects with very small environmental impacts so that an environmental impact assessment is not required, an environmental impact registration form shall be filled out. The construction project at issue may not proceed if its environmental impact assessment documents fail to pass the review of the competent authority in accordance with the laws and regulations or are disapproved after the review.

According to the Category-based Administration Directory for the Environmental Impact Assessment of Construction Projects (Edition 2021) (《建設項目環境影響評價分類管理名錄(2021年版)》) promulgated by the Ministry of Ecology and Environment (the “**MEE**”), construction entities shall, in accordance with the provisions of this Directory, respectively prepare environmental impact reports or environmental impact statements on construction projects, or complete environmental impact registration forms on construction projects. The construction projects not covered by this Directory will not be included in the administration of environmental impact assessment of construction projects.

Pollutant Discharge Licensing

Pursuant to the Administrative Measures for Pollutant Discharge Licensing (《排污許可管理辦法》) promulgated on January 10, 2018 and latest revised on July 1, 2024 by the MEE, enterprises and public institutions as well as other producers and operators included in the Catalogue of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources shall apply for and obtain a pollutant discharge license within a prescribed time limit. Any enterprise that fails to obtain a pollutant discharge license as required shall not discharge pollutants.

According to the Catalogue of Classified Administration of Pollutant Discharge License for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the MEE on December 20, 2019 and effective on the same day, key management, simplified management and registration management of pollutant discharge permits are implemented according to factors such as the amount of pollutants generated, the amount of emissions, the degree of impact on the environment, etc., and only pollutant discharge entities that implement registration management do not need to apply for a pollutant discharge permit.

In addition, the Regulation on Pollutant Discharge Permit Administration (《排污許可管理條例》), issued by the State Council on January 24, 2021 and effective on March 1, 2021, stipulates that the review, decision and information disclosure of pollutant discharge licenses shall be handled through the national pollutant discharge license management information platform. A pollutant discharge license is valid for 5 years, and renewal must be applied for 60 days before expiration.

LAWS AND REGULATIONS IN RELATION TO FIRE PREVENTION

Pursuant to the Administrative Measures on the Construction Permits for Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on June 25, 2014 and most recently amended on March 30, 2021, the construction entity

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shall apply for the Construction Permit before commencing the construction and decoration of all types of buildings and their ancillary facilities, the installation of supporting lines, pipelines and equipment, and the construction of municipal infrastructure projects in cities and towns within the territory of China, except where the investment amount of the construction project is below RMB300,000 or the construction area of the construction project is below 300 m². With respect to each construction project that commences without a Construction Permit, the construction entity may be ordered to suspend construction, take remedial measures within a prescribed period, and may be fined 1% to 2% of the contract price of the construction project, while the contractor may be subject to a fine of up to RMB30,000.

According to the Fire Prevention Law of the People’s Republic of China (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and most recently amended on April 29, 2021, and the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and last amended effective on October 30, 2023, fire acceptance should be done for special construction projects which meet certain conditions, while fire filing should be conducted for other types of construction projects. The construction project that fails to complete the required as-built acceptance check on fire prevention shall be ordered by the relevant governmental authorities to close down and shall be subject to a fine of RMB30,000 up to RMB300,000.

On August 12, 2015, the Ministry of Public Security promulgated Eight Measures to Deepen Reform and Serve Economic and Social Development (《公安消防部門深化改革服務經濟社會發展八項措施》), or the Eight Measures. According to the Eight Measures, construction projects with an investment of less than RMB300,000 or a construction area of less than 300 m² are not required to obtain the as-built acceptance check on fire prevention or complete fire safety filing, and competent authorities of housing and urban-rural development at the provincial level may formulate detailed implementation rules pursuant to these measures.

LAWS AND REGULATIONS IN RELATION TO INTELLECTUAL PROPERTY

Patent Law

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and currently effective from June 1, 2021, the China National Intellectual Property Administration (CNIPA) is responsible for administering patent law in the PRC. The patent administration departments of provincial, autonomous regions or municipal governments are responsible for administering patent law within their respective jurisdictions. The Chinese patent system adopts a first-to-file principle, which means that when more than one person files different patent applications for the same invention, only the person who files the application first is entitled to obtain a patent of the invention. The protection period is twenty years for an invention patent and ten years for a utility model patent and fifteen years for a design patent, commencing from their respective application dates.

Trademark Law

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) which was promulgated by the SCNPC on August 23, 1982 and last amended in 2019, as well as by the Implementation Regulations of the PRC Trademark Law (《中華人民共和國商標法實施條例》) promulgated by the State Council in 2002 which was last amended on April 29, 2014. The Trademark Office under the SAMR handles trademark registrations. The Trademark Office grants a ten-year term to registered trademarks and the term may be renewed for another ten-year period upon request by the trademark owner. A trademark registrant may license its registered trademarks to another party by entering into trademark license agreements, which must be filed with the Trademark Office for its record. As with patents, the Trademark Law has adopted a first-to-file principle with respect to trademark registration.

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Copyright law

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), effective in June 1, 1991 and latest amended on November 11, 2020 and became effective on June 1, 2021, copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the rights of reproduction and distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law of the PRC, constitutes infringements of copyrights.

Pursuant to the Computer Software Copyright Protection Regulations (《計算機軟件保護條例》) promulgated on June 4, 1991 and latest amended on January 30, 2013, a software copyright owner may complete registration formalities with a software registration authority recognized by the State Council’s copyright administrative department. A software copyright owner may authorize others to exercise that copyright, and is entitled to receive remuneration.

Regulations on Domain Names

The Ministry of Industry and Information Technology (the “MIIT”) promulgated the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) (the “**Domain Name Measures**”) on August 24, 2017, which took effect on November 1, 2017. Pursuant to the Domain Name Measures, the MIIT oversees the administration of PRC internet domain names. The domain name registration follows a first-to-file principle.

LAWS AND REGULATIONS IN RELATION TO FOREIGN EXCHANGE

Under the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008 and various regulations issued by the State Administration of Foreign Exchange (the “SAFE”) and other relevant PRC government authorities, RMB is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan, or investment in securities outside Chinese mainland, unless the prior approval by the SAFE or its local counterparts is obtained.

On March 30, 2015, the SAFE promulgated Notice on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign-Funded Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**Circular 19**”), which came into effect on June 1, 2015. According to Circular 19, the foreign exchange capital of FIEs shall be subject to the discretionary foreign exchange settlement (the “**Discretionary Foreign Exchange Settlement**”) and its proportion is temporarily determined as 100%. Furthermore, Circular 19 stipulates that the use of capital by FIEs shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of an FIE and capital in RMB obtained by the FIE from foreign exchange settlement shall not be used for certain purposes as prescribed in the Circular 19. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (the “**SAFE Circular 16**”). The SAFE Circular 16 unifies policies on discretionary settlement of foreign exchange receipts under capital accounts of domestic institutions.

In accordance with the Circular on Further Promoting Cross-border Trade and Investment Facilitation (Hui Fa [2019] No. 28) (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (匯發[2019]28號), which was issued and came into effect on October 23, 2019 by the SAFE and was amended on December 4, 2023, foreign-invested enterprise engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to laws and regulations under the condition that the current Special Administrative Measures (Negative List) for Foreign Investment Access are not violated and the relevant domestic investment projects are true and compliant.

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN RELATION TO FOREIGN INVESTMENT

Company Law

Companies established and businesses operating in the PRC are subject to the PRC Company Law, which was promulgated by the SCNPC on December 29, 1993, was last amended on December 29, 2023 and which became effective on July 1, 2024. The PRC Company Law, regulated by SAMR, MOFCOM, and their local counterparts, provides general regulations for companies’ set up and operation in the PRC including the FIEs. Unless otherwise provided in the PRC Foreign Investment Law (《中華人民共和國外商投資法》), the provisions in the PRC Company Law shall prevail.

Foreign Investment Law

The term “foreign investments”, according to the Foreign Investment Law, refers to investment activities within the PRC directly or indirectly conducted by foreign natural persons, enterprises, or other organizations (the “**foreign investors**”), including the following circumstances: (i) a foreign investor, alone or jointly with any other investors, forms a foreign-invested company within the PRC; (ii) a foreign investor acquires any shares, equities, portion of property, or other similar interests in a PRC domestic enterprise; (iii) a foreign investor, alone or jointly with any other investors, invests in any new PRC domestic project; and (iv) the investments in any other manner as specified by laws, administrative regulations or provisions regulated by the State Council. The Foreign Investment Law stipulates that the PRC implements system of pre-establishment national treatment and negative list foreign investment. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), the “**Negative List**”), which would be issued by or upon approval by the State Council, refers to special administrative measures for access of foreign investment in specific fields in China. A foreign investor shall not invest in any field prohibited from foreign investment under the negative list. A foreign investor shall meet the investment conditions stipulated under the negative list for any restricted fields under the negative list. For fields not mentioned in such negative list, there shall be equal treatment of domestic and foreign investments. Foreign-invested enterprises can raise funds through public issuance of stocks, corporate bonds, and other securities in accordance with the law.

LAWS AND REGULATIONS IN RELATION TO CYBER SECURITY AND DATA PROTECTION

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law (《網絡安全法》), which was newly revised on October 28, 2025, and is scheduled to take effect on January 1, 2026. The Cybersecurity Law requires the adoption of necessary technical and other measures to ensure cybersecurity and maintain stable network operations. It also mandates effective responses to cybersecurity incidents and the safeguarding of network data’s integrity, confidentiality, and availability. The Cybersecurity Law regulates network operation security and network information security. It includes provisions for tiered network security protection, state security review, personal information protection, data security and safeguards, cybersecurity and data security emergency response plans, and reporting obligations.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The Data Security Law of the PRC sets forth a comprehensive regulatory framework for data security, detailing various foundational data protection management systems. It mandates the establishment of a data categorization and classification system, enforces stricter management measures for important data and national core data. The Data Security Law also stipulates several key obligations for data security protection. These include establishing a robust data security management system throughout the entire data lifecycle, requiring enhanced risk monitoring and the implementation of remedial measures upon the discovery of data security defects, bugs, or other risks, and establishing a data security emergency response mechanism.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”) and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Cyber Review Measures**”), which came into effect on February 15, 2022.

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The Cyber Review Measures stipulate that, among others, (i) when the purchase of network products and services by a critical information infrastructures operator (the “**CIIO**”) or the data processing activities conducted by a network platform operator affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cyber Review Measures; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities abroad; and (iii) the relevant PRC Governmental Authorities may initiate cybersecurity review if such Governmental Authorities determine that the issuer’s network products or services, or data processing activities affect or may affect national security. As of the Latest Practicable Date, we had not received any notification from the relevant competent or regulatory authorities that we had been determined to be a critical information infrastructure operator or network platform operators engaging in data processing activities that affect or may affect national security.

On September 24, 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “**Data Security Regulations**”) was promulgated by the State Council, which came into effect on January 1, 2025. The Data Security Regulations reiterate and refine the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of online platform service providers. In particular, the Data Security Regulations provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. However, the Data Security Regulations provide no further explanation or interpretation for the criteria on determining the risks that “affect or may affect national security”. Additionally, since the Data Security Regulations are still relatively new, the interpretation and implementation of these regulations may further evolve and develop.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》), which took effect on November 1, 2021. The Personal Information Protection Law regulates personal information protection and defines the principles for its processing. It emphasizes the lawful, fair, and necessary processing of personal information, ensuring transparency and accountability. The law establishes specific rules for obtaining consent, handling sensitive personal information, providing special protection for the personal information of minors under the age of fourteen, conducting personal information protection impact assessments, and fulfilling cross-border data transfer requirements. It also sets forth obligations for personal information processors, including security measures, notification of personal information breaches, and penalties for violations.

LAWS AND REGULATIONS IN RELATION TO LABOR PROTECTION

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) or the Labor Law, which was promulgated on July 5, 1994 and last amended on December 29, 2018, employer shall establish and improve its system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and conduct employee training on labor safety and sanitation in the PRC.

The PRC Labor Contract Law (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007 and amended on December 28, 2012, is primarily aimed at regulating rights and obligations of employer and employee relationships, including the establishment, performance, and termination of labor contracts. Pursuant to the PRC Labor Contract Law, regulated by the MOHRSS and its local counterparts, labor contracts shall be concluded in writing if labor relationships are to be or have been established between employers and employees.

Employers are prohibited from forcing employees to work above certain time limits and employers shall pay employees for overtime work in accordance with national regulations. In addition, employee wages shall be no lower than local standards on minimum wages and must be paid to employees in a timely manner.

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Social Insurance and Housing Fund

As required under the Social Insurance Law, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, the Unemployment Insurance Measures (《失業保險條例》) promulgated on January 22, 1999 and the Regulation of Insurance for Labor Injury (《工傷保險條例》) implemented on January 1, 2004 and amended in 2010, employers are required to provide their employees in the PRC with welfare benefits covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance and medical insurance. These payments are made to local human resources and social security departments. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

In accordance with the Regulations on the Administration of Housing Funds which were promulgated by the State Council in 1999 and last amended in March 2019, employers must register at the designated administrative centers and open bank accounts for depositing employees' housing funds. Regulated by the MOHURD and its local housing fund administration centers, employer and employee are also required to pay and deposit housing funds, with an amount no less than 5% of the monthly average salary of each employee in the preceding year in full and on time.

According to the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases (which took effect in September 2025) (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), where an employer and a worker agree or a worker undertakes to an employer that there is no need to pay social insurance premiums, the people's court shall determine that such an agreement or undertaking is void. If the employer fails to pay social insurance premiums in accordance with the law, and the worker files a claim for rescission of the labor contract and payment of economic compensation by the employer in accordance with Article 38(3) of the Labor Contract Law, the people's court shall support such a claim in accordance with the law.

LAWS AND REGULATIONS ON EMPLOYEE STOCK INCENTIVE PLAN

Pursuant to the Notice of Issues Related to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知》), which was issued by the SAFE on February 15, 2012, employees, directors, supervisors, and other senior management who participate in any stock incentive plan of a publicly-listed overseas company and who are PRC individuals or non-PRC individuals residing in China for a continuous period of no less than one (1) year, subject to a few exceptions, are required to register with the SAFE through a qualified domestic agent, which may be a PRC subsidiary of such overseas listed company, and complete certain other procedures.

In addition, the State Taxation Administration (the “STA”), has issued certain circulars concerning employee stock options and restricted shares. Under these circulars, employees working in the PRC who exercise stock options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company are required to file documents related to employee stock options and restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their stock options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold income tax in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC governmental authorities.

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN RELATION TO TAX

Enterprise Income Tax

Pursuant to the EIT Law, which was promulgated by the National People’s Congress of the People’s Republic of China, or the NPC of the PRC on March 16, 2007, effective on January 1, 2008 and amended by the Standing Committee of the NPC on February 24, 2017 and December 29, 2018, and its implementing rules, last amended by the State Council on April 23, 2019, enterprises are classified into resident enterprises and non-resident enterprises. PRC resident enterprises typically pay an enterprise income tax at the rate of 25%. According to the EIT Law, the enterprise income tax rate of a High and New Technology Enterprise is 15%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》) which were promulgated by Ministry of Science and Technology of the PRC and relevant authorities on April 14, 2008 and last amended on January 29, 2016 and came into effect on January 1, 2016, the Certificate of a High and New Technology Enterprise is valid for three years.

Value-added Tax

Pursuant to the Provisional Regulations of the People’s Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》), promulgated on December 13, 1993 and latest amended on November 19, 2017, and the Decision of State Council on Abolition of the Provisional Regulations of the People’s Republic of China on Business Tax and Revision of the Provisional Regulations of the People’s Republic of China on Value-added Tax (《國務院關於廢止《中華人民共和國營業稅暫行條例》同修改《中華人民共和國增值稅暫行條例》的決定》), promulgated on November 19, 2017, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property, and the importation of goods within the territory of the PRC shall be liable to pay VAT. According to Announcement 39, regulated by the STA and its local counterparts, the VAT tax rates generally applicable are simplified as 13%, 9%, 6%, and 0%, which become effective on April 1, 2019, and the VAT tax rate applicable to the small-scale taxpayers is 3%.

Dividend Withholding Tax

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to the Double Taxation Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Taxation Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《關於執行稅收協定股息條款有關問題的通知》), issued on February 20, 2009 by the STA, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Circular on Several Questions regarding the “Beneficial Owner” in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), which was issued on February 3, 2018 by the STA and became effect on April 1, 2018, when determining the applicant’s status as the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including, without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and

REGULATORY OVERVIEW

whether the counterparty country or region to the tax treaties does not levy any tax or grant any tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and such factors will be analyzed according to the actual circumstances of the specific cases.

LAWS AND REGULATIONS IN RELATION TO IMPORT AND EXPORT OF GOODS

Under the Foreign Trade Law, which was promulgated by the SCNPC on May 12, 1994, came into effect on July 1, 1994 and last amended with effect from December 30, 2022, foreign trade operators engaged in the import and export of goods or technologies are no longer required to make a record-filing with the administrative authority of the foreign trade of the State Council or its authorized agency from December 30, 2022.

Pursuant to the Administrative Provisions of the Customs of the PRC on Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs on November 19, 2021 and became effective on January 1, 2022, unless otherwise required by laws, where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for fillings, it shall obtain the qualification of market entities; particularly where the consignee or consignor of imported or exported goods applies for fillings, it shall be filed as a foreign trade business.

LAWS AND REGULATIONS IN RELATION TO DIVIDEND DISTRIBUTION

The principal regulations governing distribution of dividends of foreign-invested enterprises include Foreign Investment Law and the PRC Company Law regulated by SAMR, MOFCOM, and their local counterparts, wholly foreign-owned enterprises and Sino-foreign equity joint ventures in the PRC may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, these foreign-invested enterprises may not pay dividends unless they set aside at least 10% of their respective accumulated profits after tax each year, if any, to fund certain reserve funds, until such time as the accumulative amount of such fund reaches 50% of the enterprise's registered capital.

LAWS AND REGULATIONS RELATING TO M&A RULES AND OVERSEAS LISTING

On February 17, 2023, the CSRC issued the PRC Overseas Listing Regulations (《境內企業境外發行證券和上市管理試行辦法》), which became effective on March 31, 2023, and five supporting guidelines. Pursuant to the PRC Overseas Listing Regulations, companies in the PRC that directly or indirectly offer or list their securities in an overseas market, including a company in the PRC limited by shares and an offshore company whose main business operations are in the PRC and intends to offer shares or be listed in an overseas market based on its equities, assets or similar interests in the PRC are required to file with the CSRC within three business days after submitting their listing application documents to the regulator in the place of intended listing. Failure to complete the filing under the PRC Overseas Listing Regulations or conceals any material fact or falsifies any major content in its filing documents may subject the company to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, direct officers-in-charge and other direct personnel-in-charge may also be subject to administrative penalties, such as warnings and fines. The PRC Overseas Listing Regulations also provide that a company in the PRC must file with the CSRC within three business days for its follow on offering of securities after it is listed in an overseas market.

In addition, pursuant to the PRC Overseas Listing Regulations, enterprises in the PRC are prohibited from overseas offering and listing under any of the following circumstances, if (i) the overseas offering and listing is explicitly prohibited by PRC laws; (ii) the overseas offering and listing may constitute a threat to or endanger national security as determined by relevant PRC authorities; (iii) the domestic enterprises and their controlling shareholders and actual controllers have committed certain criminal offenses (such as corruption, bribery, embezzlement, misappropriation of property or other criminal offenses undermining the order of the socialist market economy) in the past three years; (iv) the domestic enterprises are currently under investigations in connection with suspicion of having committed criminal offenses or material violations of applicable laws and regulations and there is still

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no explicit conclusion; or (v) there are material ownership disputes over the shareholdings held by the controlling shareholder or the shareholder under the control of the controlling shareholder or the actual controllers.

On February 24, 2023, the CSRC, jointly with other relevant governmental authorities, issued the Provisions on Strengthening the Confidentiality and Archive Management Work Relating to the Overseas Securities Offering and Listing by Domestic Companies 《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which took effect on March 31, 2023, pursuant to these provisions companies based in the PRC that offer and list securities in overseas markets shall establish confidentiality and archives system. The phrase “companies based in the PRC” refers to companies in the PRC limited by shares which are directly listed in the overseas capital market and the domestic operating entities of an offshore company being indirectly listed in a foreign stock exchange. Additionally, companies based in the PRC shall complete corresponding procedures when (i) providing or publicly disclosing documents and materials which may adversely affect national security and public interest to the relevant securities companies, securities service agencies or the offshore regulatory authorities, (ii) providing or publicly disclosing such documents and materials through its offshore listing entity; or (iii) providing accounting files or copies to relevant securities companies, security service institutions, overseas regulators and individuals. Companies based in the PRC are also required to provide written statements on the implementation of the aforementioned rules to the relevant securities companies and securities service agencies. If a company based in the PRC finds that the documents and materials related to state secrets or secrets of the government authorities or other materials which may adversely affect national security and public interest have been leaked or are going to be leaked, it should take remedial measures immediately and report to the relevant authorities.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a China-based comprehensive pharmaceutical enterprise specializing in the treatment of kidney diseases, with growing drug development, manufacturing and commercialization capabilities. Our history can be traced back to 2011, when our co-founders, namely Mr. Wang and Ms. Hu, acquired 100% equity interest in Zhejiang Medical, a company with GSP certification then primarily engaged in the sales of pharmaceutical products in Chinese Mainland. Our Group has since been led by Mr. Wang, our co-founder, Chairman, executive Director, chief executive officer and Controlling Shareholder. For the biography and industry experience of Mr. Wang and Ms. Hu, please refer to the section headed “Directors and Senior Management” in this document.

Our Company was incorporated in the BVI on March 13, 2015 and became the holding company of our subsidiaries. For more details of our corporate development and historical financing, please refer to the sub-sections headed “— Corporate Development” and “— Pre-[REDACTED] Investments” in this section.

BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain key business development milestones of our Group:

Year	Event
2011	Our Group was established through the acquisition of the entire equity interest in Zhejiang Medical and commenced operations.
2015	Our Company was incorporated in the BVI on March 13, 2015. We entered into a strategic partnership with Roche Pharma (Schweiz) AG, becoming the exclusive CSO for the anti-influenza drug Tamiflu® in Chinese mainland.
2017	We entered into a strategic partnership with Kyowa Kirin, becoming the exclusive CSO for the original antihypertensive drug Coniel® in Chinese mainland.
2020	We completed our first round of fundraising, raising gross proceeds of approximately RMB520 million in aggregate from strategic investors including LYFE Mount, LYFE Kings and Kaitai Capital.
2024	We acquired the entire equity interest in Kyowa Kirin China and as part of the acquisition, we obtained the exclusive rights to develop, manufacture and commercialize five original drugs and approximately 43,000 square meters of production facilities in Shanghai. This marks our pivotal milestone in our strategic development and expansion.
2025	We completed our second round of fundraising, raising gross proceeds of approximately RMB700 million in aggregate from strategic investors including CMS Venture, Hangzhou Gongshu, YD Capital, Hangzhou Taikun, Hangzhou Investment and TG Sino-Dragon.

OUR CORPORATE DEVELOPMENT

The following sets forth major corporate history and shareholding changes of our Group.

Our Company

Our Company was incorporated in the BVI on March 13, 2015 as a BVI business company with limited liability with one ordinary share allotted and issued to an Independent Third Party initial subscriber who subsequently transferred such Share to Mr. Wang on November 9, 2015. On the same day, our Company allotted and issued 84 and 15 ordinary shares as fully-paid at HK\$1 each to Mr.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Wang and Ms. Hu, respectively. Subsequent to a series of Share transfers, allotments and subdivision during the period of November 9, 2015 to October 7, 2018, our Company remained to be controlled by Mr. Wang and Ms. Hu.

On December 16, 2017, Mr. Wang agreed to transfer 200 and 10 ordinary shares of our Company to Mr. Xing and Ms. Guo at a consideration of RMB1,002,000 and RMB50,100, respectively, in connection with their contributions relating to the introduction of investments in our Company. Such transfers were fully settled on January 2, 2018 and January 3, 2018, respectively. On October 1, 2018, each of the then-authorized ordinary shares of our Company (including the ordinary shares issued to our then-Shareholders) was divided into 100 ordinary shares each (the “**Share Sub-division**”) and upon completion of the Share Sub-division, our Company was authorized to issue a maximum of 5,000,000 ordinary shares. On the same day, our Company re-designated a portion of its authorized ordinary shares into Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series A-3 Preferred Shares and Series A-4 preferred shares and upon completion of such share re-designation, our Company’s authorized shares were made up of ordinary shares, Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series A-3 Preferred Shares and Series A-4 Preferred Shares. On October 8, 2018, Mr. Wang and Ms. Hu transferred 406,000 and 150,000 ordinary shares of our Company (being their entire shareholding) to their respective wholly-owned companies, namely, Supra Brilliant and Acme Gain. On November 5, 2018, Mr. Xing and Ms. Guo each transferred their entire shareholding in our Company to their respective wholly-owned companies, namely, Rongshun Technology and Qingyun Technology. Upon completion of such share transfers, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo ceased to directly hold any shares of our Company.

In addition to the aforementioned change of issued shares, the Company underwent several rounds of financing and transfer of shares between April 2018 to November 2025, details of which are set out in the sub-sections headed “— Pre-[REDACTED] Investments” and “— Shareholding Structure” below.

Our principal operating subsidiaries

As of the Latest Practicable Date, we have the following subsidiaries which are of strategic importance to us or have made material contributions to our results of operations during the Track Record Period:

Name	Place of incorporation	Date of establishment/ incorporation	Principal business activities
Zhejiang Medical	PRC	October 8, 1992	Development, marketing, promotion, and sales of pharmaceutical products
WinHealth HK	Hong Kong	December 15, 2015	Trading of pharmaceutical products and investment holding activities
WinHealth China	PRC	June 26, 1997	Manufacturing and sales of pharmaceutical products
WinHealth Business Consulting	PRC	April 26, 2017	Promotion of pharmaceutical products

For information on our other subsidiaries and operating entities, please see Note 1 to the Accountants’ Report as set out in Appendix I to this document.

Zhejiang Medical

Zhejiang Medical was established as an enterprise owned by the whole people in the PRC with an initial registered capital of RMB0.5 million. Upon establishment, the registered capital of RMB0.5 million had been appropriated by the office of Zhejiang Medical and Health Association (浙江省醫學衛生學會辦公室) to Zhejiang Medical. On May 27, 2009, Zhejiang Medical was converted from an enterprise owned by the whole people in the PRC to a limited liability company, which was wholly-owned by an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subsequent to a series of equity transfers, on November 11, 2011, Mr. Wang and Ms. Hu acquired 85% and 15% equity interests in Zhejiang Medical from two Independent Third Parties, at a consideration of approximately RMB4.26 million and RMB0.75 million, respectively, which was determined after arm’s length negotiations between the parties with reference to the then registered capital, and was fully settled.

On November 4, 2016, WinHealth HK (a wholly owned subsidiary of our Company) acquired the entire equity interests in Zhejiang Medical. Following a series of increases in its registered capital since Zhejiang Medical became a wholly-owned subsidiary of our Company, as of April 20, 2020, Zhejiang Medical’s registered capital was RMB305,000,000. On November 13, 2024, Zhejiang Medical increased its registered capital to RMB377,000,000 through a capital injection of RMB72,000,000 by WinHealth HK which was fully paid up. On June 23, 2025, Zhejiang Medical further increased its registered capital to RMB398,000,000 through a capital injection of RMB21,000,000 by WinHealth HK which was fully paid up. On November 17, 2025, Zhejiang Medical further increased its registered capital to RMB468,000,000 through a capital injection of RMB70,000,000 by WinHealth HK, of which RMB465,217,900.8 had been paid up as of the Latest Practicable Date. There has been no change in the registered capital of Zhejiang Medical since then and up to the Latest Practicable Date.

WinHealth HK

WinHealth HK was incorporated in Hong Kong with limited liability on December 15, 2015 and has been a wholly-owned subsidiary of our Company since then. On the date of its incorporation and June 1, 2019, a total of 100 shares and 1,499,900 shares of WinHealth HK, respectively, were allotted and issued to our Company at a subscription price of US\$1 each, which have been fully paid up. There has been no change in the equity interest in WinHealth HK since then and up to the Latest Practicable Date.

WinHealth China

WinHealth China, formerly known as Kyowa Kirin China Pharmaceutical Co., Ltd. (協和麒麟(中國)製藥有限公司), was established in the PRC with limited liability on June 26, 1997 with an initial registered capital of US\$26,000,000. Prior to the Kyowa Kirin China Acquisition (as defined below), WinHealth China was a wholly-owned subsidiary of Kyowa Kirin, a R&D-based life sciences company headquartered in Japan and listed on the Tokyo Stock Exchange (stock code: 4151) and an Independent Third Party. Upon completion of the Kyowa Kirin China Acquisition on September 14, 2024, WinHealth China became wholly owned by WinHealth APAC and one of our wholly-owned subsidiaries. There has been no change in the equity interest in WinHealth China since then and up to the Latest Practicable Date.

WinHealth Business Consulting

WinHealth Business Consulting was established in the PRC with limited liability on April 26, 2017 with an initial registered capital of HK\$6,000,000 and was wholly owned by WinHealth HK. In November 2017, WinHealth HK transferred its entire interest in WinHealth Business Consulting to Zhejiang Medical at nil consideration. There has been no change in the equity interest in WinHealth Business Consulting since then and up to the Latest Practicable Date.

ACQUISITIONS DURING THE TRACK RECORD PERIOD

DDAG

On June 19, 2023, WinHealth HK entered into a share purchase agreement with Stefanie von Schonau, an Independent Third Party, to acquire the entire equity interest in DDAG at a consideration of CHF2 million, which was determined after arm’s length negotiations between the parties with reference to the consolidated balance sheet of DDAG as of March 31, 2023. Upon completion of such acquisition, DDAG became an indirect wholly-owned subsidiary of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

DDAG is a pharmaceutical company incorporated in Switzerland and principally engaged in production and sales of dietary supplements and drugs. By leveraging DDAG’s established local team, the acquisition of DDAG enabled us to enter into the European market. During the Track Record Period, DDAG recorded a net loss and the revenue attributable to DDAG represented approximately 0.8%, 2.5% and 1.4% of our total revenue.

Kyowa Kirin China

Our business relationship with Kyowa Kirin traces back to 2017, when we entered into a strategic partnership with Kyowa Kirin, pursuant to which we became the exclusive CSO for the original antihypertensive drug Coniel® in Chinese mainland. In line with our business strategies and plans, and as part of the logical growth trend of our business, our Group acquired the entire equity interest in Kyowa Kirin China (which subsequently underwent a name change to currently WinHealth China) from Kyowa Kirin (the “**Kyowa Kirin China Acquisition**”) in 2024. Kyowa Kirin China is principally engaged in the manufacturing and sales of pharmaceutical products. This strategic acquisition expands the scale of our business operations and product portfolio and enhances our competitiveness in the industry.

On August 1, 2024, our wholly-owned subsidiaries WinHealth Overseas (as buyer) and WinHealth HK (as buyer’s guarantor), entered into a stock purchase agreement with Kyowa Kirin Asia Pacific Pte. Ltd. (“**Kyowa Kirin APAC**”) (as seller) and Kyowa Kirin (as seller’s guarantor), pursuant to which Kyowa Kirin APAC agreed to (i) establish a project company, WinHealth APAC, and transfer 100% of its equity interests in Kyowa Kirin China to WinHealth APAC; and (ii) transfer 100% of the equity interests in WinHealth APAC to WinHealth Overseas at an aggregate consideration of the US dollars equivalent of RMB550.0 million. Since September 14, 2024, (i) Kyowa Kirin has ceased to hold any equity interest in Kyowa Kirin China, which has become wholly owned by WinHealth APAC and one of our wholly-owned subsidiaries; and (ii) Kyowa Kirin China has retained its key management officers and employees who have therefore become employees of our Group.

The consideration for the Kyowa Kirin China Acquisition was determined based on arm’s length negotiation among us and the relevant shareholders of Kyowa Kirin China after taking into consideration of the timing of the investments, the status of their business operations and prospects as well as the valuation of Kyowa Kirin China as of September 30, 2024 as appraised by an independent professional valuer.

As the Kyowa Kirin China Acquisition was conducted during the Track Record Period, for the purpose of Rule 4.05A of the Listing Rules, please refer to “Accountants’ Report on Historical Financial Information of Kyowa Kirin China” in Appendix IA to this document.

Our Group has legally and properly completed, settled, and obtained the requisite legal approvals and completed requisite governmental registrations with relevant governmental authorities with respect to the acquisition of DDAG and the Kyowa Kirin China Acquisition.

Save for the Kyowa Kirin China Acquisition, our Group did not conduct any acquisitions, disposals or mergers that we consider to be material to us during the Track Record Period and up to the Latest Practicable Date.

PRE-[REDACTED] SHARE INCENTIVE PLAN

Our Company adopted the Pre-[REDACTED] Share Incentive Plan on October 13, 2021 which was amended and restated on October 30, 2025. The Pre-[REDACTED] Share Incentive Plan is to promote the success and enhance the value of the Company by linking the interests of grantees with those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our Company allotted and issued 290,254 Shares to Great Reputation between October 8, 2018 and September 6, 2021. Great Reputation is a company incorporated in BVI and wholly-owned by Ms. Hu. Great Reputation holds all the Shares underlying the awards granted and to be granted under the Pre-[REDACTED] Share Incentive Plan. The voting rights of all such Shares held by Great Reputation are ultimately controlled by Ms. Hu. See “Relationship with our Controlling Shareholders” in this document for more details.

As of the Latest Practicable Date, all the underlying Shares in respect of which share awards may be granted under the Pre-[REDACTED] Share Incentive Plan had been granted to 12 eligible participants. None of such share awards had vested, and none of the underlying Shares had been transferred to the grantees. For details of the shareholding interests of grantees under the Pre-[REDACTED] Share Incentive Plan, see “Statutory and General Information — D. Pre-[REDACTED] Share Incentive Plan” in Appendix IV to this document.

ACTING IN CONCERT DEED

In January 2018, in recognition of Mr. Wang’s management experience, industry expertise and leadership role in our Group, and to support the stable and consistent management direction of our Company, Mr. Wang entered into acting in concert agreements with each of Ms. Hu and Mr. Xing, respectively, and Ms. Guo signed an authorization letter authorizing Mr. Wang to exercise the voting rights in our Company on her behalf, which together formed the acting in concert arrangements among our Ultimate Controlling Shareholders, namely, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo. On October 24, 2025, our Ultimate Controlling Shareholders executed the Acting in Concert Deed, to further acknowledge and confirm the prior acting in concert arrangements among them. Pursuant to the Acting in Concert Deed, each of Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo agreed and confirmed that from the date they became the registered owners, the ultimate controllers and/or beneficial owners of the equity interests in our Group to the date when any of them ceases to be our Shareholder: (a) they had been and would continue to be parties acting in concert and they had agreed to consult with each other and reach a unanimous consensus among themselves before the decision, implementation and agreement on all material affairs of our Group; (b) they had cast and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders’ meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group.

After the completion of the Pre-[REDACTED] Investments, but before the completion of the [REDACTED] and the [REDACTED], the parties to the Acting in Concert Deed together controlled 1,056,254 Shares, representing 37.25% of our issued Shares.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

We underwent several rounds of Pre-[REDACTED] Investments as detailed below.

Round/Pre-[REDACTED] Investor	Number and class of our shares subscribed (Note 1)	Date of relevant transaction agreements	Date of the last payment of consideration (Note 2)	Amount of consideration paid	Cost per Share paid (Note 3)	Discount to the [REDACTED] (Note 4)
Series A						
Sierra Nevada Limited (“Sierra”) . . .	1,121 ordinary shares	April 10, 2018	April 10, 2018	US\$10,613,714	HK\$[REDACTED]	[REDACTED]%
LYFE Kings . . .	113,379 Series A-3 Preferred Shares (Note 5)	September 26, 2018	October 16, 2018	US\$8,000,000	HK\$[REDACTED] (Note 7)	[REDACTED]%
LYFE Mount . . .	386,550 Series A-4 Preferred Shares (Note 6)	September 26, 2018	November 20, 2018	US\$32,000,000	HK\$[REDACTED] (Note 7)	[REDACTED]%
Gongqingcheng . .	53,252 Series A-4 Preferred Shares (Note 8)	April 8, 2019	July 31, 2020	RMB30,000,000	HK\$[REDACTED]	[REDACTED]%
Gongshu Technology . .	71,003 Series A-4 Preferred Shares (Note 9)	April 17, 2019	March 24, 2020	RMB40,000,000	HK\$[REDACTED]	[REDACTED]%
Qianhai Beizeng . .	35,501 Series A-4 Preferred Shares (Note 10)	April 30, 2019	June 2, 2020	RMB20,000,000	HK\$[REDACTED]	[REDACTED]%
Kaitai Minde . . .	60,398 Series A-4 Preferred Shares	April 8, 2019	June 3, 2020	US\$5,000,000	HK\$[REDACTED]	[REDACTED]%
Kaitai Ruide . . .	60,398 Series A-4 Preferred Shares	April 8, 2019	April 10, 2020	US\$5,000,000	HK\$[REDACTED] (Note 11)	[REDACTED]%
Ningbo Qimao . . .	35,501 Series A-4 Preferred Shares	April 8, 2019	May 18, 2020	RMB20,000,000	HK\$[REDACTED] (Note 11)	[REDACTED]%
Series B (Note 12)						
Hangzhou Gongshu . . .	270,764 Series B Preferred Shares	August 14, 2025	August 22, 2025	RMB216,000,000	HK\$[REDACTED]	[REDACTED]%
CMS Venture . . .	222,522 Series B Preferred Shares	August 14, 2025	August 15, 2025	US\$25,000,000 (Note 13)	HK\$[REDACTED]	[REDACTED]%
Hangzhou Taikun . .	62,677 Series B Preferred Shares	August 14, 2025	August 29, 2025	RMB50,000,000	HK\$[REDACTED]	[REDACTED]%
YD Capital . . .	133,513 Series B Preferred Shares	August 14, 2025	August 29, 2025	RMB106,509,000	HK\$[REDACTED]	[REDACTED]%
TG Sino-Dragon . .	44,504 Series B Preferred Shares	August 14, 2025	September 16, 2025	US\$5,000,000	HK\$[REDACTED]	[REDACTED]%
Qinshi Capital . .	37,606 Series B Preferred Shares	October 30, 2025	November 28, 2025	RMB30,000,000	HK\$[REDACTED]	[REDACTED]%
Hangzhou Investment . . .	125,354 Series B Preferred Shares	October 30, 2025	November 28, 2025 (Note 14)	RMB100,000,000	HK\$[REDACTED]	[REDACTED]%

Notes:

1. Prior to October 28, 2025, the Series A Preferred Shares and Series B Preferred allotted and issued to our Pre-[REDACTED] Investors were only denominated in U.S. dollars. Since October 30, 2025 our Company’s authorized and issued shares are only denominated in Hong Kong dollars. See “Statutory and General Information — A. Further Information About Our Group — 2. Changes in the authorized and issued shares of our Company” in Appendix IV to this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

2. This refers to the date when the underlying Shares have been issued to the Pre-[REDACTED] Investors upon irrevocable settlement and receipt of funds by our Company with respect to the last payment of consideration of the financing.
3. The cost per Share paid by the Pre-[REDACTED] Investors was calculated by the amount of consideration paid by the Pre-[REDACTED] Investor divided by the percentage of shares purchased by such Pre-[REDACTED] Investor immediately following each round of investments, then dividing such quotient by [REDACTED] being the number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), and converted into HK\$ using the exchange rates of HK\$1.00:RMB0.91227 and US\$1.00:HK\$7.7717.
4. The discount to the [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] range).
5. On October 10, 2025, our Company allotted and issued 63,511 ordinary shares to LYFE Kings. On October 20, 2025, our Company repurchased 28,000 Series A-1 Preferred Shares, 37,367 Series A-2 Preferred Shares and 37,793 Series A-3 Preferred Shares from LYFE Kings at an aggregate cash consideration of US\$7,928,274 due to a commercial decision of LYFE Kings to realize its investment gain on the Shares. As of the Latest Practicable Date, LYFE Kings holds 56,000 Series A-1 Preferred Shares, 74,733 Series A-2 Preferred Shares, 75,586 Series A-3 Preferred Shares and 63,511 ordinary Shares.
6. On October 10, 2025, our Company allotted and issued 85,448 ordinary shares to LYFE Mount. On October 20, 2025, our Company repurchased 128,850 Series A-4 Preferred Shares from LYFE Mount at an aggregate cash consideration of US\$10,666,667 due to a commercial decision of LYFE Mount to realize its investment gain on the Shares. As of the Latest Practicable Date, LYFE Mount holds 257,700 Series A-4 Preferred Shares and 85,448 ordinary Shares.
7. The difference in cost per Share paid for the subscriptions on the same day is attributable to the subscription of different classes of shares. The subscriptions of the Series A-3 Preferred Shares and Series A-4 Preferred Shares by LYFE Kings and LYFE Mount were pursuant to a single agreement, reflecting the arm's length negotiations of the parties thereto.
8. On October 20, 2025, our Company repurchased 17,751 Series A-4 Preferred Shares held by Gongqingcheng at a cash consideration of US\$1,469,464 due to a commercial decision of Gongqingcheng to realize its investment gain on the Shares. On the same day, our Company allotted and issued 11,772 ordinary shares to Gongqingcheng. As of the Latest Practicable Date, Gongqingcheng holds 35,501 Series A-4 Preferred Shares and 11,772 ordinary Shares.
9. On August 13, 2025, our Company repurchased 71,003 Series A-4 Preferred Shares from Gongshu Technology. The repurchase was undertaken in connection with an administrative restructuring of districts in Hangzhou, pursuant to which, Gongshu Technology, the fund affiliated with the former Xiacheng District was required to realize its investment gain on the Shares. Upon completion of such repurchase on the same day, Gongshu Technology ceased to be a Shareholder of our Company.
10. On October 20, 2025, our Company repurchased 11,834 Series A-4 Preferred Shares held by Qianhai Beizeng at a cash consideration of US\$979,634 due to a commercial decision of Qianhai Beizeng to realize its investment gain on the Shares. On the same day, our Company allotted and issued 7,848 ordinary shares to Qianhai Beizeng. As of the Latest Practicable Date, Qianhai Beizeng holds 23,667 Series A-4 Preferred Shares and 7,848 ordinary Shares.
11. The difference in cost per Share paid for the subscriptions of Series A-4 Preferred Shares by Kaitai Ruide and Ningbo Qimao were attributable to exchange rate differences applicable at the time of the subscriptions.
12. The premium of the proposed [REDACTED] to the price of the Series B financing primarily reflects the advancement of key development milestones in our products since the Series B financing and the realized synergies from the Kyowa Kirin China Acquisition. Since Series B financing, our Company has made substantial progress in its product development pipeline, including the regulatory approval of Kapruvia® in the PRC, which has materially increased the value of its business.
13. The investment amount payable by CMS Venture was settled by way of cancellation of a promissory note dated February 2, 2024 issued by our Company to CMS Venture.
14. On October 30, 2025, Hangzhou Investment (as lender) and WinHealth China (as borrower) entered into a convertible loan agreement, pursuant to which Hangzhou Investment agreed to provide a loan which may be converted into equity securities of the Company of a principal amount of RMB100,000,000 to WinHealth China. On the same day, our Company issued a warrant convertible into a proportional number of Series B Preferred Shares and exercisable upon the completion of the relevant ODI registration by Hangzhou Investment, at the same price as the principal amount of the aforesaid RMB100,000,000 convertible loan. On November 17, 2025, Hangzhou Investment elected to fully exercise the warrant to subscribe for 125,354 Series B Preferred Shares and the payment of the aggregate exercise price with respect to the foregoing was fully settled on the November 28, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following table sets forth a summary of certain Pre-[REDACTED] Investments whereby the Pre-[REDACTED] Investors acquired equity interests in our Company from other Pre-[REDACTED] Investors or Mr. Wang.

Transfer among Pre-[REDACTED] Investors and other shareholders		Date of transfer agreement	Date of last payment of consideration (Note 1)	Approximate amount of consideration	Number and class of our shares transferred (Note 2)	Cost per Share Paid (Note 3)	Discount to the [REDACTED] (Note 4)
Transferee	Transferor						
Major Bright Holdings Limited (“Major Bright”) (Note 5) . . .	Mr. Wang	March 14, 2017	March 17, 2017	RMB47,250,000	15 ordinary shares	HK\$[REDACTED]	[REDACTED]%
China New Economy Fund Limited (“China New Economy”) (Note 6)	Mr. Wang	May 5, 2017	February 4, 2018	HK\$30,000,000	84 ordinary shares	HK\$[REDACTED]	[REDACTED]%
Sierra (Note 7)	China New Economy	March 29, 2018	April 2, 2018	US\$5,171,107	84 ordinary shares	HK\$[REDACTED]	[REDACTED]%
LYFE Kings (Note 8).	Sierra	October 8, 2018	October 8, 2018	US\$5,171,107	84,000 Series A-1 Preferred Shares	HK\$[REDACTED]	[REDACTED]%
		October 8, 2018	October 8, 2018	US\$10,613,714	112,100 Series A-2 Preferred Shares	HK\$[REDACTED]	[REDACTED]%

Notes:

1. Prior to October 28, 2025, the Series A Preferred Shares and Series B Preferred Shares allotted and issued to our Pre-[REDACTED] Investors were only denominated in U.S. dollars. Since October 30, 2025 our Company’s authorized and issued shares are only denominated in Hong Kong dollars. See “Statutory and General Information — A. Further Information About Our Group — 2. Changes in the authorized and issued shares of our Company” in Appendix IV to this document.
2. This refers to the date when the underlying shares have been transferred to the Pre-[REDACTED] Investors upon irrevocable settlement and receipt of funds by our Company with respect to the last payment of consideration of the financing.
3. The cost per Share paid by the Pre-[REDACTED] Investors was calculated by the amount of consideration paid by the Pre-[REDACTED] Investor divided by the percentage of shares purchased by such Pre-[REDACTED] Investor immediately following their investments, then dividing such quotient by [REDACTED] being the number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), and converted into HK\$ using the exchange rates of HK\$1.00:RMB0.91227 and US\$1.00:HK\$7.7717.
4. The discount to the [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] range).
5. On December 5, 2016, Major Bright and Mr. Wang entered into a share purchase agreement, which was subsequently amended by a supplemental agreement dated March 14, 2017, pursuant to which, Major Bright agreed to purchase, and Mr. Wang agreed to sell 15 ordinary shares for a total consideration of RMB47,250,000, which was fully settled on March 17, 2017. Subsequent to a series of share allotments, the Share Sub-division and share repurchase by our Company, on September 6, 2021, Major Bright ceased to be a Shareholder of our Company.
6. On May 5, 2017, China New Economy and Mr. Wang entered into a share purchase agreement, pursuant to which, China New Economy agreed to purchase, and Mr. Wang agreed to sell 84 ordinary shares for a total consideration of HK\$30,000,000, which was fully settled on May 9, 2017.
7. On March 29, 2018, Sierra and China New Economy entered into a share transfer agreement, pursuant to which, China New Economy agreed to transfer 84 ordinary shares to Sierra for a total consideration of US\$5,171,107, which was fully settled on the same day. Upon completion of such share transfer, China New Economy ceased to be a Shareholder of our Company. On April 9, 2018, our Company further allotted and issued 756 ordinary shares at a consideration of HK\$756 to Sierra. On October 1, 2018, Sierra held 196,100 ordinary shares upon completion of the Share Sub-division. Pursuant to a subsequent share re-designation by our Company, 84,000 and 112,100 ordinary shares held by Sierra were re-designated as Series A-1 Preferred Shares and Series A-2 Preferred Shares, respectively.
8. Pursuant to the instruments of transfer dated October 8, 2018, Sierra agreed to transfer its 84,000 Series A-1 Preferred Shares and 112,100 Series A-2 Preferred Shares to LYFE Kings at a consideration of US\$5,171,107 and US\$10,613,714, respectively. Upon completion of such share transfer, Sierra ceased to be a Shareholder of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Basis of Determining the Consideration Paid by Each Pre-[REDACTED] Investor

The basis of determination for the consideration for the Pre-[REDACTED] Investments was arm’s length negotiations between us and the Pre-[REDACTED] Investors after taking into consideration the timing of the investments, the status of our business and operating entities and the strategic or other value that could be brought to our Group by virtue of such investments. Accordingly, we consider that the Pre-[REDACTED] Investors acquired their respective interest in the Company on terms and value that are fair and reasonable to the parties.

Use of Proceeds from the Pre-[REDACTED] Investments

The proceeds raised by our Company pursuant to each Pre-[REDACTED] Investment had been used as the general working capital of our Group, in particular for the development, expansion, and operation of our business. As of the Latest Practicable Date, the net proceeds from the Pre-[REDACTED] Investments had been fully utilized.

Strategic Benefits of the Pre-[REDACTED] Investments

At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Group could benefit from the additional capital that would be provided by each of the Pre-[REDACTED] Investments, as well as each of the Pre-[REDACTED] Investors’ knowledge and experience. Our Pre-[REDACTED] Investors include experienced investment firms and reputable enterprises operating across diverse sectors with a global footprint. Their investments provide our Group with valuable industry insights and operational guidance, and demonstrate their confidence in our operations and prospects. Through the Pre-[REDACTED] Investments, we broadened our Shareholder base and maintained a balanced mix of strategic and financial investors.

Special Rights of the Pre-[REDACTED] Investors

All Preferred Shares of our Company will be converted into Shares on an initial conversion of one-to-one basis immediately prior to the completion of the [REDACTED]. All Shareholders (including the Pre-[REDACTED] Investors) are subject to (i) the existing Sixth Amended and Restated Memorandum and Articles of Association, which will be replaced in its entirety by the Seventh Memorandum and Articles of Association effective upon registration with the Registrar of Corporate Affairs in the BVI, and (ii) the Third Amended and Restated Shareholders Agreement (the “**Shareholders Agreement**”), which supersedes all previous agreements among the contracting parties in respect of shareholders’ rights in the Company.

Pursuant to the Shareholders Agreement and the existing Sixth Amended and Restated Memorandum and Articles of Association, Pre-[REDACTED] Investors have been granted, among other rights, (i) information and inspection rights, (ii) registration rights, (iii) redemption rights and liquidation preferences, (iv) rights of participation (v) co-sale rights, (vi) various protective provisions requiring their consent for certain corporate actions, (vii) right to designate directors and board observer, and (viii) drag-along right.

As from the date on which we submit the first [REDACTED] (the “[REDACTED]”) to the Stock Exchange and the SFC, any redemption rights and divestment rights granted to the Pre-[REDACTED] Investors have been suspended and will resume to be exercisable in the event that (i) such [REDACTED] is rejected by the Stock Exchange or the SFC or otherwise withdrawn by our Company, (ii) such [REDACTED] is lapsed and no renewed application is made within three months of such lapse, or (iii) such [REDACTED] fails to be consummated by December 31, 2027.

All special rights granted to the shareholders (including those of Pre-[REDACTED] Investors) under the Shareholders Agreement will automatically terminate upon the completion of the [REDACTED].

Our Company expects that each Pre-[REDACTED] Investor shall provide a lock-up undertaking in respect of its Shares for a period of six months from the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CONFIRMATION OF THE SOLE SPONSOR

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of our Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[REDACTED] Investments; and (ii) all the redemption and divestment rights of the Pre-[REDACTED] Investors granted will be suspended upon the [REDACTED] and, together with other special rights, terminated upon the completion of the [REDACTED], the Sole Sponsor confirms that the Pre-[REDACTED] investments disclosed in this section are in compliance with the guidance in Chapter 4.2 of the New Listing Guide.

INFORMATION ABOUT THE PRE-[REDACTED] INVESTORS

Set out below is a description of our Pre-[REDACTED] Investors. To the best of our Directors’ knowledge, information and belief, save for LYFE Mount which will be our substantial Shareholder upon [REDACTED] and LYFE Kings which is its close associate, all of the Pre-[REDACTED] Investors and their ultimate beneficial owners are Independent Third Parties.

LYFE Entities

LYFE Mount is an exempted company incorporated in the Cayman Islands with limited liability, and is held by seven shareholders which include asset investment company, listed and unlisted private equity funds. LYFE Kings is an exempted company incorporated in the Cayman Islands with limited liability, and is wholly owned by LYFE Capital Fund II, L.P.

LYFE Mount and LYFE Kings are both managed by LYFE Capital Management Limited, which has assets under management exceeding US\$2 billion and is ultimately owned by Zhao Jin, the founder and partner of LYFE Capital with over 20 years of experience in the healthcare-focused financial investment industry.

Gongqingcheng

Gongqingcheng is a limited partnership established in the PRC on December 8, 2017. It serves as a special purpose investment vehicle specifically designed for investing in overseas entities. The general partner of Gongqingcheng is Shanghai Honghui Asset Management Company Limited (上海弘輝資產管理有限公司) which is ultimately owned by Tan Hong (譚泓). Tan Hong is the chairman and the founder of Shanghai Honghui Asset Management Company Limited and has extensive experience in equity investment. None of the limited partners of Gongqingcheng hold 30% or more of the partnership interests therein.

Qianhai Beizeng

Qianhai Beizeng is a limited partnership established in the PRC on January 18, 2017. The general partner of Qianhai Beizeng is Shenzhen Qianhai Beizeng Asset Management Company Limited (深圳市前海貝增資產管理有限公司) (“**Shenzhen Beizeng**”) which is held as to 51%, 38%, 6% and 5% by Chengdu Renyou Investment Company Limited (成都仁佑投資有限公司) (“**Chengdu Renyou**”), Cheng Zhipeng (程志鵬), Tang Zhongjie (唐中傑) and Cheng Siyi (程思議). Cheng Zhipeng is a co-founder of Shenzhen Beizeng with extensive experience in pharmaceutical business management and healthcare investment. Chengdu Renyou is ultimately owned as to 70% by Cheng Zhipeng. Qianhai Beizeng has 17 limited partners, among which Cheng Zhipeng holds approximately 33.9% of the partnership interests of Qianhai Beizeng, and none of the other limited partners hold 30% or more of the partnership interests therein. Shenzhen Beizeng is an investment management firm with a focus on equity investments in the healthcare sector.

Kaitai Entities

Kaitai Minde is a limited partnership established in the PRC on February 13, 2017. The general partners of Kaitai Minde are Hangzhou Kaitai Runhui Investment Management Limited (杭州凱泰潤匯投資管理有限公司) and Hangzhou Kaitai Capital Management Ltd. (杭州凱泰資本管理有限公司) (“**Kaitai Capital**”). Hangzhou Kaitai Runhui Investment Management Limited is owned as to 70% by

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Kaitai Capital. Shenzhen Houde Qianhai Equity Investment Fund Partnership (Limited Partnership) (深圳市厚德前海股權投資基金合夥企業(有限合夥)) (“**Shenzhen Houde Qianhai**”) is the sole limited partner of Kaitai Minde.

Kaitai Ruide is a limited partnership established in the PRC on April 28, 2018. The general partners of Kaitai Ruide are Hangzhou Kaitai Jieao Investment Management Limited (杭州凱泰潔奧投資管理有限公司) and Hangzhou Kaitai Boyuan Investment Management Limited (杭州凱泰博源投資管理有限公司), both of which are wholly-owned by Kaitai Capital. None of the limited partners of Kaitai Ruide hold 30% or more of the partnership interests therein.

Both Kaitai Minde and Kaitai Ruide are ultimately managed by Kaitai Capital, an Independent Third Party. Kaitai Capital is a capital risk management company, focusing on investing in biotech and digital health companies and AI technology. It has invested in biotech companies such as CARsgen Therapeutics Holdings Limited (科濟藥業控股有限公司) approximately (a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2171)), Jiangsu Yahong Meditech Co., Ltd. (江蘇亞虹醫藥科技股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 688176)), and Beijing Sun-Novo Pharmaceutical Research Co., Ltd. (北京陽光諾和藥物研究股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 688621)). Kaitai Capital is a sophisticated investor with more than RMB8 billion in assets under management as of June 30, 2025. Kaitai Capital is ultimately owned as to 53% by Xu Yonghong (徐永紅) who is the founder, chief executive officer and chief investment officer of Kaitai Capital. None of the other shareholders of Kaitai Capital holds 30% or more of the interests therein.

Ningbo Qimao

Ningbo Qimao is a limited partnership established in the PRC on April 12, 2018. The general partner of Ningbo Qimao is Guo Qiang (郭強) while Guo Qijun (郭起軍) is the sole limited partner of Ningbo Qimao. Each of Guo Qiang and Guo Qijun is an individual investor and an Independent Third Party.

CMS Venture

CMS Venture is a limited company incorporated in Hong Kong, which is a wholly-owned subsidiary of China Medical System Holdings Limited (“**CMS**”), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 867) and the Mainboard of the SGX (stock code: 8A8). CMS is a platform company linking pharmaceutical innovation and commercialization with strong product lifecycle management capability, dedicated to providing competitive products and services to meet unmet medical needs.

Hangzhou Gongshu

Hangzhou Gongshu is a limited liability company established in the PRC on March 20, 2017 and a wholly-owned subsidiary of Hangzhou Gongshu Guotou Industrial Development Company Limited (杭州拱墅國投產業發展有限公司), which is in turn ultimately owned by Hangzhou Gongshu District Finance Bureau (杭州市拱墅區財政局), the working department of the People’s Government of Gongshu District of Hangzhou City (杭州市拱墅區人民政府). As an industrial investment platform owned by the Hangzhou Gongshu District Finance Bureau, Hangzhou Gongshu primarily engages in equity investment in the healthcare, industrial and information technology sectors.

Hangzhou Taikun

Hangzhou Taikun is a limited partnership established in the PRC on August 10, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB20.0 billion. Hangzhou Taikun primarily focuses on investment opportunities in companies engaged in the development of innovative medical devices and medicine and medical services. Hangzhou Taikun has three limited partners. Its largest limited partner is Hangzhou Tigermed Equity Investment Partnership (Limited Partnership) (杭州泰格股權投資合夥企業(有限合夥)) (“**Hangzhou Tigermed Equity**”), which holds approximately 49% of the partnership interests therein. None of the other limited partners of Hangzhou Taikun holds 30% or more of the partnership interests. The general partner of Hangzhou Taikun is Hangzhou Tailong Venture Capital

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Partnership (Limited Partnership) (杭州泰龍創業投資合夥企業(有限合夥)) (“**Hangzhou Tailong**”) which holds 1% of the partnership interests therein. The general partner of Hangzhou Tailong is Zhaotai (Zibo) Venture Capital Management Partnership (Limited Partnership) (昭泰(淄博)創業投資管理合夥企業(有限合夥)) which is ultimately controlled by Liu Chunguang (劉春光). Hangzhou Tailong is owned as to 99% by its largest limited partner, Hangzhou Tigermed Equity. The general partner of Hangzhou Tigermed Equity is Shanghai Taige Medicine Technology Co., Ltd. (上海泰格醫藥科技有限公司), which is wholly-owned by Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (“**Hangzhou Tigermed Consulting**”), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300347) and on the Main Board of the Stock Exchange (stock code: 3347). The limited partner of Hangzhou Tigermed Equity is Hangzhou Tigermed Consulting who holds approximately 99.99% of the partnership interests therein.

YD Capital

YD Capital is an exempted limited partnership registered under the laws of Cayman Islands, the general partner of which is Causa Capital Investment Limited which is managed by an investment committee. YD Capital has two limited partners, Raumier Limited and Marvelous Panda Inc. holding approximately 59.4% and 39.6% of the partnership interests, respectively. Raumier Limited, is a wholly-owned subsidiary of Brunei Investment Agency (“**BIA**”). BIA is a body corporate that was established by the Brunei Investment Agency Act (Chapter 137 of the Laws of Brunei) and is a government-owned corporation that reports to the Ministry of Finance of the Government of Brunei and one of its principal objects is to hold and manage the General Reserve Fund of the Government of Brunei. Marvelous Panda Inc. is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Yidu Tech Inc., a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2158). YD Capital is principally engaged in equity investment.

TG Sino-Dragon

TG Sino-Dragon Fund II L.P. is an exempted limited partnership registered under the laws of Cayman Islands and engaged in equity investment. Its general partner is TG Mountain Investment Co., a wholly-owned subsidiary of Hong Kong Tigermed Co., Limited (香港泰格醫藥科技有限公司), which is in turn wholly owned by Hangzhou Tigermed Consulting. TG Sino-Dragon has three limited partners, Birchtree Fund Investments Private Limited, TG Sky Growth Investment Ltd. and True Light Investment Pte, holding approximately 64%, 20% and 16% of the partnership interests, respectively. Each of Birchtree Fund Investments Private Limited and True Light Investment Pte is ultimately owned by Temasek Holdings (Private) Limited, which is a sovereign wealth fund held by the Singapore government.

Qinzhi Capital

Qinzhi Capital is a limited partnership established in the PRC on February 23, 2023. Shenzhen Qianhai Triwise International Capital Management Co., Ltd. (深圳前海勤智國際資本管理有限公司) (“**Triwise Capital**”) is the general partner of Qinzhi Capital. Triwise Capital is ultimately owned by Tang Dajie (湯大傑), the chairman and the founder of Triwise Capital with over 20 years of experience in investment, financing and corporate management. Qinzhi Capital has a diverse base of limited partners, none of whom holds 30% or more of the partnership interests therein. Qinzhi Capital is principally engaged in investments in the healthcare industry and has established an advanced investment portfolio with approximately RMB3 billion of assets currently under management.

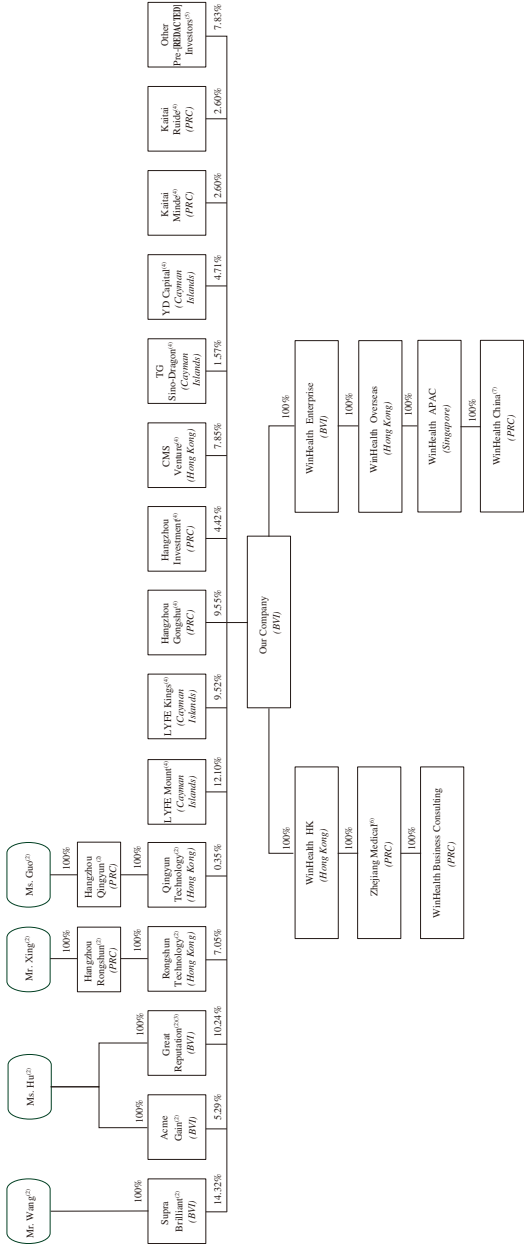
Hangzhou Investment

Hangzhou Investment is a limited liability company established in the PRC on March 29, 2019 and a wholly-owned subsidiary of Hangzhou State-owned Capital Investment and Operation Company Limited (杭州市國有資本投資運營有限公司), which is in turn ultimately owned by the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People’s Government (杭州市人民政府國有資產監督管理委員會). Hangzhou Investment is principally engaged in equity investment, investment management, private equity fund management and related consulting services.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY AFTER THE COMPLETION OF THE PRE-[REDACTED] INVESTMENTS

The following chart sets forth our Group’s simplified⁽¹⁾ corporate structure immediately after the completion of the Pre-[REDACTED] Investments, but before the completion of the [REDACTED] and the [REDACTED]:



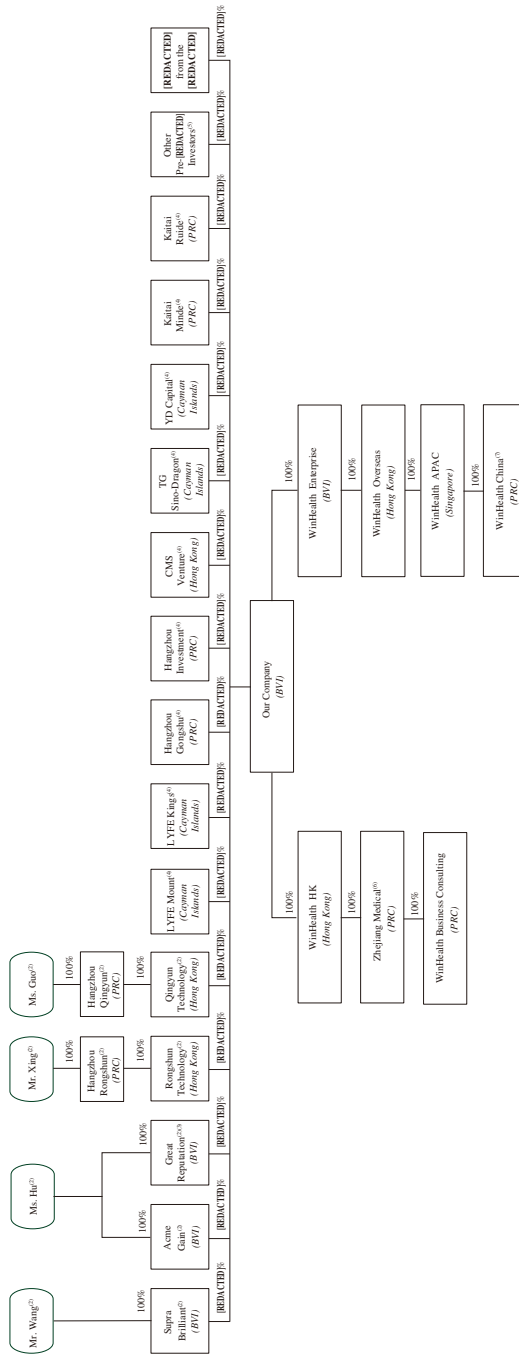
Notes:

1. The above chart only includes information relating to our principal operating subsidiaries. For details of these subsidiaries, please refer to “— Our Corporate Development — Our principal operating subsidiaries” in this section above.
2. Our Ultimate Controlling Shareholders, namely, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo, by virtue of the Acting in Concert Deed, are entitled to exercise voting rights of 37.25% of the total issued shares of our Company through the investment companies controlled by them. Accordingly, Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology, Hangzhou Rongshun, Qinyun Technology and Hangzhou Qingyun are a group of Controlling Shareholders.
3. Great Reputation holds all the Shares underlying the awards granted and to be granted pursuant to the Pre-[REDACTED] Share Incentive Plan.
4. Each of LYFE Mount, LYFE Kings, Hangzhou Gongshu, Hangzhou Investment, CMS Venture, TG Sino-Dragon, YD Capital, Kaitai Minde and Kaitai Ruide is one of our Pre-[REDACTED] Investors. For further details, please refer to “— Information About the Pre-[REDACTED] Investors” in this section above.
5. Such other Pre-[REDACTED] Investors (and their respective shareholdings in our Company) comprised Hangzhou Taikun (2.21%), Gongqingcheng (1.67%), Ningbo Qimao (1.53%), Qinzhi Capital (1.33%) and Qianhai Beizeng (1.11%). For further details, please refer to “— Information About the Pre-[REDACTED] Investors” in this section above.
6. Zhejiang Medical operates four branch offices in the PRC.
7. WinHealth China operates three branch offices in the PRC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF [REDACTED] AND [REDACTED]

The following chart sets forth our Group's simplified⁽¹⁾ corporate structure immediately after completion of the [REDACTED], assuming that (i) all of the Preferred Shares have been converted into ordinary Shares on a one-to-one basis; and (ii) the [REDACTED] is not exercised;



Notes:

1. The above chart only includes information relating to our principal operating subsidiaries. For details of these subsidiaries, please refer to “— Our Corporate Development — Our principal operating subsidiaries” in this section above.
2. Our Ultimate Controlling Shareholders, namely, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo, by virtue of the Acting in Concert Deed, will be entitled to exercise voting rights of [REDACTED]% of the total issued share of our Company through the investment companies controlled by them. Accordingly, Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology, Hangzhou Rongshun, Qingyun Technology and Hangzhou Qingyun are a group of Controlling Shareholders.
3. Great Reputation holds all the Shares underlying the awards granted and to be granted pursuant to the Pre-[REDACTED] Share Incentive Plan.
4. Each of LYFE Mount, LYFE Kings, Hangzhou Gongshu, Hangzhou Investment, CMS Venture, TG Sino-Dragon, YD Capital, Kaitai Minde and Kaitai Ruide is one of our Pre-[REDACTED] Investors. For further details, please refer to “— Information About the Pre-[REDACTED] Investors” in this section above.
5. Such other Pre-[REDACTED] Investors (and their respective shareholdings in our Company) comprised Hangzhou Taikun ([REDACTED]%), Gongqingsheng ([REDACTED]%), Ningbo Qimao ([REDACTED]%), Qinzhi Capital ([REDACTED]%) and Qianhai Beizeng ([REDACTED]%). For further details, please refer to “— Information About the Pre-[REDACTED] Investors” in this section above.
6. Zhejiang Medical operates four branch offices in the PRC.
7. WinHealth China operates three branch offices in the PRC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

SHAREHOLDING STRUCTURE

The following table summarizes the shareholding structure of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised).

Shareholder	Ordinary Shares	Series A-1 Preferred Shares*	Series A-2 Preferred Shares*	Series A-3 Preferred Shares*	Series A-4 Preferred Shares*	Series B Preferred Shares*	Aggregate number of Shares as of the Latest Practicable Date	Aggregate Shareholding percentage as of the Latest Practicable Date	Aggregate number of Shares as of the completion of the [REDACTED] and the [REDACTED]	Aggregate Shareholding percentage immediately upon the completion of the [REDACTED] and the [REDACTED]
Concert Parties										
Supra Brilliant	406,000	—	—	—	—	—	406,000	14.32%	[REDACTED]	[REDACTED]%
(Note 1)										
Acme Gain	150,000	—	—	—	—	—	150,000	5.29%	[REDACTED]	[REDACTED]%
(Note 2)										
Great Reputation	290,254	—	—	—	—	—	290,254	10.24%	[REDACTED]	[REDACTED]%
(Notes 2 and 3)										
Rongshun Technology	200,000	—	—	—	—	—	200,000	7.05%	[REDACTED]	[REDACTED]%
(Note 4)										
Qingyun Technology	10,000	—	—	—	—	—	10,000	0.35%	[REDACTED]	[REDACTED]%
(Note 5)										
Sub-total	1,056,254	—	—	—	—	—	1,056,254	37.25%	[REDACTED]	[REDACTED]%
LYFE Entities										
LYFE Mount	85,448	—	—	—	257,700	—	343,148	12.10%	[REDACTED]	[REDACTED]%
LYFE Kings	63,511	56,000	74,733	75,586	—	—	269,830	9.52%	[REDACTED]	[REDACTED]%
Sub-total	148,959	56,000	74,733	75,586	257,700	—	612,978	21.62%	[REDACTED]	[REDACTED]%
Gongqingcheng	11,772	—	—	—	35,501	—	47,273	1.67%	[REDACTED]	[REDACTED]%
Qianhai Beizeng	7,848	—	—	—	23,667	—	31,515	1.11%	[REDACTED]	[REDACTED]%
Kaitai Entities										
Kaitai Minde	13,351	—	—	—	60,398	—	73,749	2.60%	[REDACTED]	[REDACTED]%
Kaitai Ruide	13,351	—	—	—	60,398	—	73,749	2.60%	[REDACTED]	[REDACTED]%
Sub-total	26,702	—	—	—	120,796	—	147,498	5.20%	[REDACTED]	[REDACTED]%
Ningbo Qimao	7,848	—	—	—	35,501	—	43,349	1.53%	[REDACTED]	[REDACTED]%
Hangzhou Gongshu	—	—	—	—	—	270,764	270,764	9.55%	[REDACTED]	[REDACTED]%
CMS Venture	—	—	—	—	—	222,522	222,522	7.85%	[REDACTED]	[REDACTED]%
Hangzhou Taikun	—	—	—	—	—	62,677	62,677	2.21%	[REDACTED]	[REDACTED]%
YD Capital	—	—	—	—	—	133,513	133,513	4.71%	[REDACTED]	[REDACTED]%
TG Sino-Dragon	—	—	—	—	—	44,504	44,504	1.57%	[REDACTED]	[REDACTED]%
Qinzhi Capital	—	—	—	—	—	37,606	37,606	1.33%	[REDACTED]	[REDACTED]%
Hangzhou Investment	—	—	—	—	—	125,354	125,354	4.42%	[REDACTED]	[REDACTED]%
Other [REDACTED]	—	—	—	—	—	—	—	—	[REDACTED]	[REDACTED]%
Total	1,259,383	56,000	74,733	75,586	473,165	896,940	2,835,807	100%	[REDACTED]	100%

Notes:

* Prior to October 28, 2025, the Series A Preferred Shares and Series B Preferred Shares allotted and issued to our Pre-[REDACTED] Investors were only denominated in U.S. dollars. Since October 30, 2025 our Company’s authorized and issued shares are only denominated in Hong Kong dollars. See “Statutory and General Information — A. Further Information About Our Group — 2. Changes in the authorized and issued shares of our Company” in Appendix IV to this document.

- Supra Brilliant is wholly-owned by Mr. Wang and is one of our Controlling Shareholders.
- Acme Gain and Great Reputation, both of which are wholly owned by Ms. Hu, and are one of our Controlling Shareholders.
- Great Reputation holds all the Shares underlying the awards granted and to be granted pursuant to the Pre-[REDACTED] Share Incentive Plan.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

4. Rongshun Technology, which is wholly owned by Hangzhou Rongshun and in turn wholly owned by Mr. Xing, and is one of our Controlling Shareholders.
5. Qingyun Technology, which is wholly owned by Hangzhou Qingyun and in turn wholly owned by Ms. Guo, and is one of our Controlling Shareholders.

PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, assuming that the [REDACTED] is not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed [REDACTED] percentage applicable to our Shares is [REDACTED]%; (ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]%; and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is HK\$[REDACTED], and the minimum prescribed public float percentage applicable to our Shares is [REDACTED]%.

Immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), the following Shareholders will be core connected persons of our Company and hence Shares held by them will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules:

- Supra Brilliant, which is wholly owned by Mr. Wang, and is one of our Controlling Shareholders;
- Acme Gain and Great Reputation, both of which are wholly owned by Ms. Hu, and are our Controlling Shareholders;
- Rongshun Technology, which is wholly owned by Hangzhou Rongshun and in turn wholly owned by Mr. Xing, and is one of our Controlling Shareholders;
- Qingyun Technology, which is wholly owned by Hangzhou Qingyun and in turn wholly owned by Ms. Guo, and is one of our Controlling Shareholders;
- LYFE Mount and its close associate, LYFE Kings, which are deemed to be a substantial shareholder for the purpose of the Listing Rules; and
- Hangzhou Investment and Hangzhou Gongshu, as (i) Hangzhou Investment is ultimately owned by the State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People’s Government (杭州市人民政府國有資產監督管理委員會) and Hangzhou Gongshu is ultimately owned by Hangzhou Gongshu District Finance Bureau (杭州市拱墅區財政局), the working department of the People’s Government of Gongshu District of Hangzhou City (杭州市拱墅區人民政府); and (ii) Hangzhou Investment and Hangzhou Gongshu collectively will hold over [REDACTED]% of our issued Shares immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised).

Save as disclosed above, no other Shareholder (i) is a core connected person of our Company; (ii) has been financed directly or indirectly by a core connected person of our Company for the acquisition of Shares; or (iii) is accustomed to take instructions from a core connected person of our Company in relation to the acquisition, disposal, voting or other dispositions of the Shares registered in their name or otherwise held by them, and all the Shares held by such Shareholders will be counted towards the public float of our Company for the purpose of Rule 8.08 of the Listing Rules upon [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Accordingly, immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), approximately [REDACTED]% of our issued Shares will be held by the public and counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

FREE FLOAT

Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing must (i) represent at least 10% of the total number of issued Shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK\$600,000,000.

On the basis that (i) no [REDACTED] will be allocated under the [REDACTED] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules; (ii) no [REDACTED] will be issued to [REDACTED] (if any); and (iii) all Shares held by our existing Shareholders are subject to lock-up undertakings and therefore are excluded for the purpose of satisfying the free float requirement (assuming the [REDACTED] is not exercised) and based on the [REDACTED] of HK\$[REDACTED] (being the [REDACTED] of the [REDACTED] range), upon completion of the [REDACTED], it is expected that [REDACTED] Shares, with an expected market value at the time of [REDACTED] of approximately HK\$[REDACTED], will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of [REDACTED]. Accordingly, the Company will satisfy the free float requirement under Rule 8.08A of the Listing Rules.

PRC REGULATORY REQUIREMENTS

SAFE Registration

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (“SAFE Circular 37”), promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (“Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (“SAFE Circular 13”), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located, and the SAFE and its branches shall perform indirect regulation over the direct investment-related foreign exchange registration via banks.

Our PRC Legal Advisors have advised that Mr. Wang and Ms. Hu, who are PRC residents required to complete foreign exchange registration under SAFE Circular 37, has completed the initial foreign exchange registration.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

M&A Rules

Pursuant to Article 11 of the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (“**M&A Rules**”) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, the SAIC (currently known as the SAMR) and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009 with immediate effect, approval from MOFCOM is required where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it, acquires a domestic company which is related to or connected with it.

As advised by our PRC Legal Advisors, Article 11 of the M&A Rules is not applicable to the acquisition during the Track Record Period, as the transaction did not involve the acquisition of a domestic company by a related party through an overseas vehicle.

CSRC FILINGS

Based on the Trial Measures and the Notice, we are required to complete the filing under the Trial Measures in connection with the [REDACTED]. We submitted the filing documents on November 8, 2025, and have completed filing with the CSRC and obtained the notice of filing on [•]. See “Regulatory Overview — Laws and regulations relating to M&A Rules and Overseas Listing” for more information.

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 an extensive coverage of kidney diseases and also covers other major disease areas such as hematologic, respiratory and dermatologic diseases.

Our Diversified and Differentiated Product Portfolio

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 are committed to introducing original drugs and innovative drugs from leading global pharmaceutical companies into China. By focusing on patent-protected products with robust clinical and treatment evidence established internationally, we are committed to bringing high-quality solutions to the Chinese market. As of the Latest Practicable Date, we produce Regpara[®] in-house, with its upstream active pharmaceutical ingredients (“APIs”) and raw materials sourced from external suppliers. Our drug development activities are focused on the selected in-licensed products that require us to assist with local clinical bridging and MAH registration in Chinese mainland.

BUSINESS

Our major products and pipeline of innovative products

All of our major products, comprising prescription drugs either obtained as part of the Kyowa Kirin China Acquisition or licensed-in by us, are already commercialized in Chinese mainland, with the exception of Kapruvia®. Kapruvia® recently received regulatory approval from the NMPA in April 2026 and is currently in its pre-launch stage. The table below summarizes our major products and pipeline of innovative products as of the Latest Practicable Date:

Brand name	Generic name	Drug type	Indication(s)	MAH	Year of approval for sales in China	OTC/ Prescription drug	Year of first inclusion in NRDL	Source of rights in Chinese mainland	Product highlight ¹
Kidney diseases									
Orfedia® (蓋優平®)	Evocalcet tablet	Oral administration	secondary hyperparathyroidism at the dialysis stage	Kyowa Kirin	2024	Prescription drug	2025, class B	Obtained as part of the Kyowa Kirin China Acquisition	The world's only oral novel calcimimetic agent
Regpara® (蓋平®)(1)	Cinacalcet hydrochloride tablet	Oral administration	secondary hyperparathyroidism at the dialysis stage	Kyowa Kirin/ WinHealth China	2015	Prescription drug	2018, class B	Obtained as part of the Kyowa Kirin China Acquisition	The world's first calcimimetic
Kapruvia® (可滑菲®)	Difelikefalin injection	Injection	moderate-to-severe hemodialysis pruritus	VFNCRP	2026	Prescription drug	Not included in the NRDL	License in	The only FDA-approved therapy for moderate-to-severe pruritus associated with chronic kidney disease
Coniel® (可力諾®)(1)	Benidipine hydrochloride tablet	Oral administration	essential hypertension	Kyowa Kirin	2004	Prescription drug	2009, class B	Obtained as part of the Kyowa Kirin China Acquisition	The only domestically commercialized original L-, T-, and N-type triple calcium channel blocker
Hematologic diseases									
Roniplate® (惠爾凝®)	Roniplostim injection	Injection	adult chronic immune thrombocytopenia ("TTP")	Kyowa Kirin	2022	Prescription drug	2023, class B	Obtained as part of the Kyowa Kirin China Acquisition	The world's first long-acting thrombopoietin receptor agonist
Gran® (惠爾血®)	Filgrastim injection	Injection	neutropenia	Kyowa Kirin	1993	Prescription drug	2000, class B	Obtained as part of the Kyowa Kirin China Acquisition	The world's first human granulocyte colony-stimulating factor drug

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Brand name	Generic name	Drug type	Indication(s)	MAH	Year of approval for sales in China	OTC/ Prescription drug	Year of first inclusion in NRDL	Source of rights in Chinese mainland	Product highlight ¹
Rare disease									
Ravicin [®] (瑞维安 [®])	Glycerol phenylbutyrate oral liquid	Oral administration	UCDs long term management	Immedica Pharma AB	2023	Prescription drug	Not included in the NRDL	License in	The only oral liquid nitrogen scavenger launched globally in the past decade
Crysvita [®] (赫维平 [®])	Burosumab Injection	Injection	X-linked hypophosphataemia (“XLH”) and tumor-induced osteomalacia (“TIO”)	Kyowa Kirin	January 2021 for XLH; March 2021 for TIO	Prescription drug	Not included in the NRDL	License in	The world's only targeted therapy against FGF23 for XLH and TIO
Poteligeo [®] (惠爾金 [®])	Megamulizumab	Injection	Sézary syndrome (“SS”) or mycosis fungoides (“MF”)	Kyowa Kirin	2022	Prescription drug	Not included in the NRDL	License in	The world's only CCR4-targeted drug for MF/SS
<i>Note:</i>									
(1)	Source: CIC								
(2)	The generic names of two drugs acquired by us as part of the Kyowa Kirin China Acquisition (namely, cinacalcet hydrochloride tablet and benidipine hydrochloride tablet) have been included in the national centralized procurement catalog; our products, Regpara [®] (蓋平 [®]) and Coniel [®] (可力洛 [®]), are not included in the national centralized procurement catalog.								

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Major third-party CSO products

Brand name	Generic name	Indication(s)	Mechanism of action	MAH	Year of first inclusion in the NRDL	Product highlight ¹
Contractube [®] (康瑞保 [®])	Compound heparin sodium and allantoin gel	hypertrophic scars, keloids and contracture scars	It contains three active ingredients that act on the three phases of scar formation: the inflammatory phase, the proliferative phase, and the remodeling phase. (i) Onion Extract: It upregulates the expression of MMP-1, blocks the signal transduction of insulin-like growth factor-1 and the TGF-β/Smad pathway in fibroblasts, thereby reducing fibroblast proliferation and collagen synthesis, and inhibiting the formation of pathological scars. (ii) Heparin Sodium: It stimulates the expression of TGF-β1 mRNA in fibroblasts of hypertrophic scars, increasing the production of TGF-β1 in these cells, which in turn inhibits cell proliferation; and (iii) Allantoin: It improves the hydrophilicity of keratin proteins, providing hydration, anti-inflammatory, and moisturizing effects.	Merz Pharmaceuticals GmbH	Not included in the NRDL	China's only onion extract scar treatment with triple-action efficacy
Flumucel [®] (雷露能 [®])	Acetylcysteine injection	respiratory tract diseases with thick mucous secretions	It contains a free sulphydryl group in its molecular structure, which is capable of breaking the disulfide bonds within mucoprotein complexes. This action reduces the viscosity of sputum, thereby facilitating expectoration. In addition, the nucleophilic free sulhydryl (-SH) group of acetylcysteine can interact with electrophilic groups of oxidizing free radicals, exerting a direct antioxidant effect. Furthermore, acetylcysteine is deacetylated intracellularly to form L-cysteine, which can subsequently be utilized for the synthesis of glutathione, thereby providing an indirect antioxidant effect.	Zambon Switzerland Ltd.	Not included in NRDL	China's only IV NAC for respiratory care, delivering superior expectoration and additional antioxidant benefits for lung, kidney, and liver health
Asmeton [®] (阿斯美 [®])	Compound methoxyphenamine capsules	bronchial asthma and asthmatic bronchitis	This compound preparation contains methoxyphenamine hydrochloride, a β-adrenergic receptor agonist capable of relaxing bronchial smooth muscle; nscapine, a peripherally acting antitussive agent; aminophylline, which likewise relaxes bronchial smooth muscle and alleviates congestion and oedema of the bronchial mucosa; and chlorpheniramine, an H1-receptor antagonist that counteracts histamine H1-mediated effects.	Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd. (第三共製藥(上海)有限公司)	2009, class B	Guideline-recommended cough therapy that relieves symptoms by the next day with efficacy rates up to 90%
	Fosfomycin trometamol granules	acute uncomplicated lower urinary tract infections	It exhibits a synergistic effect when used in combination with other antibiotics and does not demonstrate cross-resistance with other antibiotics. This product is active against both Gram-positive and Gram-negative bacteria, including penicillin-resistant strains and bacterial genera commonly causing urinary tract infections, such as <i>Escherichia coli</i> , <i>Proteus</i> species, and <i>Klebsiella</i> species.	Zambon Switzerland Ltd.	2019, class B	The only original fosfomycin trometamol granules, characterized by rapid onset, sustained efficacy, and high safety profile
Tamiflu [®] (達菲 [®]) ⁽¹⁾	Oseltamivir phosphate capsules	influenza	It is a prodrug of its active metabolite, oseltamivir carboxylate, which is a selective inhibitor of influenza virus neuraminidase. Neuraminidase is a glycoprotein enzyme present on the surface of the virus, and its activity is essential for the release of newly formed viral particles from infected cells and for the further spread of infectious virus within the human body. It has also been reported that neuraminidase plays a certain role in the entry of the virus into uninfected cells. The active metabolite of oseltamivir phosphate is able to inhibit the neuraminidase activity of both influenza A and B viruses. In vitro, the half maximal inhibitory concentration (IC50) for viral neuraminidase activity is as low as the nanomolar range. The active metabolite can inhibit influenza virus infection and replication <i>in vitro</i> , and inhibition of viral replication and pathogenicity has also been observed <i>in vivo</i> . Oseltamivir reduces the spread of influenza A or B virus by inhibiting the release of the virus from infected cells. Oseltamivir phosphate does not affect the normal humoral immune response to infection in humans. The antibody response to inactivated vaccines is not affected by treatment with oseltamivir phosphate.	Roche Pharma (Schweiz) AG	2004, class B	The original oseltamivir and China's only antiviral approved for both treatment and prevention of influenza A and B

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Brand name	Generic name	Indication(s)	Mechanism of action	MAH	Year of first inclusion in the NRDL	Product highlight ¹
Flumaxin [®] (風嗎寧)	Flumarin injection	infections caused by susceptible pathogenic bacteria	It is a semi-synthetic β-lactam antibiotic. It exerts its antibacterial effect by inhibiting the synthesis of bacterial cell walls, resulting in cell wall defects, which ultimately lead to bacterial cell rupture and death.	Shionogi & Co., Ltd.	Not included in the NRDL	The only antibiotics suitable for premature infants and newborns that is effective against common drug-resistant bacteria
	Ornidine aspartate injection	blood ammonia elevation and hepatic encephalopathy	It acts by activating the urea cycle, which enhances the conversion of ammonia into urea for excretion, thereby reducing elevated blood ammonia levels commonly seen in liver dysfunction. It also promotes the synthesis of glutamine, further assisting in the detoxification of ammonia, and is capable of crossing the blood-brain barrier to directly lower ammonia concentrations within the brain. Additionally, the aspartate component supports hepatic cell synthesis and participates in the tricarboxylic acid cycle, contributing to the repair of damaged liver cells and the restoration of overall liver function.	Merz Pharmaceuticals GmbH	2019, class B	Original LOLA injection with superior efficacy which enables rapid awakening within 6 hours of Hepa-Merz treatment in 94% of patients, and is endorsed for hepatic encephalopathy treatment by numerous national and international guidelines
Perdipine [®] (佩爾賓)	Nicardipine hydrochloride injection	emergency management of perioperative hypertension and hypertensive emergencies	It acts by inhibiting the influx of calcium ions into vascular smooth muscle cells, resulting in relaxation of vascular smooth muscle and subsequent peripheral vasodilation, thereby lowering blood pressure. It also dilates coronary arteries, increasing myocardial blood supply.	LTL Pharma. Co., Ltd.	2004, class B	Guideline-endorsed first-choice nicardipine injection for hypertensive emergencies and perioperative hypertension, with renal protection efficacy
NESP [®] (耐斯寶)	Darbepoetin alfa	anemia in adult patients with CKD who are receiving hemodialysis	It stimulates red blood cell production through a mechanism of action analogous to that of endogenous erythropoietin.	Kyowa Kirin	2023, class B	China's first long-acting EPO-α drug and a first-line therapy for renal anemia, widely adopted across Europe and Asia
Dormicum [®] (多美康)	Midazolam maleate tablets	short-term treatment of various types of insomnia or for premedication prior to surgery and instrumental diagnostic procedures	It is a short-acting benzodiazepine central nervous system depressant. It exerts sedative, hypnotic, anticonvulsant, anxiolytic, and muscle relaxant effects by binding to benzodiazepine receptors, GABA receptors, and ion channels (chloride ions), resulting in membrane hyperpolarization and neuronal inhibition.	CHEPLAPHARM Arzneimittel GmbH	2004, class B	A short-acting benzodiazepine that helps patients fall asleep quickly with minimal next-day residual effects

Note:

- (1) Source: CIC
- (2) None of our CSO products are currently included in national centralized procurement catalog. While the generic name for oseltamivir phosphate capsules has been included, our CSO product, Tamiflu[®] (達非[®]), has not. Additionally, certain products (namely, Asmeton[®] (阿斯美[®]), Hepa-Merz[®] (雅博司[®]), and Perdipine[®] (佩爾賓[®])), are included in provincial or regional centralized procurement across multiple provinces or regions.

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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 the core strength of our growth. We are committed to proactively identifying and evaluating opportunities to expand our presence in our existing therapeutic areas and advance innovative treatment solutions for major diseases in China. In addition, we are expanding our capabilities in drug development, manufacturing and commercialization, forming a virtuous cycle that enables efficient operations.

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.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from other competitors.

A Comprehensive Pharmaceutical Enterprise Based in China Specializing in the Treatment of Kidney Diseases and Expanding into Hematologic Diseases

Rooted in China and with a global outlook, we have established a presence in Greater China, Switzerland, Japan, and other regions. We are dedicated to addressing unmet clinical needs in the treatment of kidney and hematologic diseases and other major disease areas by providing diversified therapeutic solutions. As of the Latest Practicable Date, we had six kidney drugs in our product portfolio. Chronic kidney disease, or CKD, presents significant clinical complexity with diverse complications. It can cause metabolic and hematologic abnormalities. Patients with CKD often have lipid metabolism disorders, which can lead to dyslipidemia. In addition, kidney damage in CKD reduces EPO production, further causing hematologic abnormalities such as anemia. We are leveraging the close relationship between metabolic and hematologic diseases to accelerate our penetration into the hematology field. Through deep expertise and insight in these fields, we empower key operational areas such as product portfolio, business development, and commercialization, fully leveraging scale and synergy effects to consolidate our leading position in the treatment of kidney diseases, while actively exploring other major disease areas such as hematologic, respiratory and dermatologic diseases.

A Rich and Differentiated Product Matrix, Complemented by a Portfolio of Competitive Products

Through years of dedicated development, we have established a robust and diversified product portfolio, extensively covering the treatment of major disease areas such as kidney, hematologic, respiratory, and dermatologic 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 sold. Our key products include Romiplate® (惠爾凝®), the world's first long-acting TPO-RA; Gran® (惠爾血®), the world's first human G-CSF drug; Orkedia® (蓋優平®), the world's only oral novel calcimimetic agent; and Kapruvia® (可沛維®), the only FDA-approved therapy for moderate severe pruritus associated with CKD, which recently received regulatory approval from the NMPA in April 2026 and is currently in its pre-launch stage. These innovative products are clinically value-driven and, as “first-in-class” or “next-generation” drugs, address various major diseases by targeting different pathogenic mechanisms and disease manifestations. Our rapidly expanding, differentiated product portfolio not only provides a solid contribution to our performance but also serves as a powerful growth engine for our long-term development. Please see “— Overview — Our diversified and differentiated product portfolio” for more details about our portfolio products.

Multi-strategy Driven Business Development Model

We have established a robust and dynamic business development model driven by multiple strategies. We possess outstanding asset identification capabilities, a global perspective for evaluating cutting-edge technologies and valuable assets, and a wealth of professional knowledge and experience

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accumulated over the long term. As of the Latest Practicable Date, we had a professional business development team of over 16 members. Nearly 90% of our team members possess backgrounds in medicine, pharmacy, biochemistry, or related fields. Leveraging their broad international perspective, deep insights into global cutting-edge technologies and clinical needs, and keen sense for industry opportunities, we efficiently connect with global resources. In addition, to further extend our business reach and market opportunities, we joined industry organizations such as the Kansai Pharmaceutical Industry Association (“KPIA”) in June 2025 and the Fair Trade Council of the Ethical Pharmaceutical Drugs Marketing in October 2025.



Our business development model is characterized by a multi-pronged approach, combining mergers and acquisitions, in-licensing, and CSO.

- *Mergers and acquisitions.* Acquire pharmaceutical companies with strong industry positions and significant value, thereby rapidly expanding our product portfolio and market presence.
- *In-licensing and strategic partnerships.* Enter into licensing and sales collaborations with globally renowned pharmaceutical companies and other partners, enabling us to introduce innovative products and technologies efficiently.
- *CSO model.* Utilize our role as contract sales organization to enhance our commercialization capabilities and accelerate third-party product launches.

Leveraging our robust and multi-pronged business development capabilities, we have built a diversified and synergistic product portfolio comprising our own products, licensed-in products, and third-party CSO products, which has driven our rapid business growth and strategic transformation into a biopharmaceutical company. Since the beginning of the Track Record Period and up to the date of this document, we have added over 10 new products to our portfolio, which are currently sold or promoted by us, and established partnerships with more than 5 global partners. We have established a leading platform for introducing original drug products to the China market, ranking among the top two in terms of the number of drugs launched and among the top five in drugs revenue during the six months ended June 30, 2025, according to CIC.

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In September 2024, we completed the acquisition and integration of WinHealth China, pursuant to which we obtained the exclusive rights to develop, manufacture and commercialize five original drugs and approximately 43,000 square meters of production facilities in the heart of the Zhangjiang Pharmaceutical Industry Park in Shanghai. According to CIC, this acquisition represents the first instance of a Chinese pharmaceutical company acquiring the domestic entity of a multinational pharmaceutical company, highlighting our strong achievements in exploring diversified business development models and our strategic mutual trust with global partners. Furthermore, through mergers and acquisitions, in-licensing and CSO model, we have established a pipeline of six drugs for the treatment of kidney diseases, which would enable us to achieve an extensive coverage of CKD complications during the dialysis stage, including anemia, metabolic disorders, pruritus and other indications.

Deep Coverage of the Treatment of Kidney Diseases through a Comprehensive and Differentiated Product Portfolio

By concentrating our efforts on our core strengths in the treatment of kidney diseases, while developing a growing focus on hematologic diseases, we have developed deep product pipelines and differentiated competitive advantages. The significant market potential, exclusivity, and innovation of our products have positioned them as potential “blockbuster” drugs, providing systematic support for meeting clinical needs.

Focused kidney disease product portfolio. We have developed a high-quality pipeline of products targeting key complications of CKD, such as SHPT and pruritus. As of the Latest Practicable Date, our key products for kidney diseases include Orkedia[®], Regpara[®], Kapruvia[®], Coniel[®] and NESP[®]. Please see “— Overview — Our diversified and differentiated product portfolio — Our Major Products and Pipeline of Innovative Products” for details of the relevant products. CKD diseases affect a large patient population and there is substantial market potential for therapeutic products targeting CKD diseases

Expansion into other major disease areas with blockbuster potential. We are also actively expanding into other major disease areas such as hematologic, respiratory, and dermatologic diseases, cultivating cross-disciplinary blockbuster products. As of the Latest Practicable Date, our key products for the other major areas are as follows: (i) for hematologic diseases, Romipate[®] and Gran[®]; (ii) for dermatologic diseases, Contractubex[®]; and (iii) for respiratory diseases, Tamiflu[®]. Please see “— Overview — Our diversified and differentiated product portfolio — Major Third-party CSO Products” for further details of the relevant products.

Our differentiated portfolio enables us to deliver targeted therapeutic solutions in key therapeutic areas that address complex clinical needs across the patient journey. By offering complementary products that can be used in combination or concurrently, we maximize product synergy and enhance treatment outcomes in key. We will continue to efficiently expand and enhance our differentiated product portfolio, providing sustained momentum for our long-term development and enabling us to maintain a lasting competitive advantage in fields such as the treatment of kidney diseases.

Expanding Drug Development, Manufacturing, and Commercialization Capabilities

Professional and strong commercialization capabilities. We have established a strong sales and promotion team with expertise across different areas, allowing us to reach a wide range of channels effectively. As of December 31, 2025, we have built a sales and promotion team of over 610 members, and our product distribution network covered over 30 provinces (including autonomous regions and municipalities) and more than 300 prefecture-level cities nationwide, reaching over 10,000 hospitals and over 60,000 retail pharmacies as well as leading e-commerce platforms in China. We actively engage in academic activities at authoritative conferences such as the Critical Care Nephrology and Blood Purification Conference of the CSN (中華醫學會腎臟病學分會重症腎臟病與血液淨化大會) and the Zhejiang Medical Association Nephrology Academic Conference (浙江省醫學會腎臟病學學術會議), maintaining constructive relationships with industry experts and physicians to support treatment

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standards development and facilitate the potential inclusion of our products in clinical practice guidelines. As of December 31, 2025, our academic network covers over 3,200 Class III hospitals nationwide.

Our drug development system. We have established a drug development team, covering key areas such as clinical operations, clinical quality monitoring, pharmacovigilance, registration, and market access, driven by the goal of achieving commercialization at the fastest possible pace, while maintaining the highest standards for safety and efficacy. We implement efficient clinical development and registration strategies, optimizing clinical protocol design, principal investigator collaboration, and patient enrollment management through in-house drug development or partnerships with CROs. See “— Drug Development — Coordination with government policy” for further details.

Outstanding commercialization achievements. Our drug development and academic promotion team maintains long-term coverage of the same physician groups and is dedicated to deepening relationships with key opinion leaders (the “KOLs”) in the treatment of kidney diseases, who are leading clinicians and distinguished academic researchers widely recognized in their therapeutic areas. We enter into standard framework service agreements with KOLs on a yearly basis for the delivery of academic presentations. Under such agreements, any presentation content delivered by the KOLs is required to conform to the standards published by the NMPA. The frequency of such engagements is monitored and controlled by our compliance department to ensure it remains within industry standards and at reasonable levels. Service fees are determined based on the duration and content of each engagement and are payable within 60 days following the completion of the relevant service. As advised by our PRC Legal Advisors, there are no specific PRC laws or regulations governing our engagement of KOLs in the manner described above, nor is there any requirement for regulatory approval or registration in the PRC.

Our continuing efforts in commercialization enable our products to achieve rapid market entry and large-scale sales with efficiency and cost-effectiveness. For the years ended December 31, 2023, 2024 and 2025, we achieved revenues of RMB887.4 million, RMB901.8 million and RMB1,680.0 million, respectively, with a compound annual growth rate of 37.6%.

Experienced Management with an Outstanding Track Record, Forward-looking Vision, and Scientific Expertise, Supported by Reputable Healthcare Industry Investors

We are led by a management team with an outstanding track record, forward-looking vision, and deep scientific expertise. The leadership team possesses extensive hands-on experience in the pharmaceutical industry and demonstrates comprehensive professional execution capabilities. Under their guidance, our professional teams implement localized operations and global strategic coordination, positioning us at the forefront of the industry.

Mr. Wang Wei, our co-founder, Chairman, executive Director and chief executive officer, has over 20 years of experience in the healthcare and pharmaceutical industries, possessing a comprehensive background spanning clinical practice, pharmaceutical management, and entrepreneurship. Since our inception in 2011, Mr. Wang has demonstrated exceptional leadership in driving our strategic direction, operational excellence, and long-term value creation. Mr. Wang Xingyao, our vice president, is a highly accomplished executive who previously held a series of senior managerial role at WinHealth China for over two decades. His leadership was pivotal during the acquisition of WinHealth China in 2024, ensuring a seamless integration and continued operational excellence. With his deep expertise in cross-functional management, Mr. Wang Xingyao is instrumental in overseeing our operations, supply chain management, legal compliance, and information technology.

Mr. Wang Baolong, our head of the nephrology and hematology department, has over [19] years of experience in the pharmaceutical industry. Mr. Wang Baolong is primarily responsible for sales team management and development, advancing central market strategies, and optimizing sales models. Mr. Zhou Laiming, our head of mature pharmaceuticals department, has over [15] years of experience in the

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pharmaceutical industry. Mr. Zhou Laiming is primarily responsible for marketing and promotion of products. Please refer to the section headed “Directors and Senior Management” in this document for details of the experience of our Directors and Senior Management.

We are committed to attracting and retaining talent through multiple channels to drive the organic growth of our business. As of the Latest Practicable Date, we have established and continue to expand a team of more than 750 full-time employees.

Furthermore, our shareholders include a number of well-known healthcare investors, such as LYFE Capital Management Limited, Kaitai Capital, CMS, Hangzhou Tigermed Equity, and YD Capital, among others. We believe that these investors will assist us in gaining access to top-tier industry resources and key networks from both China and the global pharmaceutical sector, significantly empowering our business operations.

OUR STRATEGIES

We are committed to driving equitable and accessible healthcare resources to improve patient health and well-being. To achieve this long-term vision, we plan to implement the following strategies:

Focus on Unmet Clinical Needs and Optimize Product Portfolio and Pipeline Layout

We will further strengthen our presence in the kidney and hematologic therapeutic areas.

- We will further consolidate our capabilities in kidney diseases. Currently, our products, Orkedia[®] and Regpara[®], are indicated for the treatment of secondary hyperparathyroidism in the patients with CKD at the dialysis stage. We may explore the development or in-licensing of therapeutic agents for complications in earlier stages of CKD, and consider expanding indications for our existing products to earlier-stage patients, subject to clinical development and regulatory approval. By extending coverage across the full CKD disease spectrum, we aim to improve patient outcomes, and further solidify our achievements in the CKD therapeutic area.
- We will expand from complications management to hematologic malignancies, and from secondary hematologic diseases to primary hematologic diseases as well as expand indications for current products, thereby broadening our product portfolio and addressing a wider spectrum of patient needs. For example, we plan to expand the indications of Romiplate[®] to pediatric ITP, aplastic anemia, and CIT.

We are committed to proactively identifying and evaluating opportunities to expand our presence beyond our existing therapeutic areas, such as the kidney and hematologic therapeutic areas. We will closely monitor major disease areas with significant unmet clinical needs, including but not limited to respiratory and dermatologic diseases, and where appropriate, we will seek to enter these areas through strategic collaborations, in-licensing, or mergers and acquisitions to diversify our portfolio and deliver innovative solutions to a broader patient population.

We will continue to strengthen our diversified business development strategy by investing in development initiatives. Our strategy is to build a well-organized pipeline with assets at various stages from early clinical trials to commercialization, maintaining a consistent flow of product launches. By retaining full ownership of our product candidates, we control the development timeline, accelerate regulatory submissions, and capture first-mover advantages, strengthening our position in new therapeutic areas and supporting long-term stakeholder value.

Further Strengthen End-to-end Capabilities Across Drug Development, Manufacturing, and Commercialization to Drive Sustainable Performance Growth

We aim to build a comprehensive value chain across drug development, manufacturing and commercialization, driving sustainable business growth and creating long-term value for shareholders.

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We will adopt a commercialization-driven approach to enhance our end-to-end capabilities, thereby establishing a robust growth engine for business performance. We plan to: (i) increase investment in marketing activities and expand the scale of our sales and promotion team, further enhancing economies of scale and synergy across business units, by recruiting additional sales and marketing personnel; (ii) implement artificial intelligence (“AI”) and digitalization initiatives to make personalized, data-driven clinical recommendations by partnering with leading medical technology firms. Through these initiatives, we aim to become physicians’ trusted AI-assisted decision partner, particularly in nephrology, helping hospitals improve diagnostic standardization and patient outcomes while enabling us to engage scientifically with physicians and provide precise medication guidance; (iii) continue expanding and penetrating both in-hospital and out-of-hospital channel coverage to enhance market accessibility and achieve broader market reach; (iv) deepen academic promotion through conferences, real-world studies, and investigator-initiated trials, while actively seeking inclusion in clinical guidelines, and expand national and regional academic activities to strengthen collaborations and coverage in leading and regional hospitals; and (v) continue to pursue inclusion of products in the NRDL and collaborate with commercial insurance providers to further expand patient access and enhance product affordability.

We intend to continue to strengthen our manufacturing capabilities. We plan to: (i) localize the production of our acquired products at our Shanghai production facilities in two phases, in response to the policy set forth in the Opinions of the General Office of the State Council on Comprehensively Deepening Reforms of Pharmaceutical and Medical Device Regulation to Promote High-quality Development of the Pharmaceutical Industry which supports the production of original drugs in the PRC introduced from overseas. See “— Production, Procurement and Inventory of Our Products — Production facilities” for further details of our phased localization plan; (ii) continue to closely monitor market growth trends and evolving customer requirements to determine the appropriate timing and scale of any future expansion of our production capacity. As of the Latest Practicable Date, we had not formulated any definitive investment plan for such an expansion. Nevertheless, we plan to allocate resources, as and when appropriate, to strategically enhance our manufacturing capabilities with a view to meeting the anticipated increase in market demand; (iii) further strengthen our pharmaceutical quality management system to ensure product quality and regulatory compliance. For example, we will continue to monitor manufacture and supply of products to meet or exceed all applicable quality and safety standards. We will use industry-recognized risk assessment methodologies to identify and mitigate potential risks at the earliest practicable stage. In addition, we expect to leverage advanced digital technologies, including AI-enabled analytics, next-generation laboratory information management systems (“LIMS”) and the phased implementation of ChP2025 standards, to enhance data integrity, traceability and knowledge management across the product life cycle; and (iv) implement comprehensive cost control measures, including optimizing procurement and supply chain management, introducing efficient production control systems, upgrading facilities and technologies, and enhancing management capabilities.

We will further strengthen our drug development capabilities to support long-term innovation and competitiveness. We plan to: (i) increase investment in our drug development and expand the scale of our drug development team to accelerate innovation according to actual circumstances; and (ii) further extend development activities upstream along the value chain by forming cross-departmental joint working groups comprising marketing, clinical, regulatory, and drug development teams to define target product profiles and key differentiation factors. Please see “— Drug development — Coordination with government policy” for further details.

Further Enhance our Multi-pronged Business Development Model to Achieve Comprehensive Biopharma Transformation

We believe our multi-pronged business development approach is a key driver and important guarantee for our growth, further consolidating and enhancing our industry position. We plan to further enhance our multi-pronged business development model to achieve comprehensive biopharma transformation.

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We will proactively seize strategic opportunities arising from increasingly streamlined business development channels in China and globally, as well as the clear positioning and specialization of global enterprises. The objectives of our merger and acquisition activities, including: (i) acquiring patents, know-how, and technology platforms to enhance our innovation capabilities; (ii) becoming a MAH of certain drugs to strengthen our proprietary product portfolio; and (iii) enhancing our capabilities across drug development, manufacturing, and commercialization.

We will introduce innovative global assets to the Chinese market, bringing more treatment options aligned with international standards. We will further strengthen our business development capabilities to consolidate our strategic position as a preferred partner for blockbuster drugs for the treatment of kidney diseases.

We will focus on therapeutic area synergies and transition from revenue-driven operations to strategic business operations. By leveraging the CSO business, we will continuously enhance our commercialization capabilities and seek opportunities to expand into other key disease areas.

Further Introduce High-quality Products into the Chinese Market and Beyond

We aim to create a robust international platform that supports both the introduction of high-quality products into the domestic market and the successful expansion of our products into the Asia market with a focus on the Japanese market, thereby delivering long-term value to our investors. We intend to select the most suitable partnership model based on the development stage of the products and the characteristics of the target markets. Our overseas expansion strategy includes building and training dedicated overseas sales and promotion teams and collaborating with reputable local distributors to establish and strengthen sales channels.

Continue to Attract and Develop the Best Talent and Strengthen our Human Capital

We believe our team of talent is a key to our success. We plan to implement the following initiatives:

We will continue to actively attract talent through a variety of channels. We plan to: (i) recruit experienced professionals from the open market to strengthen our talent pool and enhance our overall competitiveness; (ii) collaborate with leading universities and higher education institutions to identify and recruit outstanding graduates; and (iii) establish partnerships with academic and research institutions to jointly identify cultivate and attract high-quality talent, thereby promoting the integration of industry, academia, and research.

We place great emphasis on the continuous development of our employees and have established a comprehensive training system. We will continue our talent development. We plan to: (i) organize regular internal training programs to enhance our employees’ professional skills, management capabilities, and overall quality; and (ii) encourage employees to participate in external training courses, seminars, and industry conferences to broaden their horizons and keep abreast of the latest industry trends and best practices.

We will continue to establish and refine a scientific and reasonable performance appraisal mechanism and diversified incentive measures to fully motivate employees. We plan to: (i) continue to implement a fair and transparent performance evaluation system to assess employees’ work performance and contributions; (ii) offer competitive remuneration packages and clear promotion pathways to attract and retain outstanding talent; and (iii) equity incentives: adopt equity incentive schemes to align the interests of employees with those of our Group, thereby enhancing employees’ sense of belonging and long-term commitment.

OUR BUSINESS MODEL

We generate revenue from (i) sales of pharmaceutical products, comprising our acquired products and in-licensed products, and CSO products, where we act as the principal in the transaction; and (ii) rendering of promotion service, where we act as an agent and service provider to promote CSO

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products. See “Financial Information — Description of Major Components in Our Results of Operations — Revenue” and “Financial Information — Description of Major Components in Our Results of Operations — Gross profit and gross profit margin” for a breakdown of our revenue by business line.

Sales of Pharmaceutical Products

We sell pharmaceutical products and recognize revenue under “sales of pharmaceutical products.” Our pharmaceutical product supply comprises the following:

- *Acquired products.* As part of the Kyowa Kirin China Acquisition, we obtained the exclusive right to develop, manufacture and commercialize five branded drugs that are listed or commercially available in China, namely, Orkedia[®], Regpara[®], Coniel[®], Romiplate[®], and Gran[®].

As of the Latest Practicable Date, we produce Regpara[®] in-house, with its upstream active pharmaceutical ingredients (“APIs”) and raw materials sourced from external suppliers. For the other acquired products, we procure semi-finished products from Kyowa Kirin and/or its approved contract manufacturers and undertake the repackaging process internally. See “— Production, Procurement and Inventory of our Products — Procurement in relation to our products” and “— Production, Procurement and Inventory of our Products — Production process” for more details. We use our own production facilities for producing these products, see “— Production, Procurement and Inventory of Our Products — Production facilities.”

Pursuant to the contractual arrangement entered between Kyowa Kirin and us, Kyowa Kirin granted to us an exclusive, perpetual, sub-licensable, paid-up and irrevocable license to develop, manufacture and commercialize the drug products of the acquired products for all uses in humans in Mainland China, and under the agreement, there are certain material restrictions and limitation.

Development. We have the exclusive right to conduct all development activities for the acquired products in Mainland China, including research, non-clinical and clinical studies, and all regulatory activities directed toward obtaining and maintaining regulatory approvals, including label and indication expansions.

Manufacturing. We have the exclusive right to manufacture the drug products of all five acquired products in Mainland China, and to manufacture the drug substances of Gran[®] and Romiplate[®] subject to the terms of the applicable upstream license agreements. To the extent permitted by applicable laws, we may also manufacture outside Mainland China solely for the purpose of commercializing such products in Mainland China. Kyowa Kirin is required to transfer to us all relevant manufacturing technologies, know-how and intellectual property pursuant to a separate technology and manufacturing transfer agreement.

Commercialization. We have the exclusive right and sole responsibility, at our own cost and expense, to commercialize the acquired products throughout Mainland China, including developing and executing commercial launch plans, sales, importation, distribution, marketing and promotion, market access, pricing strategy, and customer support.

Material restrictions and limitations. The license Kyowa Kirin granted is limited to Mainland China, and Kyowa Kirin retains all rights to develop, manufacture and commercialize the acquired products outside Mainland China. While the license is royalty-free as between us and Kyowa Kirin, we are obligated to pay upstream license royalties in respect of Gran[®], Romiplate[®] and Orkedia[®] to the extent required under the applicable upstream license agreements. In addition, any sublicense of Gran[®], Orkedia[®] and Romiplate[®] to persons other than our approved affiliates requires the prior written consent of Kyowa Kirin. Kyowa Kirin retains ownership of all licensed intellectual property and has the sole right to file, prosecute and maintain such intellectual property.

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- *In-licensed products.* We sell drugs licensed-in by us on an exclusive basis in China.

We typically enter into exclusive license agreements with licensors, who are product owners and manufacturers, granting us exclusive rights to register, import, distribute, promote, and sell the relevant products in the PRC, covering specified dosage forms and specifications of designated products. For licensed-in products, we generally procure finished products from global pharmaceutical companies. These products are imported in their final dosage form and distributed under our brand.

The salient terms of our license agreements are summarized below:

Exclusivity. We are typically subject to non-compete and exclusivity restrictions, under which we generally may not develop, commercialize, sell or distribute competing products (whether sharing the same active pharmaceutical ingredient or carrying the same or a substantially similar registered indication) in the territory during the term, and in some cases for a specified period thereafter, and may be required to source the relevant product exclusively from the licensor. Certain agreements further restrict each party from holding more than a specified minority interest in the commercialization of competing products with the same approved indication, and require us to divest any competing product we acquire within a prescribed period.

Sales target and minimum purchase. Sales-target and minimum-purchase obligations vary across agreements. Certain agreements do not impose sales targets or minimum purchase commitments. Others provide for rolling multi-period forecasts (with tiered firm, semi-binding, and indicative planning windows), together with minimum purchase commitments set as a specified proportion of the agreed annual sales targets.

Pricing. The agreements generally provide a fixed supply price per unit, subject to applicable trade terms and subsequent negotiation and adjustment.

Consideration and payments. We typically pay the licensor an upfront fixed amount upon execution of the agreement, milestone payments upon NMPA approval and when annual sales reach specified thresholds and tiered royalty payments based on annual net sales.

Term and renewal. Our agreements generally are long-term, commencing from first commercial sale, with automatic renewal upon expiry.

Logistics. Unless otherwise provided in the relevant agreements, we are generally responsible for arranging the delivery of finished products from the supplier’s location to China. Upon shipment by the supplier, our engaged logistics service providers handle international transportation, port entry, customs declaration and inspection procedures, following which the products are delivered to our designated warehouses. See “— Production, Procurement and Inventory of Our Products — Procurement in Relation to Our Products” for the salient terms of the agreements with our logistics service providers.

During the Track Record Period, we conducted drug development projects for Kapruvia[®] and Ravicti[®], under their respective licensing arrangements, which provide for the development and commercialization of these drugs in the PRC. See “— Drug Development — Drug development process” for more details.

- *CSO products.* We act as the principal to sell certain third-party products. As of the Latest Practicable Date, major CSO products we sell were Tamiflu[®] and NESP[®]. Tamiflu[®] is indicated for the treatment and prevention of influenza A and B infections, and NESP[®] is indicated for the treatment of anemia in adult patients with CKD who are receiving hemodialysis.

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In connection with CSO sales arrangements, we act as the principal in the transaction and purchase drugs from upstream suppliers, who are product owners or MAHs, take legal title and bear inventory risk, and then sell them to third-party distributors who eventually sell and deliver them to hospitals, pharmacies and other medical institutions. Under the contractual arrangements for CSO sales, the product owner or MAH entrusts us to conduct academic promotion of the agreed products at designated medical institutions within agreed regions. The product owner retains all intellectual property rights, controls the commercial distribution channels, and is responsible for providing approved promotional materials and product training. We are primarily responsible for channel management, organizing promotion teams, conducting academic visits at the designated medical institutions, and supporting regional academic conferences. We primarily derive revenue from the margin between the purchase and resale prices of the relevant products, supplemented by promotion service fees. Our performance is assessed based on target purchase volumes at our responsible medical institutions during specified assessment phases, and we receive promotion service fees calculated by reference to the actual purchase volumes achieved. The agreements generally have terms ranging from two to five years, and some agreements may be terminated unilaterally by the product owner upon prior written notice. During the term of such agreements, we are generally prohibited from promoting competing products.

Below is a summary of the salient terms of our major terms of our CSO sales arrangements for our major CSO products:

Exclusivity. Promotion rights for the relevant products in the designated territories are specified as exclusive or non-exclusive.

Sales target. Annual sales targets, sales forecasts and/or channel-specific sales requirements are set out, as applicable.

Minimum purchase. No minimum purchase commitments are imposed on us.

Pricing. Pricing and sales calculation mechanisms are based on product unit prices, SKUs and in-market sales volume, subject to agreed adjustment mechanisms.

Profit sharing. Service fees are calculated by reference to factors such as in-market sales volume, applicable product prices, agreed fee rates, forecast accuracy and achievement of sales thresholds.

IP rights. No intellectual property ownership is transferred to us. We are granted limited rights to use the relevant trademarks or product-related intellectual property solely for promotion purposes, subject to agreed restrictions.

The following table sets forth the comparison of the business model between our licensed-in drugs and the sale of third-party products under the CSO model:

	Licensed-in drugs	Third-party drugs sold under the CSO model
Contractual arrangement	Exclusive, long-term license agreements with global pharmaceutical companies	Sales arrangements with product owners or MAHs, generally with shorter terms
Our role	Licensee with exclusive rights to develop, manufacture and commercialize in the PRC	- Purchaser and reseller - Product owner retains all IP rights and controls the product supply

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	Licensed-in drugs	Third-party drugs sold under the CSO model
Consideration to counterparty . .	Upfront payments, milestone payments and tiered royalty payments based on annual net sales	• Purchase price for finished products • We receive promotion service fees from product owners based on sales performance
Our key obligations.	Exclusivity, minimum purchase/sales forecast commitments	• Sales volume targets • Periodic demand forecasts
Term and termination	Long-term, with automatic renewal provisions	• Shorter terms • Certain agreements may be terminated unilaterally by the product owner

Expiry Timeline

The following table sets forth the expiry timeline of the exclusive and non-exclusive rights to sell with respect to each acquired, in-licensed and CSO products as of the Latest Practicable Date.

Product	Expiry timeline
<i>Acquired products</i>	
Orkedia [®] , Regpara [®] , Coniel [®] , Romiplate [®] , Gran [®]	Perpetual
<i>In-licensed products</i>	
Kapruvia [®]	Until the latest of patent expiry, market exclusivity expiry, and 15 years from first commercial sale. Based on the current timeline, expected to expire in 2042, subject to actual launch timing and earlier termination.
Ravicti [®]	December 29, 2035; automatically renewable for five years.
Crysvita [®]	September 2034
Poteligeo [®]	September 2034
<i>CSO products</i>	
Tamiflu [®]	April 2029
NESP [®]	December 2026

Foreseeable obstacles to renewal upon expiry

Our Directors consider that the foreseeable obstacles to the renewal of our product rights upon expiry primarily include: (i) our Group’s inability to continuously enhance its overall competitiveness, including commercialization capabilities and market access resources, such that we may not meet the evolving expectations of our partners; (ii) changes in industry policies and the regulatory environment, such as NRDL adjustments or centralized procurement policies, which may adversely affect the

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commercial viability of certain products and reduce the willingness of counterparties to renew; and (iii) the possibility that our partners may re-evaluate or optimize their distribution arrangements based on cost efficiency, service capabilities and alternative collaboration opportunities.

To mitigate such risks, our Group has implemented the following measures: (a) our business development team initiates renewal assessments 12 to 18 months prior to the expiry of each agreement, and engages in early negotiations with counterparties; (b) we actively diversify our product portfolio through new product introductions to reduce reliance on any single product or partner; (c) we continue to strengthen our in-house manufacturing capabilities and advance production localization to reduce dependence on external authorizations; and (d) we closely monitor policy developments and proactively adjust pricing strategies and promotional focus in response to regulatory changes.

Measures to manage potential competition between products targeting similar disease areas but sold under different revenue models

Certain products within our portfolio may target the same or similar disease areas but are sold under different revenue models. To manage potential competition among such products, we have adopted the following measures:

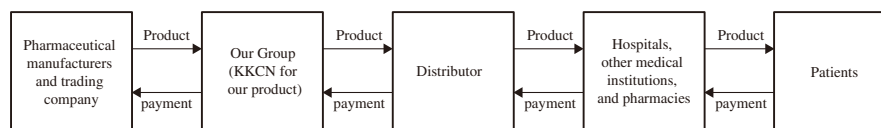
Differentiated market positioning. We assign differentiated positions to products within the same therapeutic area based on their clinical attributes and target patient populations. For acquired and in-licensed products, we focus on addressing unmet clinical needs and specialist-driven academic promotion; for CSO products, we focus on broad channel coverage and rapid volume growth.

Internal coordination and resource allocation. We have established a cross-departmental coordination mechanism involving our business development, marketing and sales teams to allocate promotional resources based on each product’s lifecycle stage and profitability profile, thereby minimizing internal resource overlap.

Synergy-oriented strategy. We adopt a synergy-oriented approach by coordinating personnel deployment, promotional strategies and channel resources across product lines, aiming to build comprehensive treatment solutions for physicians and patients rather than allowing same-area products to compete internally.

For the revenue contribution from each of in-house produced drug (i.e. Regpara), other acquired drugs which we undertook the repackaging, and licensed-in and CSO drugs which we sourced finished goods, during the Track Record Period, please see “Financial Information — Description Of Major Components in Our Result Of Operations — Revenue.”

We predominantly sell these drug products to third-party distributors who eventually sell and deliver them to hospitals, pharmacies, and other medical institutions. See “— Sales and Promotion — Distribution network of our products” for more details of our distribution network. The following diagram illustrates the business processes for the sales of pharmaceutical products:



Promotion of CSO Products

We act as an agent and service provider to promote CSO products. In accordance with the salient terms of our CSO promotion agreements, our role is limited to providing promotion services to product owners, the types and natures of our promotion services include channel management, targeted academic promotion activities, physician education, and marketing activities, and receive promotion service fees from them. We receive promotion service fees from the relevant product owners or MAHs, which are generally calculated by reference to the actual purchase volumes achieved at our responsible medical institutions during specified assessment phases and the corresponding sales amount, based on

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the fee calculation mechanism contractually agreed with the relevant product owner or MAH. Such fee calculation mechanism is determined on a product-by-product basis, taking into account, among others, the lifecycle stage of the relevant product, market conditions and the commercial arrangements agreed with the relevant product owner or MAH.

Our promotion services are mainly provided through hospitals, pharmacies and e-commerce platforms. The target clientele covers physicians across a wide range of specialties, from hospitals to community clinics, along with pharmacists, procurement teams, and e-commerce channel personnel. We do not purchase, take title to, or hold inventory of the relevant products, and accordingly we do not bear inventory risk. The product owner or MAH retains ownership of the products and sells them directly to distributors or other customers. The promotion services we provide under these arrangements do not involve the sale of drugs by our Group; we do not at any time purchase or hold inventory of the promoted products. Revenue generated from these services is recognized under “rendering of promotion service.”

As of the Latest Practicable Date, major products promoted by us under the CSO model were Coniel[®] (before the Kyowa Kirin China Acquisition), Perdipine[®], Tamiflu[®] and Asmeton[®]. Coniel[®] is indicated for the treatment of essential hypertension; Perdipine[®] is indicated for the emergency management of perioperative hypertension and hypertensive emergencies; Tamiflu[®] is indicated for the treatment and prevention of influenza A and B infections; and Asmeton[®] is indicated for the treatment of bronchial asthma and asthmatic bronchitis.

CSO Sales Arrangements vs CSO Promotion Arrangements

For each third-party product, we decide between a CSO sales arrangement and a CSO promotion arrangement by considering a combination of factors. One key consideration is whether the upstream supplier maintains a meaningful presence of its own in Chinese mainland. Where an overseas product owner or MAH operates a branch or subsidiary of a certain scale locally, it generally already commands its own distribution channels, and we tend to support it through CSO promotion, serving as its agent and service provider without ever taking title to or holding the products. Where the supplier has no such presence and therefore lacks both a local entity to ship the products and a distribution network of its own, we tend to adopt a CSO sales arrangement, buying the products as principal, assuming legal title and inventory risk, and reselling them through our own distribution network. Additionally, we consider whether the product’s sales volume can be reliably forecast and how each model would bear on our working capital, as the CSO sales model occupies our funds and requires us to bear inventory risk, whereas the CSO promotion model does not.

Certain third-party products may be subject to both CSO sales and CSO promotion arrangements concurrently, including Tamiflu[®]. In such cases, the two revenue streams are separately identified and recognized: (i) revenue from our purchase and resale of Tamiflu[®] to distributors is recognized under “sales of pharmaceutical products,” where we act as principal and bear inventory risk; and (ii) revenue from promotion services for Tamiflu[®] is separately recognized under “rendering of promotion service,” where we act as agent and do not bear inventory risk. The two arrangements are governed by separate contractual terms and give rise to distinct risk exposures as described above.

The following table sets forth the key differences between our CSO sales arrangements and CSO promotion arrangements in respect of the major third-party CSO products during the Track Record Period.

	CSO sales arrangements	CSO promotion arrangements
Major products	Tamiflu [®] and NESP [®]	Coniel [®] (before the Kyowa Kirin China Acquisition) ⁽¹⁾ , Perdipine [®] , Tamiflu [®] and Asmeton [®]
Role of our Group	We act as principal, purchase products from upstream suppliers, take legal title and bear inventory risk.	We act as an agent and service provider, and do not purchase, take title to or hold inventory of the promoted products.

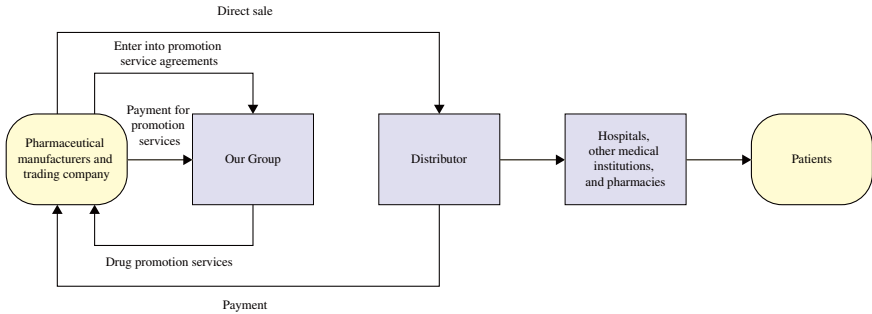
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	CSO sales arrangements	CSO promotion arrangements
Product flow.	We sell the products to third-party distributors, who eventually sell and deliver them to hospitals, pharmacies and other medical institutions.	We provide promotion services, including targeted academic promotion activities, physician education and marketing activities. The product owner or MAH retains ownership and sells the products directly to distributors or other customers.
Revenue recognition	Revenue is recognized under “sales of pharmaceutical products.”	Revenue is recognized under “rendering of promotion service.”

Note:

- (1) We had been the exclusive CSO for Coniel®, an original antihypertensive drug of Kyowa Kirin China, since 2017, and the associated revenue was recognized under rendering of promotion service. Following the completion of the Kyowa Kirin China Acquisition in September 2024, Coniel® shifted from a promotion service-fee model, with its sales revenue now consolidated under revenue from sales of pharmaceutical products. Correspondingly, the promotion service fees previously received from Kyowa Kirin China became intra-group transactions and were eliminated from consolidated revenue.

The following diagram illustrates the business processes for the promotion of pharmaceutical products:



OUR PRODUCTS

Product Portfolio and Pipeline

We have a diversified product portfolio in the treatment of kidney diseases. All of our major products, comprising prescription drugs either obtained as part of the Kyowa Kirin China Acquisition or licensed-in by us, are already commercialized in Chinese mainland, with the exception of Kapruvia®. Kapruvia® recently received regulatory approval from the NMPA in April 2026 and is currently in its pre-launch stage. Please see “— Overview — Our diversified and differentiated product portfolio — Our major products and pipeline of innovative products” for a summary of our major products and pipeline of innovative products as of the Latest Practicable Date.

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Orkedia® (蓋優平®) (Evocalcet Tablet)



Overview

Orkedia® is a novel oral calcimimetic agent. Its principal active ingredient is evocalcet. Orkedia® is indicated for the treatment of secondary hyperparathyroidism in patients with CKD at the dialysis stage. Orkedia® received the NMPA approval in July 2024. It has been included in the NRDL since 2025. As of the Latest Practicable Date, Orkedia® was the only orally administered novel calcimimetic agent globally. We acquired the entire equity interest in WinHealth China (a company principally engaged in the manufacturing and sales of pharmaceutical products), and as part of such acquisition we obtained the exclusive right to develop, manufacture and commercialize five branded drugs that are listed or commercially available in China, including Orkedia®.

Mechanism of action

Orkedia® exerts its therapeutic effect by acting on the CaSR located on the surface of parathyroid cells, thereby enhancing the sensitivity of these cells to calcium ions. This mechanism leads to the suppression of PTH secretion and a consequent reduction in serum PTH concentrations.

Competitive advantages

Optimized molecular structure and pharmacological advantages: Evocalcet is a next-generation oral calcimimetic agent developed after cinacalcet, the first-generation oral calcimimetic. It has approximately 30-fold higher potency at the calcium-sensing receptor (CaSR) and high receptor specificity, resulting in fewer gastrointestinal adverse reactions. Its substantially higher oral bioavailability (62.7% versus 5%–30%) enables effective treatment at approximately 1/12 of the traditional dosage, improving patient adherence. Evocalcet also demonstrates roughly 500-fold weaker CYP2D6 inhibition, substantially reducing drug–drug interaction risk in the multi-drug regimens common among dialysis patients. In a head-to-head Phase III study in Japanese hemodialysis patients with secondary hyperparathyroidism, evocalcet demonstrated non-inferior efficacy to cinacalcet in achieving the target intact PTH range, while showing a significantly lower incidence of gastrointestinal-related adverse events. We therefore describe Orkedia as “next-generation” to reflect its differentiated tolerability and pharmacokinetic profile relative to first-generation cinacalcet, while preserving equivalent PTH-lowering efficacy.

Efficacy in reducing iPTH levels among Chinese patients with baseline iPTH: In an East Asia Phase III study with a predominantly Chinese population, evocalcet achieved a significantly greater mean percentage reduction from baseline in iPTH than the comparator at lower doses (-34.44% vs. -28.38%; $p=0.000$), underscoring its strong and efficient target attainment in patients with baseline iPTH ≥ 300 pg/mL.

Favorable safety and tolerability profile: Results from a Phase III clinical study “Head-to-head comparison of the new calcimimetic agent evocalcet with cinacalcet in Japanese hemodialysis patients with secondary hyperparathyroidism” in Japanese hemodialysis patients showed that the overall incidence of gastrointestinal-related adverse events in the evocalcet group was significantly lower than

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that in the cinacalcet group (18.6% vs. 32.8%, $P < 0.001$). Among all calcimimetic agents, evocalcet is associated with the lowest incidence of hypocalcaemia. The reduced gastrointestinal adverse-event burden supports the use of evocalcet as an option for patients who are intolerant to other calcimimetic agents.

Convenient administration and favorable cost-effectiveness: Compared to calcimimetic injections such as etelcalcetide, Orkedia® offers additional advantages such as oral administration and favorable cost-effectiveness, which contribute to improved patient compliance.

Regpara® (盖平®) (Cinacalcet Hydrochloride Tablet)



Overview

The principal active ingredient of Regpara® is cinacalcet hydrochloride. Regpara® is indicated for the treatment of secondary hyperparathyroidism in patients with CKD at the dialysis stage. Regpara® received the NMPA approval in 2015. It has been included in the NRDL since 2018. Regpara® is the world's first calcimimetic. We obtained the exclusive rights to develop, manufacture and commercialize Regpara® in Chinese mainland as part of the Kyowa Kirin China Acquisition.

Mechanism of action

Regpara® acts on the calcium-sensing receptors located on the surface of parathyroid cells, thereby inhibiting the secretion of PTH and resulting in a reduction of serum PTH concentrations.

Competitive advantages

Efficacy in achieving target iPTH reduction: In a Phase III double-blind, placebo-controlled clinical study involving hemodialysis patients, the proportion of patients in the Regpara® group achieving serum iPTH levels ≤ 250 pg/mL was 51.4% (range: 39.3% to 63.3%), which was significantly higher than the placebo group at 2.8% (range: 0.3% to 9.8%). Furthermore, the proportion of patients in the Regpara® group achieving a $\geq 30\%$ reduction in serum iPTH from baseline was 90.3% (range: 81.0% to 96.0%), compared to 16.9% (range: 9.0% to 27.7%) in the placebo group.

Efficacy in inhibiting cardiovascular calcification: Hemodialysis patients are at risk of calcific uremic arteriopathy (CUA/calciophylaxis), a rare but life-threatening condition involving vascular calcification and ischemic tissue necrosis, with one-year mortality rates of approximately 50%–80%. Evaluation of cinacalcet therapy to lower cardiovascular events study demonstrated that Regpara® was associated with a 17% reduction in the risk of mortality. In a randomized, controlled clinical study evaluating the effects of cinacalcet administered concomitantly with low-dose vitamin D in adult patients receiving maintenance hemodialysis, the combination regimen demonstrated a statistically significant superiority over low-dose vitamin D monotherapy in retarding the progression of vascular and cardiovascular calcification, notwithstanding the concomitant use of calcium-based phosphate binders by certain participants.

For the details of the market share and competitive landscape for Regpara®, see “Industry Overview — CKD Treatment Market in China — Secondary hyperparathyroidism in patients with CKD treatment market in China — Competitive landscape.”

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Kapruvia® (可沛維®) (Difelikefalin Injection)

Overview

The principal active ingredient of Kapruvia® is difelikefalin, which is present in the form of an acetate salt. Kapruvia® is indicated for the treatment of moderate-to-severe pruritus associated with CKD in adult patients undergoing hemodialysis. In December 2022, we entered into an exclusive long-term license agreement with Vifor Fresenius Medical Care Renal Pharma (“VFMCRP”) for the development and commercialization of Kapruvia® (difelikefalin) for the treatment of CKD-aP in dialysis patients in the PRC. Under the terms of the agreement, we shall pay VFMCRP an upfront payment, registration and sales milestone payments, and royalties on net sales.

Mechanism of action

Difelikefalin is a selective KOR agonist with low permeability across the central nervous system (“CNS”). The pathophysiology of CKD-associated pruritus involves multiple factors, including systemic inflammation and dysregulation of the endogenous opioid system, such as overexpression of μ -opioid receptors and concomitant downregulation of κ -opioid receptors. Opioid receptors are known to modulate pruritic signaling and inflammation, with activation of KORs reducing pruritus and exerting immunomodulatory effects. Difelikefalin exerts its antipruritic and anti-inflammatory effects by activating KORs located on peripheral sensory neurons and immune cells.

Competitive advantages

First-in-class innovative mechanism and indication, bridging a market gap: Difelikefalin is a first-in-class, highly selective, peripherally restricted kappa opioid receptor (KOR) agonist that exerts antipruritic effects by activating KORs on peripheral neurons and immune cells, representing a mechanism distinct from conventional anti-pruritic treatments such as antihistamines, topical therapies, corticosteroids or gabapentinoids. Difelikefalin was approved by the U.S. Food and Drug Administration (the “FDA”) in August 2021 as the first approved treatment option for moderate-to-severe CKD-aP in adult hemodialysis patients, and was subsequently approved in the EU under the brand name Kapruvia for the same treatment setting. As of the Latest Practicable Date, it was also the only FDA-approved targeted therapy for CKD-aP. We describe Kapruvia as “first-in-class” because, prior to its regulatory approval, no drugs based on a highly selective kappa opioid receptor agonist mechanism had been approved by the FDA for the treatment of CKD-aP, and its approval bridged a significant gap in available treatment options for this patient population.

Efficacy, sustained improvement and long-term response: In the pivotal Phase III KALM-1 clinical study, published in the New England Journal of Medicine, a significantly higher proportion of patients treated with difelikefalin achieved a ≥ 3 -point improvement in Wi-NRS score compared to placebo (49.1% versus 27.9%, $P < 0.001$). Clinically meaningful reductions in itch intensity were evident as early as Week 1 and maintained throughout the 12-week treatment period, with statistically significant improvements in pruritus-related quality of life as measured by the 5-D Itch Scale and the Skindex-10.

Favorable safety profile: In randomized Phase III trials evaluating difelikefalin for the treatment of moderate-to-severe pruritus in hemodialysis patients, intravenous difelikefalin exhibited an acceptable safety profile and was generally well tolerated. Across studies, the incidence of treatment-emergent adverse events was comparable to placebo, and no new or unexpected safety signals were identified. In addition, difelikefalin shows very low propensity for clinically significant drug-drug interactions with the medications most commonly prescribed to dialysis patients.

Recommendations in domestic and international guidelines: The 2024 Chinese Guidelines for the Management of Chronic Pruritus (中國慢性瘙癢管理指南(2024)) explicitly recommend difelikefalin for the treatment of pruritus caused by systemic diseases or neuropathic changes, emphasizing that, as of the date of their publication, difelikefalin is the only drug approved by the U.S. FDA for the treatment of pruritus associated with end-stage renal disease. Building on that regulatory milestone, the

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2025 Chinese Expert Consensus on the Management of CKD-Associated Pruritus (慢性腎臟病相關瘙癢管理中國專家共識2025年版) likewise endorses difelikefalin for hemodialysis patients. The Consensus recalls the FDA’s August 2021 approval of this peripherally restricted, highly selective KOR agonist and highlights robust evidence from multiple randomized controlled trials demonstrating that intravenous difelikefalin significantly reduces moderate-to-severe pruritus and improves pruritus-related quality of life in patients undergoing hemodialysis. The 2025 Expert Consensus on the Diagnosis, Treatment, and Rehabilitation of Senile Pruritus (2025年老年皮膚瘙癢症診療與康復專家) also recommends difelikefalin for the treatment of chronic pruritus associated with end-stage renal disease.

For the details of the market share and competitive landscape for Kapruvia[®], see “Industry Overview — CKD Treatment Market in China — Chronic kidney disease-associated pruritus treatment market in China — Competitive landscape.”

Development status

Kapruvia[®] recently received regulatory approval from the NMPA in April 2026 and is currently in its pre-launch stage. The approval brings a new treatment option to patients with moderate-to-severe CKD-aP and represents another important milestone for us in kidney diseases.

The Phase III clinical trial is a randomized, double-blind, placebo-controlled Phase III bridging trial evaluating the efficacy and safety of Kapruvia[®] in the Chinese population, conducted at approximately 30 to 40 sites in China in adult haemodialysis patients with moderate-to-severe CKD-associated pruritus. Difelikefalin demonstrated a statistically significant reduction in itch intensity versus placebo at Week 4 ($p=0.0003$), with separation from placebo evident from Week 2 of the clinical trial, and showing greater numerical improvements across quality-of-life measures. Kapruvia[®] was generally well tolerated with a safety profile consistent with prior experience.

Romiplate[®] (惠爾凝[®]) (Romiplostim Injection)



Overview

Romiplate[®] is a long-acting TPO-RA that exerts its therapeutic effect by binding to the TPO receptors located on the surface of megakaryocytes, the precursor cells responsible for platelet production. Its principal active ingredient is romiplostim. Romiplate[®] is indicated for the treatment of adult patients with chronic ITP who have had an insufficient response to other treatments, such as corticosteroids or immunoglobulins. Romiplate[®] received the NMPA approval in January 2022. It has been included in the NRDL since January 2023. We obtained the exclusive rights to develop, manufacture and commercialize Romiplate[®] in Chinese mainland as part of the Kyowa Kirin China Acquisition.

Mechanism of action

Upon receptor binding, Romiplate[®] activates TPO receptor-dependent signal transducer and activator of transcription (“STAT”) and mitogen-activated protein kinase (“MAPK”) signaling pathways, thereby stimulating the proliferation and differentiation of megakaryocytes and ultimately increasing platelet production.

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Competitive advantages

Significantly reducing the treatment burden for patients: Our first-in-class, long-acting TPO-RA Romiplate[®] is the world’s first long-acting TPO-RA, requiring only once-weekly administration. This significantly reduces the treatment burden for patients and enhances compliance.

Rapid and sustained response: A double-blind, placebo-controlled, randomized Phase III clinical trial of 34 Japanese patients with ITP has shown that platelet responses could be observed in the romiplostim group as early as one week after the first administration of the study drug, and the response rate remained stable throughout the treatment period. The platelet response rate with romiplostim reaches 77% within one week and up to 91% within two weeks. According to a long-term, single-arm, open-label study of up to five years of weekly treatment with romiplostim in 292 adult ITP patients, patients maintained a median platelet response rate of 92% during study visits.

Favorable safety profile: According to the aforementioned study, Romiplate[®] demonstrates a low incidence of adverse reactions. Adverse events were usually mild, most frequently including myalgia, arthralgia, headache, or abdominal discomfort. Additionally, romiplostim is administered by injection, which avoids dietary restrictions. The risk of drug-drug interactions is extremely low. The product is well tolerated, providing a clinical solution that combines robust efficacy with a favorable safety profile.

Guideline and association recommendations: Romiplostim is consistently recommended in both international and domestic guidelines for the treatment of ITP. In addition to ITP, Romiplostim is the only TPO-RA specifically recommended by the NCCN guidelines in the United States for the management of chemotherapy-induced thrombocytopenia (“CIT”) and is widely used overseas for CIT treatment. The CSCO and ISTH guidelines also recommend romiplostim for the treatment of thrombocytopenia induced by cancer therapy.

For the details of the market share and competitive landscape for Romiplate[®], see “Industry Overview — Hematologic Disease Treatment Market by Indication in China — ITP treatment market in China — Competitive landscape.”

Development Plan

We plan to pursue a broader indication expansion program for Romiplate[®] to better serve patient needs. Specifically, we intend to explore label extensions in three priority areas: pediatric ITP, aplastic anemia, and CIT. These target indications are supported by evolving clinical practice guidelines and expert consensus statements globally.

Gran[®] (惠爾血[®]) (Filgrastim Injection)



Overview

Gran[®] is a human granulocyte colony-stimulating factor (the “G-CSF”) injection. It is indicated for the treatment of: (i) promoting the increase of neutrophil count following bone marrow transplantation; (ii) neutropenia caused by cancer chemotherapy, including malignant lymphoma, small cell lung cancer, germ cell tumors (such as testicular and ovarian tumors), and neuroblastoma; (iii) neutropenia associated with myelodysplastic syndromes; (iv) neutropenia associated with aplastic anemia; and (v) congenital or idiopathic neutropenia. Gran[®] received the NMPA approval in 1993. It

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has been included in the first batch of NRDL since 2000. We obtained the exclusive rights to develop, manufacture and commercialize Gran[®] in Chinese mainland as part of the Kyowa Kirin China Acquisition.

Mechanism of action

Gran[®] specifically binds to receptors present on cells ranging from neutrophil progenitor cells to mature neutrophils. It promotes the differentiation and proliferation of neutrophil progenitor cells, increases the number of neutrophils, and enhances the function of mature neutrophils.

Competitive advantages

Extensive clinical applications and well-validated efficacy: The use of Gran[®] in hematopoietic stem cell transplantation significantly accelerates engraftment of granulocyte lineage cells (by 4 days, $P < 0.0001$) and reduces the risk of primary engraftment failure by 70%. Following cytotoxic chemotherapy for solid tumors, proactive administration of Gran[®] can reduce the risk of febrile neutropenia (“FN”) by 62% and decrease the risk of chemotherapy dose reduction or delay by 68%, thereby providing comprehensive protection for patients. Application of Gran[®] after induction or consolidation chemotherapy for leukemia significantly increases the complete remission rate by 11% ($P = 0.02$) and improves survival by 118% (59% vs. 27%, $P = 0.04$). Pre-treatment with G-CSF can increase the entry of leukemia cells into the cell cycle, thereby enhancing their sensitivity to the cytotoxic effects of chemotherapy.

Guideline and association recommendations: The World Marrow Donor Association (“WMDA”) recommends the original recombinant human G-CSF injection (Gran[®]) for stem cell transplantation and explicitly does not recommend biosimilars for hematopoietic stem cell transplantation. The NCCN Guidelines, the European Society for Blood and Marrow Transplantation (“EBMT”) Guidelines, and the WMDA Guidelines likewise give priority to Gran[®] for this indication.

Advantage of being an original drug: As the original recombinant human G-CSF injection on the market, Gran[®] maintains a leading clinical position. Retrospective analysis of data from the World Health Organization (“WHO”) indicates significant differences between biosimilars and Gran[®], with biosimilars being associated with increased reports of fever, myalgia, and back pain, and the most common adverse event being lack of efficacy. Therefore, Gran[®] remains the preferred treatment option for stem cell transplantation and for Grade III-IV neutropenia.

For the details of the market share and competitive landscape for Gran[®], see “Industry Overview — Hematologic Disease Treatment Market by Indication in China — Neutropenia drug treatment market in China — Competitive landscape.”

Coniel[®] (可力洛[®]) (Benidipine Hydrochloride Tablet)



Overview

Coniel[®] is a first-line recommended antihypertensive agent of the calcium channel blocker (“CCB”) class. Its principal active ingredient is benidipine hydrochloride. Coniel[®] is indicated for the treatment of essential hypertension and angina pectoris. According to CIC, approximately 65% of the patients with CKD have hypertension. Coniel[®] provides patients with added renal protection by reducing proteinuria and demonstrates good tolerability, making it the preferred treatment option for

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patients with concomitant CKD. Coniel® received the NMPA approval in 2004. It has been included in the NRDL since 2009. According to CIC, as of the Latest Practicable Date, this product is the only domestically commercialized original L-, T-, and N-type triple calcium channel blocker, offering balanced triple-channel blockade, with significant, stable, and long-lasting antihypertensive effects. We own the exclusive rights to develop, manufacture and commercialize Coniel® in Chinese mainland as part of the Kyowa Kirin China Acquisition.

Mechanism of action

Benidipine is a triple-channel calcium channel blocker that exerts its antihypertensive effect by inhibiting the influx of calcium ions, thereby blocking calcium channels and reducing intracellular calcium ion concentration. This mechanism leads to a reduction in blood pressure.

Competitive advantages

Unique triple-subtype calcium channel blockade: According to the 2019 “Rational Use of Antihypertensive Drugs Guidelines,” (高血壓合理用藥指南) benidipine’s ability to block three subtypes of calcium channels provides potent antihypertensive effects. Domestic clinical evidence indicates that monotherapy with benidipine enables 90% of physicians to achieve blood pressure targets in patients with mild to moderate hypertension.

Renal protective effects: The triple-channel blocking mechanism also confers renin-angiotensin system-like renal protection. Substantial domestic and international evidence demonstrates that benidipine is superior to other CCBs in reducing urinary protein excretion. The 2014 “Japanese Society of Hypertension Guidelines” highlight benidipine’s anti-proteinuric effect in hypertensive patients with renal disease.

Safety and compliance: Benidipine is well-tolerated with a favorable long-term safety profile and high patient compliance. In a large-scale overseas clinical trial J-BRAVE study involving more than 10,000 elderly patients with hypertension who were followed for three years, the overall incidence of adverse reactions was only 4.9%, underscoring the drug’s excellent long-term safety.

Guideline recommendations: Benidipine is considered a first-line therapy for patients with mild, moderate, and severe hypertension, and is especially preferred for those with hypertension complicated by CKD or angina pectoris. Supported by extensive evidence of benidipine’s cardioprotective benefits, the 2022 “INOCA China Expert Consensus” (INOCA 中國專家共識) identified benidipine as the dihydropyridine of first choice for the treatment of angina.

For the details of the market share and competitive landscape for Coniel®, see “Industry Overview — CKD Treatment Market in China — Hypertension treatment market in China — Competitive landscape.”

Ravicti® (瑞維安®) (Glycerol Phenylbutyrate Oral Liquid)



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Overview

Ravicti[®] is a nitrogen scavenger. The principal active ingredient of Ravicti[®] is glycerol phenylbutyrate. Ravicti[®] is indicated for the long-term management of patients with UCDs who cannot be adequately managed by dietary protein restriction and/or amino acid supplementation alone. The indicated UCD subtypes include carbamoyl phosphate synthetase I deficiency, ornithine transcarbamylase deficiency, citrullinemia type I, argininosuccinic aciduria, argininemia, and HHH syndrome. Ravicti[®] received the NMPA approval in June 2023. It has not been included in the NRDL. In December 2020, we acquired the exclusive rights from Immedica Pharma AB for importation, distribution, hospital sales, tender bidding and other administration affairs in relation to Ravicti[®] in the PRC. The MAH in the PRC is Immedica Pharma AB.

Mechanism of action

Ravicti[®] is a triglyceride composed of three molecules of phenylbutyric acid and one molecule of glycerol. Upon oral administration, glycerol phenylbutyrate is hydrolysed by pancreatic lipases to release phenylbutyric acid. Phenylbutyric acid then undergoes β -oxidation to form phenylacetic acid. In the liver and kidneys, phenylacetic acid is conjugated with glutamine catalyzed by phenylacetyl-CoA to form phenylacetylglutamine. Phenylacetylglutamine is subsequently excreted in the urine.

Competitive advantages

The novel oral nitrogen scavenger: Glycerol phenylbutyrate is the only oral liquid nitrogen scavenger approved globally in the past decade. It has been included in the FDA’s fast track review and the NMPA’s priority review, and is listed in the “Fourth Batch of Recommended Paediatric Drug Development List (第四批鼓勵研發申報兒童藥品建議清單).” The product is indicated for up to six UCD subtypes (three more than sodium phenylbutyrate granules), including four subtypes listed in the “First Batch of Rare Disease Catalogue (第一批罕見病目錄).”

Favorable long-term efficacy and safety: Ravicti[®] provides more stable control of blood ammonia and glutamine over 24 hours compared to sodium phenylbutyrate, significantly reducing the risk of hyperammonaemic crises and improving neurocognitive function in pediatric patients. It is also associated with fewer adverse events, does not reduce branched-chain amino acid levels affecting pediatric growth, and contains no sodium, avoiding additional metabolic burden or cardiovascular risk.

High patient compliance: Ravicti[®] is a tasteless and odorless medication, which may enhance patient compliance by minimizing the unpleasant sensory experiences commonly associated with alternative therapies.

Competitive advantages

Expert recommendations: Nitrogen scavengers are the cornerstone of long-term management for pediatric and adult patients with UCDs. Oral glycerol phenylbutyrate, as a representative agent, is consistently recommended in multiple guidelines and expert consensus statements, including the “Chinese Guidelines for the Diagnosis, Treatment and Management of Urea Cycle Disorders” (中國尿素循環障礙診斷治療和管理指南), the “Expert Consensus on the Tertiary Prevention and Control of Urea Cycle Disorders” (尿素循環障礙的三級防控專家共識), the “Expert Consensus on the Diagnosis and Treatment of Ornithine Transcarbamylase Deficiency” (鳥氨酸氨甲醯轉移酶缺乏症診治專家共識) and the “Suggested Guidelines for the Diagnosis and Management of Urea Cycle Disorders: First Revision” in the EU.

For the details of the market share and competitive landscape for Ravicti[®], see “Industry Overview — Other Disease Treatment Market in China — Urea Cycle Disorders treatment market in China — Competitive landscape.”

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Crysvita® (麟平®) (Burosumab Injection)



Overview

Crysvita® is a subcutaneously administered monoclonal antibody. The principal active ingredient is burosumab. It is indicated for the treatment of X-linked hypophosphataemia (“**XLH**”) in adult and pediatric patients aged one year and above and the treatment of FGF23-related hypophosphataemia in adult patients with tumor-induced osteomalacia (“**TIO**”) associated with phosphate-mimetic mesenchymal tumor that are unresectable or unlocalizable. Burosumab (麟平®) received NMPA marketing approvals in January 2021 for XLH and in March 2021 for TIO. It is a prescription drug. As of the Latest Practicable Date, it had not been included in the NRDL and was not subject to centralized procurement. In August 2024, we acquired the exclusive rights from Kyowa Kirin for all activities directed to the importation, distribution, marketing, promotion, medical affairs, offering for sale, sale and other commercialization of Crysvita in the PRC. The MAH is Kyowa Kirin.

Mechanism of action

Burosumab is a fully human IgG1 monoclonal antibody against fibroblast growth factor 23 (FGF23). By specifically binding to and inhibiting excess bioactive FGF23, burosumab down-regulates downstream signaling, increases renal tubular reabsorption of phosphate and raises circulating levels of active vitamin D. This in turn enhances intestinal absorption of phosphate and calcium, elevates serum phosphate, improves alkaline phosphatase, promotes skeletal mineralization and reduces bone disease.

Competitive advantages

World’s first targeted therapy against FGF23: Burosumab is the world’s only targeted therapy against FGF23 for XLH and TIO. As of the Latest Practicable Date, the above indications are contained in the Second National Rare Disease Catalogue (第二批罕见病目录). The FDA and the European Medicines Agency have granted orphan drug designation for the treatment of XLH, and the FDA has granted breakthrough therapy designation. It was included in the second batch of the List of Clinically Urgently Needed Overseas New Drugs, filling an unmet clinical need in China.

Superior efficacy and safety: Burosumab’s efficacy and safety is endorsed by domestic and international guidelines for XLH and TIO. It normalizes serum phosphate and TmP/GFR by Week 4, achieves approximately 80% alkaline phosphatase target-attainment at 12 months, and yields significant rickets improvement in about 87% of patients by Week 64 versus about 19% with conventional therapy. It also corrects skeletal deformities, supports growth, and alleviates pain and fatigue, with only mild, self-resolving adverse reactions.

Convenient dosing, supporting high adherence: Compared with conventional therapy requiring oral administration 4–6 times daily, Burosumab offers convenient dosing, with subcutaneous injection every two weeks in children and every four weeks in adults, substantially reducing treatment frequency and supporting better adherence.

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Poteligeo® (惠爾金®) (Mogamulizumab)



Overview

Poteligeo® is a prescription biologic administered by injection. The principal active ingredient is mogamulizumab, a humanized monoclonal antibody. It is indicated for the treatment of adult patients with relapsed or refractory SS or advanced (stage III/IV) MF who have previously received systemic therapy. In the PRC, Poteligeo® received NMPA marketing approval in October 2022. As of the Latest Practicable Date, it had not been included in the NRDL and was not subject to centralized procurement. In August 2024, we acquired the exclusive rights from Kyowa Kirin for all activities directed to the importation, distribution, marketing, promotion, medical affairs, offering for sale, sale and other commercialization of Poteligeo in the PRC. The MAH is Kyowa Kirin.

Mechanism of action

Mogamulizumab is a recombinant, humanized monoclonal antibody targeting CC chemokine receptor 4 (CCR4). By specifically binding to CCR4 on target cells, mogamulizumab enhances antibody-dependent cellular cytotoxicity (ADCC), promoting NK cell-mediated cytotoxicity of CCR4-positive malignant T cells implicated in MF/SS. Concurrently, it depletes CCR4-expressing regulatory T cells (Tregs), exerting an immunomodulatory effect that ameliorates the tumor immune microenvironment.

Competitive advantages

Innovative CCR4-targeted therapy: As of the Latest Practicable Date, Poteligeo® is the world’s only CCR4-targeted therapy for MF/SS. It has obtained orphan drug designations and breakthrough therapy qualifications in multiple jurisdictions and was approved for marketing in China without local clinical trials, for use in diseases listed under item 20 of the Second National Rare Disease Catalogue.

Outstanding clinical efficacy and safety: Poteligeo® delivers clinically meaningful benefits in relapsed/refractory MF/SS, with median PFS of 7.7 vs. 3.1 months (47% reduction in progression/death risk, $P < 0.0001$) and even greater benefit in patients with blood involvement (median PFS 11.17 vs. 3.3 months in the comparator arm). Responses are rapid and durable, with a median time to blood response of 1.1 months, skin and nodal responses of approximately 3.0 and 3.3 months, respectively, a median duration of response of 14.1 vs. 9.1 months, and time-to-next-treatment of 11.0 vs. 3.5 months. Overall survival also favored Poteligeo®, with median OS of 57.17 vs. 7.43 months in the comparator arm (a 58% mortality risk reduction). The drug is well tolerated and suitable for long-term use without additional safety risks.

Expert endorsement: Multiple authoritative guidelines and expert consensus statements consistently recommend mogamulizumab for systemic treatment of MF/SS, including the NCCN Guidelines (2024 V2), which list mogamulizumab as a Preferred regimen; the EORTC guidelines for the treatment of mycosis fungoides and Sézary syndrome (2023 update); the China Lymphoma Treatment Guidelines (2023 edition); and the Chinese Expert Guidelines on the diagnosis, treatment, and management of mycosis fungoides.

MAJOR THIRD-PARTY CSO PRODUCTS

We also act as a CSO to sell and/or promote third-party products during the Track Record Period. In connection with CSO sales arrangements, we purchase drugs from upstream suppliers and then sell them to third-party distributors who eventually sell and deliver them to hospitals, pharmacies and other medical institutions. Revenue derived from these transactions is recognized under “sales of pharmaceutical products.” See “— Overview — Our diversified and differentiated product portfolio —

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Major third-party CSO products” for the summary of such third party products. In connection with CSO promotion arrangements, we provide promotion services, such as targeted academic promotion activities, to the respective product owners and receive promotion service fees from them. Revenue generated from these services is recognized under “rendering of promotion service.” See “Financial Information — Description of Major Components in Our Results of Operations — Revenue” for a breakdown of our revenue by business line.

SALES AND PROMOTION

We have built a dedicated sales and marketing team consisting of 616 professionals as of December 31, 2025. During the Track Record Period, our sales network covered over 30 provinces (including autonomous regions and municipalities) and more than 300 prefecture-level cities nationwide, reaching over 10,000 hospitals and over 60,000 retail pharmacies as well as leading e-commerce platforms in China. Through the extensive geographical presence of our sales and promotion team, we have established direct contact with hospitals. In line with the customary practice in China’s pharmaceutical industry, we have engaged distributors for the sales of our products, and the responsibilities of such distributors are limited to the delivery of our products, and we remain responsible for the promotion of our products to end customers. For the year ended December 31, 2025, we engaged 241 distributors to deliver our products to hospitals, retail pharmacies, e-commerce platforms and other terminal channels.

In addition to our in-house sales and marketing team, we also engage third-party service providers to assist with downstream promotion activities in specified regions to supplement our own team’s coverage by leveraging the local resources and execution capabilities of such service providers. The services procured from such third-party service providers primarily include market research and information collection in target regions and product information dissemination and routine visits at target end-user institutions such as hospitals and pharmacies. Such procurement arrangements were entered into in the ordinary course of business on common commercial terms and at arm’s length prices.

Sales and Promotion Strategy

Capitalizing on our deep market understanding and academic resource accumulated over years, we have formulated differentiated sales and promotion strategies for our products and the third-party CSO products, reflecting the distinct strategic positioning of each product category. Our products are the core drivers of our long-term development, requiring deep market penetration to build competitive barriers and secure long-term returns. The third-party CSO products, on the other hand, supplement our commercialization capabilities by delivering short-term value through efficient execution and resource synergy.

Sales and promotion strategy for our acquired and in-licensed products

Our products are focused on the nephrology therapeutic area. We adopt the following key strategies for our products:

- *Professional academic promotion system.* We have established a cross-functional team of medical, marketing, and sales professionals that explores the clinical value of our products, participates in academic conferences, organizes expert consensus discussions, and builds physician-patient education platforms to reinforce our products’ position in clinical treatment pathways.
- *Refined lifecycle operation.* We dynamically adjust strategies across products’ lifecycle, focusing on key hospital penetration and expert network building at launch, expanding institutional coverage and insurance inclusion during growth, and pursuing indication expansion and combination therapies at maturity.

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Sales and promotion strategy for CSO products

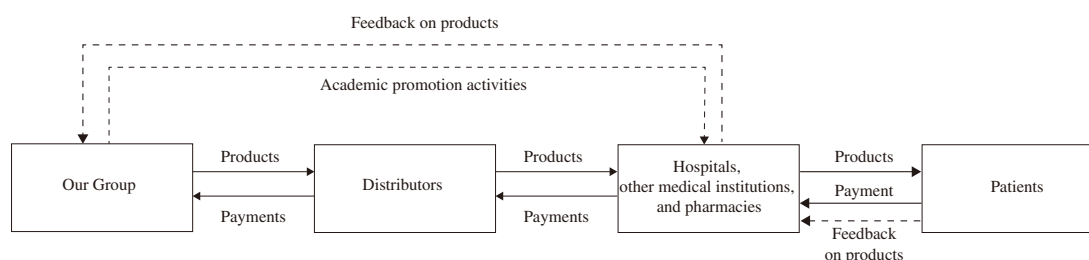
The third-party CSO products serve as a supplement to our commercialization capabilities. We adopt the following key strategies for our products:

- *Customized commercialization service solutions.* We tailor our services to the lifecycle stage of each third-party CSO product. For mature products, we focus on maintaining market share; for growth-stage products, on rapid volume expansion. For products with clear clinical value but insufficient market coverage, we quickly mobilize our existing sales network for efficient coverage especially hospital channels aligned with the product’s indications. For products requiring enhanced clinical awareness, we leverage our academic promotion experience to assist partners in conducting targeted academic activities.
- *Channel and resource synergy.* We fully integrate our existing resources in hospital access, commercial distribution, terminal management and we utilize the field promotion experience of our sales team to reduce market expansion costs and achieve resource synergy.
- *Focus on partnership value.* We adopt a sales target-oriented approach, utilizing refined sales management to increase market share.

Distribution Network of Our Products

In our sales of pharmaceutical products business, we predominantly generate revenue from sales of our products and third-party products under the CSO model. In line with customary practice in China’s pharmaceutical industry, we sell these drug products to third-party distributors who eventually sell and deliver them to hospitals, pharmacies, and other medical institutions.

The following flowchart illustrates the business process for the sales of our products through third-party distributors. Solid lines represent product and payment flows, while dashed lines indicate information flows related to promotional activities.



For revenue recognition purposes, our distributors are our customers. We have a seller-buyer relationship with our distributors. Upon delivery and acceptance of our products, all significant risks and rewards of ownership transfer to them, and we retain no further ownership interest. Revenue is therefore recognized at that point. Our distributors independently on-sell these products to their customers, who have no contractual relationship with us and are not subject to our control or oversight.

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Movements in number of distributors

As of December 31, 2023, 2024 and 2025, we had an extensive distribution network of 173, 237, and 241 distributors, respectively. The following table sets out the movements of our distributors during the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Total number of distributors at the beginning of the respective period ⁽¹⁾	166	173	237
Number of new distributors engaged during the period	35	65	59
Number of distributors ceased to be our distributors during the period ⁽²⁾	28	1	55
Total number of distributors at the end of the respective period ⁽¹⁾ .	173	237	241

Note:

- (1) Different business entities are counted as separate distributors, regardless of whether they are part of the same group of companies.
- (2) The primary reasons for ceasing our relationships with certain distributors were: (i) business adjustments and channel optimization, including replacing distributors with others that have a stronger presence in the relevant regions; (ii) discontinuation of certain products; and (iii) transition from distributorship arrangements to direct sales for certain products.

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties, and none of our distributors were wholly or majority owned by our current or ex-employees. In addition, to the best knowledge of our Directors, there is no other relationship or arrangement (including family, business, financing, guarantee, or otherwise in the past or present) between us and the distributors engaged by us during the Track Record Period.

Discontinuation of certain products. During the Track Record Period, we ceased or did not renew cooperation arrangements in respect of certain non-core products, rather than discontinuing the manufacture of any of our major products. Such cessation was mainly driven by our periodic review of product lifecycle, market prospects and profitability, including the commercial impact of policy developments and our strategic allocation of sales and promotion resources to products and therapeutic areas with stronger long-term outlook. This approach is consistent with our practice of continuously evaluating our product portfolio to allocate resources towards products with market outlook and profitability, as well as our strategy to strengthen our presence in kidney and hematologic therapeutic areas.

Transition from distributorship arrangements to direct sales. During the Track Record Period, we transitioned the distribution of certain products in certain provinces, such as Zhejiang and Guangxi, from a two-tier distributorship model to a direct model with provincial-level distributors. In this process of channel flattening, we eliminated the secondary distributor tier to enhance profitability by capturing the margin previously retained by them and to strengthen our control over downstream distribution channels. This implies that former secondary distributors were promoted to become first-tier distributors signing directly with us (i.e., new direct sales partners).

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As of March 31, 2026, our distributors’ sales network cover all first-, second- and third-tier cities in the PRC. The following table sets forth the geographical coverage of our distribution network as of March 31, 2026:

	As of March 31, 2026	
	Hospitals and other medical institutions	Pharmacies
Number of end-user covered	39,100	82,219
Number of first-tier and new first-tier cities covered	19	19
Number of second-tier cities covered	30	30
Number of third-tier cities covered	70	70

Distributor management

We select distributors based on factors such as sales experience, reputation, credit history, market coverage, and industry position, and require them to possess all necessary licenses and permits for pharmaceutical distribution. Distributors must adhere to the latest GSP standards for cold-chain storage and transportation to ensure safe and timely delivery. We periodically review distributor performance based on these criteria and commercial terms to determine whether to continue the business relationship.

Due to the implementation of the “two-invoice system” in China, in general, our distributors are legally prohibited from engaging sub-distributors for distribution of our products to public medical institutions in China. Our distributors may engage sub-distributors and they are responsible for supervising their respective sub-distributors. We do not have contractual relationships with sub-distributors, nor do we manage such sub-distributors directly. Accordingly, we have no means of ascertaining the precise number of sub-distributors during the Track Record Period.

We have adopted internal control measures to monitor the implementation of the “two-invoice system” in different provinces to ensure our ongoing compliance with relevant rules, regulations and policies. These measures include: (i) providing training to our management as well as our commercialization team to enhance their understanding of the “two-invoice system” as well as relevant rules and regulations; (ii) requiring our commercialization team to timely adjust their distribution strategy according to the latest implementation status of the “two-invoice system”; and (iii) suspending or terminating a distributor’s contract and potentially pursuing other legal actions, if we identify any violations of the “two-invoice system” by the distributor. Our PRC Legal Advisors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any legal proceedings or penalties by any competent authorities in relation to the compliance of the “two-invoice system.” See “Risk Factors — Risks Relating to our Business and Industry — We do not have full control over our distributors, which may breach their agreements with us” for more information about the risks relating to our distributors.

(A) Prevention of cannibalization

In order to manage the risk of cannibalization of sales among our distributors and through different sales channels, we have adopted the following measures:

- *Geographic and channel restrictions.* We specify the designated distribution area and permitted channel type (whether hospital or retail) for which our distributors are responsible in our distribution agreements with them. The agreements also prohibit distributors from selling our products outside their respective designated distribution areas or cross-channel without our prior written consent.

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- *Differentiated pricing system.* We have established a differentiated pricing structure for hospital channels and retail channels, setting different supply prices for each channel type. This pricing system is further supported by corresponding incentive policies tailored to the characteristics and requirements of each channel.
- *Product flow monitoring.* We utilize drug traceability codes to track product flow throughout the distribution chain, enabling us to identify and address any unauthorized cross-channel movement of products.
- *Retail price monitoring.* We have engaged third-party institutions to monitor retail prices on e-commerce platforms, allowing us to promptly detect and address any low-price or disorderly pricing behavior that may indicate channel leakage or unauthorized sales.

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

(B) Inventory management and control

We have implemented internal policies and measures, which would help ensure that our sales to distributors reflect genuine market demand and mitigate the risk of inventory accumulation in the distribution channels.

We determine credit terms to major distributors on a case-by-case basis based on our assessment. For the year ended December 31, 2025, our trade receivable turnover days were 45 days. We keep close contact with hospitals and medical institutions and attach significant importance to the eventual sale of our products by our distributors to hospitals and medical institutions. In our standard sales contracts, we require our distributors to provide us on a regular basis with information about their sales of our products to hospitals.

(C) Anti-bribery and anti-corruption

Distributors are generally subject to anti-bribery and anti-corruption obligations pursuant to the terms of our distribution agreements, under which distributors are required to comply with PRC laws and regulations, including anti-bribery and anti-corruption laws and regulations. For more information, see “— Internal Controls and Risk Management — Business ethics” below.

Terms of distributorship agreements

We primarily sell our products to independent distributors under a seller-buyer model. We do not retain ownership of, or impose day-to-day control over, downstream inventory or resale activities, save for contractual safeguards required by law and market practice. We typically enter into standard sale and purchase agreements with our distributors.

- *Designated distribution area.* Under the agreement, the distributor is authorized to distribute our products to specified entities within the specified area. Unless with our prior consent, the distributor must purchase products exclusively from us.
- *Sub-distributors.* For distribution of our products to private medical institutions in the PRC, we do not require our distributors to seek our prior approval to engage sub-distributors. We do not have contractual relationships with sub-distributors engaged by our distributors, nor do we manage such sub-distributors directly. Instead, we rely on our distributors to supervise their respective sub-distributors.
- *Selling price.* Our selling prices to distributors are set contractually and may be adjusted by agreement in response to regulatory or centralized procurement changes.

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- *Sales target and minimum purchase requirement.* Our agreements with distributors generally do not specify an agreed annual sales target or minimum annual purchase amount.
- *Return of products.* In line with the market practice of the pharmaceutical industry in China, we generally do not allow product returns or exchanges except as a result of quality defects or for products received in error or damaged in shipping.
- *Termination.* The agreement can be terminated upon mutual agreement or due to breach of terms.

Pricing

We believe an optimal pricing strategy is the key to develop and maintain our long-term competitiveness. We have developed pricing strategies for our different product lines based on the characteristics of the market.

Sales of products

In line with customary practice in China’s pharmaceutical industry, we primarily sell drug products to third-party distributors who eventually sell and deliver them to hospitals, pharmacies, and other medical institutions. We determine the pricing of our products based primarily on clinical value, while also taking into account several factors such as market competition, cost-effectiveness and international price benchmarks. The selling price offered to our distributors further reflects factors such as hospital bidding prices, and a level of profit margin generally acceptable to local distributors.

Promotion of third-party products

We have established a dynamic communication mechanism with the MAH to ensure that pricing remains fair, meets the profit requirements of both parties, and reflects actual market conditions, thereby safeguarding compliant and efficient cooperation. For third-party products for which we provide promotion services under the CSO model, our pricing strategy is determined with reference to the product’s lifecycle stage and a range of market factors, as set out below:

Newly launched products. For products at the initial launch stage, we determine our service pricing through a comprehensive assessment of disease burden, patient affordability, prevailing prices of competing products, reimbursement and commercial insurance policies, and relevant international pricing benchmarks. The final service price is established through mutual agreement with the MAH.

Mature products. For products in the maturity phase, our service pricing is generally based on the established price set by the MAH. In the event of significant market changes or major strategic adjustments, such as centralized procurement, prescription-to-OTC switches, or the introduction of new product formulations or specifications, we will negotiate with the MAH to adjust the pricing accordingly.

Policy impact on pricing

(A) NRDL

Drugs included in the NRDL are eligible for full or partial reimbursement under China’s national medical insurance program. The National Healthcare Security Administration, along with other government authorities, determines which drugs are included. We actively pursue NRDL inclusion to enhance patient access, which generally requires a pricing negotiation process based on factors such as clinical value, competition, and cost-effectiveness. As of the date of the document, among our major products, five of our acquired products and 13 of our CSO products are included in the NRDL. For products not covered by the NRDL and used in public medical institutions, they typically need to go through the provincial access and online procurement system, with pricing set by enterprises based on cost, market demand, and competitive conditions. For more information about the NRDL, see “Regulatory Overview — Other Laws and Regulations in Relation to Medical Industry.”

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(B) Centralized procurement

Public medical institutions in China typically conduct centralized procurement for pharmaceuticals listed in medical insurance catalogs or those with large volumes and common clinical use, which carries strong pricing bargaining power, see “Regulatory Overview — Other Laws and Regulations in Relation to Medical Industry.” See also “Risk Factors — Risks Relating to our Business and Industry — Our products and the third-party products that we sell and/or promote may become subject to centralized procurement, national or other third-party reimbursement practices, healthcare reform initiatives, or unfavorable pricing regulations” for further details. As of the Latest Practicable Date, the generic names of two drugs acquired by us as part of the Kyowa Kirin China Acquisition have been included in the centralized procurement catalog. Certain of our CSO products are included in provincial or regional centralized procurement across multiple provinces or regions. According to current policy regulations, products subject to centralized procurement are generally those that have already been included in the NRDL, have large usage volumes, or face intense homogeneous competition among mature products. Most of our key products are innovative drugs, which are generally not subject to such procurement impact. For certain of our mature non-innovative products, we can effectively manage potential procurement risks through leveraging the products’ strong brand awareness, reliable quality, and our innovative multi-channel marketing models, so as to stabilize sales performance.

IMPACT OF INCLUSION IN CENTRALIZED PROCUREMENT AND NRDL

National Centralized Procurement

As of the Latest Practicable Date, the generic names of three of our major products have been included in the national centralized procurement catalog, namely Tamiflu® (oseltamivir phosphate capsules), Regpara® (cinacalcet hydrochloride tablet) and Coniel® (benidipine hydrochloride tablet). Among these, only Tamiflu® has a complete and analyzable set of financial data during the Track Record Period, as further detailed below.

- *Regpara®*. As the generic name of Regpara® had already been included in the centralized procurement catalog prior to the completion of the Kyowa Kirin China Acquisition in September 2024, we do not possess a complete set of comparative data pre- and post-inclusion.
- *Coniel®*. The centralized procurement price for the generic name of this product (Batch 11 of the National VBP) took effect on April 2026. As of the Latest Practicable Date, the centralized procurement price had been in effect for approximately two months, and the financial impact has not yet been fully reflected.
- *Tamiflu® (oseltamivir phosphate capsules)*. Following the inclusion of the generic name for oseltamivir phosphate capsules in the national centralized procurement catalog (Batch 7 of the National VBP, implemented in November 2022), Tamiflu® experienced an initial price adjustment. However, leveraging the strong brand reputation of the product and our flexible multi-channel commercial model, we achieved sustained growth in both sales volume and profit contribution from Tamiflu®, resulting in a net positive impact on our financial performance.

Tamiflu® demonstrated strong volume growth and positive financial contribution from 2022 to 2025. Our revenue from sales of Tamiflu® was RMB103.7 million in 2024 and RMB481.0 million in 2025, representing approximately 11.5% and 28.6% of our total revenue for the respective years. The performance of Tamiflu® demonstrates that, by expanding into out-of-hospital channels (including retail pharmacies and e-commerce platforms) and transitioning to a “service fee plus sales” model, we have been able to effectively offset the downward pressure on unit prices resulting from centralized procurement and achieve a virtuous cycle of compensating for price reductions through volume growth.

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Provincial or Regional Centralized Procurement

As of the Latest Practicable Date, certain of our CSO products are also subject to provincial or regional centralized procurement across multiple provinces or regions, principally including Asmeton[®], Perdipine[®] and Hepa-Merz[®].

Compared to national centralized procurement, provincial and inter-provincial alliance procurement programs typically cover specific regions or involve smaller procurement volumes. While these policies have exerted certain pressure on the pricing and hospital access of individual products, we have managed to contain the overall financial impact at a manageable level through channel optimization and expansion of out-of-hospital markets.

Although provincial centralized procurement has led to periodic declines in sales volumes of certain products (such as Asmeton[®]), and upstream supplier strategy adjustments (such as supplier’s partial reallocation of Asmeton[®] resources) have exacerbated such fluctuations, we have mitigated these effects through channel optimization and out-of-hospital market expansion. With respect to Hepa-Merz[®], by deepening its penetration of out-of-hospital markets and broader market segments, we successfully achieved growth in both revenue and gross profit despite the price pressures from centralized procurement. With respect to Perdipine[®], through refined operational management, we have maintained a stable foundation in its out-of-hospital channels and sustained a reasonable level of profitability.

In summary, provincial volume-based procurement has not resulted in any material adverse effect on our overall revenue or profit structure.

NRDL

Our Directors are of the view that the inclusion of our products in the NRDL has had an overall positive effect on our financial performance. We have adopted a differentiated medical insurance strategy, seeking to preserve sales volume for products subject to centralized procurement while driving growth through NRDL-included products, thereby smoothing the risks arising from fluctuations under any single policy. Going forward, we intend to continue leveraging the benefits of NRDL inclusion to drive market share expansion. In particular:

- Orkedia[®] (included in the NRDL in December 2025): Following its successful inclusion in the NRDL, the medical insurance reimbursement coverage has significantly reduced the out-of-pocket cost burden for patients. This not only reflects the recognition of Orkedia[®]’s clinical value by the PRC government, but has also directly translated into rapid growth in sales volume, effectively offsetting the profit pressure from centralized procurement products.
- Romiplat[®] (included in the NRDL in 2023) and NESP[®] (included in the NRDL in 2023): Both products have achieved improved patient accessibility following their inclusion in the NRDL.

Measures to Manage Potential Procurement Risks

To manage potential procurement risks and stabilize sales performance, in addition to the multi-channel sales strategies described above, we have implemented the following measures: (a) maintaining product listing status across all existing covered hospitals and, where different medical institutions vary in their implementation of centralized procurement policies, conducting institution-specific assessments targeting specific patient populations, key opinion leaders and core clinical departments to sustain in-hospital market share — for example, in 2025, we successfully restored product selection and listing at 35 additional hospitals for Hepa-Merz[®] by capitalizing on the Guangdong provincial alliance centralized procurement cycle; (b) proactively engaging with product owners and MAHs to negotiate adjustments to procurement costs or performance targets in response to pricing pressure from centralized procurement, and conducting in-depth product-level analysis to

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strengthen our competitive position in centralized procurement bidding processes; and (c) expanding our sales and distribution channels, including online and offline retail pharmacies and private hospitals, and introducing new products to further enrich our product portfolio.

Based on assessment of our PRC Legal Advisors, we confirm that, during the Track Record Period and up to the Latest Practicable Date, we (a) had not been deemed to have violated or circumvented any laws, regulations, rules or policies in relation to the NRDL, PRDL, “two-invoice system”, centralized procurement program, or bidding process; (b) have not been subject to any administrative fines or penalties imposed by the competent authorities in relation with the foregoing matters; and (c) have not received any warning or notice from any competent authorities regarding compliance with the NRDL, PRDL, “two-invoice system”, centralized procurement program or bidding process.

Product Return and Warranty

We generally do not accept product returns from any distributors after the acceptance inspection, including products with defects in the packaging or overstocked items. In respect of our return policy with our distributors, see “— Sales and Promotion — Distribution network of our products — Terms of distributorship agreements” above for further details. For products that meet the conditions for return, we are fully responsible for the cost of return and replacement of these products. We did not have any provisions for warranty claims during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, the amounts of our product returns and exchanges were insignificant. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material complaint or product liability or other legal claims from our customers due to problems associated with the quality of our products.

We have established product recall procedures with prescribed guidelines, which specify responsible persons and handling processes. Our recall system includes a graded recall framework based on the seriousness of health hazards, with clear timelines for notification and progress reporting. During the Track Record Period and up to the Latest Practicable Date, we did not have any product recall due to quality problems.

BUSINESS DEVELOPMENT

Our business development (“BD”) team comprises experts with extensive pharmaceutical industry and BD experience, including backgrounds at multinational corporations such as Takeda, AstraZeneca, Johnson & Johnson, and GE Healthcare. With regional presence across China, Japan, the U.S., and Europe, our BD team is organized into dedicated groups that provide end-to-end support throughout each stage of our BD projects. The chart below sets out the process for the internal evaluation of our business development projects.

WinHealth Pharma Group Strategic BD Management Committee
— Internal BD Project Evaluation Process



Our BD team is distinguished by two key strengths: (i) the ability to swiftly respond to emerging BD opportunities, enabling rapid identification and efficient closure of partnership deals; and (ii) a compelling value proposition for partners seeking to license-in products for the China market, supported by our established sales network, and our deep expertise in China’s drug policy environment. We have a strong track record of leveraging Hainan Province’s special access pathway to accelerate the commercialization of foreign-approved medicines in China. We successfully commercialized Ravicti®

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from Immedica Pharma AB by integrating efficacy and safety data from four Chinese patients with urea cycle disorder, collected under Hainan Province’s policy for the clinical use of urgently needed imported medical devices and drugs. See “— Drug Development — Coordination with government policy” for more details. To further enhance our BD capabilities, we plan to consolidate our focus areas strategy, strengthen team training on advanced technologies and innovative drug development, and streamline processes to more efficiently capture attractive BD opportunities.

DRUG DEVELOPMENT

In-house Drug Development Team

Our drug development team, comprising the research and medical affairs department and the registration affairs department, is responsible for advancing drug candidates to market in a timely and cost-effective manner. As of December 31, 2025, the team consisted of 31 full-time employees, most holding master’s degrees or above, with extensive experience in clinical development and regulatory affairs. Our drug development team maintains close interaction with our production and sales and marketing teams with early cross-functional involvement to enhance development efficiency, mitigate manufacturing risks, and prioritize projects with strong commercial potential. See “Financial Information — Description of Major Components in Our Results of Operations — Research and development expenses” for more details about our research and development expenses. We plan to continue to strengthen our drug development capabilities by attracting an increasing number of talents with extensive experiences in the relevant therapeutic areas or segments to join our drug development team.

Coordination with Government Policy

In 2018, the State Council of the PRC granted Hainan Province the authority to approve the clinical use of urgently needed imported medical devices and drugs that have been approved overseas but are not yet registered in China, within the Hainan Boao Lecheng Pilot Zone. In December 2021, we rapidly launched Ravicti[®] at Boao Future Hospital (博鳌未來醫院) through the regional pilot program, leveraging real-world data for clinical-exemption approval. Ravicti[®] underwent an ethical review by the Ethics Committee of Boao Future Hospital (博鳌未來醫院) in October 2021. Subsequently, the Hainan Provincial Health Commission (海南省衛健委) issued an approval document in November 2021 and the HPMPA granted approval for the importation of Ravicti[®] for continued clinical use in the same month. In December 2021, the first Chinese patient with a urea cycle disorder began treatment with Ravicti[®] at Boao Future Hospital, followed by multiple patients at both Boao Future Hospital and Ruijin Hospital Hainan Branch (上海交通大學醫學院附屬瑞金醫院海南醫院), generating real-world data on Ravicti[®] use in Chinese patients.

In August 2022, supported by robust real-world data and guided by our deep understanding of clinical value assessment as well as rare disease and pediatric drug review policies, we submitted a clinical-exemption NDA and received CDE priority review. We obtained the approval in June 2023, which took only ten months from the NDA submission to receiving the approval.

CROs

We engage independent third-party CROs to support product development. CROs are selected based on qualifications, reputation, experience, and capabilities, and all intellectual property rights arising from the projects are owned by us. We closely monitor CRO activities to ensure progress and quality, including requiring GCP compliance and conducting audits. We engage independent third-party CROs to support product development, including clinical monitoring, data management, statistical analysis, and medical writing.

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Drug Development Process

Drug development generally encompasses early-stage research and preclinical studies, as well as clinical development. According to CIC, drug development generally encompasses (i) early-stage research and preclinical development, which involves laboratory-based studies on cells, tissues and animals to evaluate safety and biological activity under Good Laboratory Practice (GLP) standards; and (ii) clinical development, which involves studies on human subjects to confirm safety and efficacy and advance the drug towards regulatory approval under Good Clinical Practice (GCP) standards.

During the Track Record Period, we conducted drug development projects for Kapruvia® and Ravicti®. Our drug development activities are focused on the selected in-licensed products that require us to assist with local clinical bridging and MAH registration in Chinese mainland.

These in-licensed products have generally completed early-stage research, preclinical studies and early-phase clinical trials (i.e. Phase I and Phase II) overseas. Accordingly, our drug development activities primarily commence at the Phase III clinical trial stage. In connection with such activities, we are responsible for formulating registration strategies tailored to the requirements of the NMPA and the CDE, developing clinical development strategies, designing clinical trial protocols, and managing ongoing regulatory communications with the CDE, including responding to supplemental information requests during the registration review process. For details of our clinical trial safety, see “— Environmental, Social, and Governance Matters — Social matters — Clinical trial safety.”

Our pharmaceutical product development process typically involves the following milestone stages and the actual timing of each stage could vary significantly depending on the subject and nature of the project and the resources committed to the project⁽¹⁾.

Development stage	Description
Phase III clinical trials . . .	Confirmation of the therapeutic efficacy and safety
NDA	- Application for approval of new drug registration from the NMPA - Review of the application materials, on-site inspections and final assessments by the NMPA
Launch	- NMPA approval for new drug registration is obtained; new drug certificate and drug approval number are granted - Mass production commences
Phase IV clinical trials . . .	- Focused on delineating additional information about the drug, including side effects, long-term efficacy/risks and optimal use method - May result in a drug being taken off the market or additional restrictions being placed on the drug depending on the findings in the trials

Note:

(1) In some cases, our products already possess substantial overseas clinical data or have been approved for marketing overseas. Therefore, it is sufficient for us to conduct only a Phase III clinical trial domestically.

PRODUCTION, PROCUREMENT AND INVENTORY OF OUR PRODUCTS

As of the Latest Practicable Date, we produce Regpara® in-house, with its upstream active pharmaceutical ingredients (“APIs”) and raw materials sourced from external suppliers. For the other drug products obtained by us as part of the Kyowa Kirin China Acquisition, we procure semi-finished

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products from third-party manufacturers and undertake the repackaging process internally. For products licensed-in by us, we generally acquire finished products directly from global pharmaceutical companies. These products are imported in their final dosage form and distributed under our brand.

Production Process

During the Track Record Period, Regpara® was produced by us. The following diagram summarizes the production process for Regpara®, which takes approximately four days.



The following diagram summarizes the repackaging process of the other drug products obtained by us as part of the Kyowa Kirin China Acquisition, which usually takes approximately one to seven days based on the type of products and their lot size.



Production Facilities

Our production facilities are located in the heart of the Zhangjiang Pharmaceutical Industry Park in Shanghai, comprising two buildings and three production lines including one tablet production line, one tablet packaging line and one injection product packaging line. As of the Latest Practicable Date, our production facilities occupied an aggregate site area of approximately 43,000 sq.m. and had an aggregate GFA of approximately 14,958 sq.m. During the Track Record Period and up to the Latest Practicable Date, we obtained production licenses for all of our production facilities. All of our production lines used for producing our existing pharmaceutical products have completed and are in compliance with the GMP certification processes. Please see “— Licenses, Permits and Approvals” for more details about our major licenses, permits and approvals.

As of the Latest Practicable Date, our tablet production line is used for the in-house production of Regpara®, covering the full manufacturing process including granulation, tableting and coating. Our tablet packaging line is used for the repackaging of Coniel® and Orkedia®, for which we procure semi-finished tablet products and undertake the repackaging process internally. Our injectable production filling and packaging line is used for the repackaging of Gran®, Romiplate®, NESP®, Crysvida® and Poteligeo®, for which we procure semi-finished products and undertake the packaging process internally. We plan to progressively localize the production of Coniel®, Orkedia®, Romiplate® and Gran® at our Shanghai production facilities, see “Future Plans and [REDACTED].”

The following table sets forth details of the production lines obtained by us as part of the Kyowa Kirin China Acquisition in September 2024.

		As of/year ended December 31,								
		2023			2024			2025		
Production lines	Unit	Designed production capacity	Production volume	Utilization rate	Designed production capacity	Production volume	Utilization rate	Designed production capacity	Production volume	Utilization rate
				(%)(1)			(%)(1)			(%)(1)
Tablet production line	'000 box	2,000	395	19.7	2,000	93	4.7	2,000	415	20.8
Tablet packaging line	'000 box	20,000	7,109	37.5	20,000	9,130	46.1	20,000	8,634	45.2
Injectable production filling and packaging line	'000 vial/ampoule/PFS	5,000	1,498	30.0	5,000	1,392	27.8	5,000	1,036	20.7

Note:

- (1) Utilization rate is calculated by dividing the production volume by the designed production capacity. The fluctuations in our utilization rates generally reflect the fluctuations in our production volumes in line with the level of market demand for the corresponding products.

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The fluctuations in our utilization rates generally correspond to variations in production volumes, which are driven by market demand for the relevant products.

Tablet production line: The utilization rate decreased from 19.7% for 2023 to 4.7% for 2024, primarily attributable to the reduced production volume as a result of the ongoing implementation of centralized procurement of the generic name of the tablet drug we produce, see “— Pricing — Policy impact on pricing — (B) Centralized procurement” for more details. The utilization rate increased to 20.8% for the year ended December 31, 2025, primarily driven by the increase in production volume in anticipation of expected market demand.

Tablet packaging line: The utilization rate of our tablet packaging line increased from 37.5% for 2023 to 46.1% for 2024, and remained relatively stable at 45.2% for 2025, primarily driven by the sustained growth in terminal market demand for our tablet sub-packaging products.

Injectable production filling and packaging line: The utilization rate of this production line decreased from 30.0% for 2023 to 27.8% for 2024 and further to 20.7% for 2025, primarily attributable to the registration changes and re-registration procedures undertaken for multiple products. To ensure continuous supply while accommodating the strict review and approval cycle for the registrations, we strategically arranged safety stock for six to twelve months for the relevant products, which affected our production schedule and, in turn, led to the fluctuations in the utilization rate.

Procurement in Relation to our Products

Raw Materials

We produce Regpara[®] in-house. Its principal raw materials primarily consist of APIs and raw materials. We source such raw materials primarily from third-party suppliers in Japan and China. We adopt stringent supplier selection procedures, assessing potential suppliers based on product offerings, quality, corporate management, reputation, business scale, and pricing. Our suppliers are required to possess all licenses and permits necessary for their operations and undergo small-batch sample production and inspection. We maintain an approved suppliers list and only source raw materials from listed suppliers, routinely reviewing their performance and qualifications. Suppliers who fail to meet our requirements are removed from the list.

We enter into agreements with key raw material suppliers for terms of one to three years, while other raw materials are purchased on an as-needed basis without long-term agreements. We maintain long-term relationships with most suppliers, with purchase prices based on prevailing market rates for comparable quality. Payment is made via wire transfer or bank acceptance bills, typically on full prepayment or supplier credit terms. The raw material procurement process is governed by a formal system involving our BD department, import and export department, finance department and senior management, comprising execution of cooperation agreements setting forth annual procurement targets, procurement planning and approval, purchase order confirmation with the supplier, and payment verification and processing. Following completion of the procurement process, the supplier arranges delivery of the raw materials. Unless otherwise provided in the relevant agreements, our suppliers are generally responsible for delivering raw materials to our production facilities at their own cost. Upon arrival, our import and export department coordinates customs declaration and inspection procedures. We are entitled to reject and return any materials that do not meet our specifications upon inspection. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant increases in the prices of our major raw materials or fluctuations in raw material costs which had a material adverse impact on our results of operations or gross profit margins. Further, we did not experience any material shortage or delay in the supply of raw materials during the Track Record Period and up to the Latest Practicable Date. Please see “Risk Factors — Risks Relating to our Business and Industry — Failure to maintain an adequate and stable supply of products or other materials may cause us to lose sales or disrupt our operations.”

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Semi-finished Products

For other drug products acquired as part of the Kyowa Kirin China Acquisition, we procure bulk drug product exclusively from Kyowa Kirin under a long-term supply arrangement tied to our license rights, and complete secondary packaging for the China market at our own cost. Kyowa Kirin and its approved contract manufacturers produce to agreed specifications. Supply planning is based on rolling 36-month forecasts. Pricing is set intended not to exceed cost of goods of Kyowa Kirin plus a reasonable manufacturing management markup, with invoices generally payable within 90 days. The arrangement is exclusive to China, and we restrict any diversion outside the territory. Unless otherwise provided in the relevant agreements, we are generally responsible for arranging the delivery of semi-finished products from the supplier’s location to China. Our engaged logistics service providers handle international transportation, port entry, customs declaration and inspection procedures, following which the products are delivered to our production facilities for repackaging.

Finished Products

For licensed-in products, we generally procure finished products from our global partners under exclusive license agreements. Under such agreement, the supplier, who is also the owner, manufacturer and licensor of the relevant product, grants us exclusive rights to register, import, distribute, promote and sell the relevant products in the PRC, covering specified dosage forms and specifications of designated products. We typically pay the licensor an upfront fixed amount upon execution of the agreement, milestone payments upon NMPA approval and when annual sales reach specified thresholds and tiered royalty payments based on annual net sales. The agreements generally provide a fixed supply price per product, subject to subsequent negotiation and adjustment. Our agreements generally are long-term commencing from first commercial sale, with automatic renewal upon expiry. Unless otherwise provided in the relevant agreements, we are generally responsible for arranging the delivery of finished products from the supplier’s location to China. Upon shipment by the supplier, our engaged logistics service providers handle international transportation, port entry, customs declaration and inspection procedures, following which the products are delivered to our designated warehouses.

We engage qualified third-party logistics providers to handle the transportation, port entry, customs declaration, inspection and other logistics services in connection with our importation of semi-finished and finished products from overseas.

The salient terms of the agreements with our logistics service providers are summarized below:

Scope of services. Our logistics service providers provide freight forwarding services, including international transportation, port handling, customs declaration and inspection-related services.

Liability for loss, delay, damage or product quality issues. The logistics service providers, rather than our Group, bear primary responsibility for any loss, damage or delay arising during transportation, subject to customary statutory exceptions under PRC law. Where any cargo damage, loss or delay is caused by the logistics service provider or its personnel, the relevant service provider is contractually liable to compensate us for the resulting losses.

Insurance. Our logistics service providers are required to procure and maintain, at their own cost, cargo transportation liability insurance, third-party liability insurance and cargo damage insurance. For consigned cargo, our logistics service providers arrange cargo insurance on our behalf, with the premium costs settled with us at agreed rates. In addition, we maintain our own insurance coverage for cargo in transit, see “— Insurance” for further details. In the event of any insured incident during transit, our logistics service providers are obligated to assist us in preparing and submitting all claim documentation required by the relevant insurers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material loss, damage or delay in relation to the delivery of our pharmaceutical products or raw materials during transportation.

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Inventory Management

Our inventory primarily consists of finished products and production materials, including APIs and other raw materials, semi-finished products and packaging materials. We have established an inventory management system that monitors each stage of the warehousing process. We closely monitor our inventory levels and generally keep three-month stock of our finished products and repackaging products. We generally purchase raw materials based on their useful lives and required lead time.

We operate in a global economy and are exposed to the geopolitical risks, see “Risk Factor — Risks Relating to our Business and Industry — We are subject to risks associated with international trade policies, geopolitics and trade protection measures and economic or trade sanctions.” We have implemented measures to mitigate the potential impact of geopolitical risks on our inventory management, see “— Cross-Border Operations — Cross-border supply chain” for more details.

Kyowa Kirin China Acquisition

The acquisition was built upon the long-standing and deep business relationship between our Group and Kyowa Kirin, which traces back to 2017 when we entered into a strategic partnership with Kyowa Kirin and became the exclusive CSO for the original antihypertensive drug Coniel® in Chinese mainland, and was further strengthened in late 2020, when we entered into a co-promotion agreement for NESP®, a renal product. This long-standing collaboration enabled us to develop deep commercial expertise and market knowledge with respect to Kyowa Kirin China’s products.

In line with our business strategies and growth plans, our Group acquired the entire equity interest in Kyowa Kirin China (which subsequently underwent a name change to currently WinHealth China) from Kyowa Kirin in 2024. WinHealth China was established in the PRC with limited liability on June 26, 1997 with an initial registered capital of US\$26,000,000. WinHealth China is principally engaged in the manufacturing and sales of pharmaceutical products. Prior to the Kyowa Kirin China Acquisition, WinHealth China was a wholly-owned subsidiary of Kyowa Kirin, a Japan-headquartered global specialty pharmaceutical company listed on the Tokyo Stock Exchange (stock code: 4151).

Kyowa Kirin’s core strategy is centered on the vision of creating and delivering life-changing value for patients. Kyowa Kirin is principally engaged in the research, development, manufacturing and commercialization of pharmaceutical products, focusing on three core therapeutic areas: (i) kidney diseases, with NESP®, Regpara® and Crysvida® as key products; (ii) intractable hematologic diseases and hematologic oncology, a field in which Kyowa Kirin has accumulated over 60 years of experience and where Romiplostim is a key asset; and (iii) rare diseases, in which Kyowa Kirin pursues a position as a global leader.

The Kyowa Kirin China Acquisition was in line with our expansion strategies and formed part of the logical growth trend of our business. As described under “— Our Strategies” above, one of our key strategies is to further enhance our multi-pronged business development model, combining mergers and acquisitions, in-licensing, and CSO arrangements, to achieve comprehensive biopharmaceutical transformation. Prior to the Kyowa Kirin China Acquisition, we primarily developed our product portfolio based on the CSO model and in-licensing arrangements, providing professional promotion services for pharmaceutical companies including Kyowa Kirin since 2017. The acquisition represented the next logical step in our strategic progression, transforming us from a professional promotion service provider into a full-chain biopharmaceutical enterprise with proprietary products and in-house drug development, manufacturing and commercialization capabilities.

Through the Kyowa Kirin China Acquisition, we obtained five products (Romiplate®, Gran®, Coniel®, Orkedia® and Regpara®) with exclusive commercialization and manufacturing rights, including intellectual property rights, trademarks and MAH qualifications in the PRC, as well as approximately 43,000 square meters of production facilities and in-house manufacturing capacity. The five products cover kidney diseases, hematologic diseases and cardiovascular conditions, significantly increasing the diversity of our portfolio. Prior to the acquisition, we primarily developed our product portfolio based on the CSO model and in-licensing arrangements. The acquisition has strengthened our

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capabilities in drug development, manufacturing and commercialization with the inclusion of a full-chain MAH model, supported by the MAH qualifications and the organizational structure and management processes acquired from WinHealth China, which significantly accelerated the establishment of our MAH system.

In addition, through the acquisition, we also obtained priority commercialization rights for Kyowa Kirin’s future pipeline products in the fields of kidney and hematologic diseases.

For Kyowa Kirin, the divestiture of its China operations formed part of its strategy to optimize its Asia-Pacific business layout, enabling it to concentrate resources on its three core strategic areas, namely bone and mineral diseases, intractable hematologic diseases/hematologic oncology and rare diseases, and to achieve sustainable growth in its priority markets.

According to CIC, this acquisition represents the first instance of a Chinese pharmaceutical company acquiring the domestic entity of a multinational pharmaceutical company, highlighting our strong achievements in exploring diversified business development models and our strategic mutual trust with global partners.

The following table is a comparison of our Group’s business focus before and after the Kyowa Kirin China Acquisition:

	Pre-Acquisition	Post-Acquisition
Business Model	Primarily provided promotion services for third-party pharmaceutical companies through CSO model	• Drug development, manufacturing, and commercialization • Sales of proprietary pharmaceutical products as the core business focus, complemented by in-licensing and CSO model
Product Rights	• Relied on third-party CSO arrangements and in-licensing collaborations; • No proprietary ownership of core products	• Exclusive commercialization and manufacturing rights for five original drugs (Romiplate[®], Gran[®], Coniel[®], Orkedia[®] and Regpara[®]) in the PRC • Product portfolio covered diversified diseases, including kidney diseases, hematologic diseases and other major disease areas • Obtained two additional exclusively licensed-in products Crysvita[®] and Poteligeo[®])
Manufacturing and Supply Chain	• No proprietary manufacturing facilities • Supply chain relied on external partners	• Approximately 43,000 sq.m. of production facilities in the Zhangjiang Pharmaceutical Industry Park in Shanghai • Obtained three production lines with in-house manufacturing capacity • One product, Regpara[®], was produced in-house • Currently planned to phase localization of four drugs, namely, Coniel[®], Orkedia[®], Romiplate[®] and Gran[®]

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	Pre-Acquisition	Post-Acquisition
Strategic Positioning. . . .	A pharmaceutical promotion service provider primarily serving multinational pharmaceutical companies through the CSO model	• A China-based comprehensive pharmaceutical enterprise specializing in the treatment of kidney diseases • Strengthened capabilities in drug development, manufacturing and commercialization with the inclusion of a full-chain MAH model

The consideration for the Kyowa Kirin China Acquisition was determined based on arm’s length negotiation amongst us and the relevant shareholders of the acquiree after taking into consideration the timing of the investments, the status of their business operations and prospects as well as the valuation of the acquiree as of September 30, 2024 as appraised by an independent professional valuer. The final aggregate consideration for the Kyowa Kirin China Acquisition was the US dollars equivalent of RMB550.0 million.

We have fully integrated WinHealth China’s operations, including (i) assuming its existing MAH licenses, organizational structure and quality management system, which significantly accelerated the establishment of our full-chain MAH model; (ii) incorporating its supply chain into our unified management system, with safety stock arrangements of three to twelve months for key products and phased localization of production planned; (iii) leveraging cross-functional collaboration between our drug development, production and commercialization teams to enhance development efficiency and mitigate manufacturing risks; (iv) merging its sales team with our existing team and integrating customer resources and channel networks; and (v) integrating back-office functions to optimize cost structures, with key management personnel such as Mr. Wang Xingyao, who held senior managerial roles at WinHealth China for over two decades, overseeing the seamless integration. WinHealth China has retained its key management officers and employees, who have therefore become employees of our Group.

Since the acquisition, WinHealth China contributed RMB231.4 million to our revenue and RMB26.5 million to the consolidated profit for 2024. The acquisition also changed our revenue mix, with revenue from sales of pharmaceutical products increased by 23.9% from RMB590.9 million in 2023 to RMB731.9 million in 2024, while promotion service revenue decreased by 42.7% from RMB296.5 million in 2023 to RMB169.9 million in 2024 as certain transactions became intra-group post-acquisition. As a result, the revenue contribution of sales of pharmaceutical products rose from 66.6% in 2023 to 81.2% in 2024, reflecting a shift from a promotion service-fee model to a buy-sell model for Coniel®. This mix shift, together with higher unit margins of products post-acquisition, increased our gross profit by 10.6% from RMB502.6 million in 2023 to RMB556.0 million in 2024 and expanded our gross profit margin from 56.6% in 2023 to 61.7% in 2024.

We continued to shift toward product sales and scaled our revenue in 2025. Our revenue increased by 86.3% from RMB901.8 million in 2024 to RMB1,680.0 million in 2025, primarily driven by significant increase of the sales of pharmaceutical products from RMB731.9 million to 1,526.3 million, primarily due to the full-year consolidation of the product portfolio of WinHealth China and volume synergies following the Kyowa Kirin China Acquisition. In contrast, revenue from promotion services decreased from RMB169.9 million to 153.7 million as certain transactions related to WinHealth China became intra-group and were eliminated from consolidated revenue. As a result, the revenue contribution of sales of pharmaceutical products increased from 81.2% in 2024 to 90.9% in 2025, reflecting the ongoing transition from a promotion service-fee model to a buy-sell model for certain products post-acquisition. This mix shift, together with an upgrade in product and revenue mix following the acquisition, increased our gross profit by 57.5% from RMB556.0 million in 2024 to RMB875.5 million in 2025. Overall gross profit margin decreased from 61.7% to 52.1%, primarily due to (i) the impact of higher-volume, lower-margin products, in particular Tamiflu®, which diluted the gross profit margin for sales of pharmaceutical products from 53.9% to 47.9%; and (ii) a higher revenue contribution from sales of pharmaceutical products, which carries a lower gross profit margin relative to

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promotion service, further weighing on the overall gross profit margin. For 2025, WinHealth China contributed RMB675.6 million to our revenue, representing 40.2% of our total revenue for the year, and contributed RMB481.8 million to our gross profit, representing 55.0% of our total gross profit for the year.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For 2023, 2024 and 2025, our revenue from the five largest customers in each year during the Track Record Period in aggregate amounted to RMB486.8 million, RMB539.0 million and RMB972.8 million, representing 54.8%, 59.8% and 57.9% of our total revenue for the respective years. In the same years, revenue generated from our largest customer in each year was RMB159.7 million, RMB170.4 million and RMB369.1 million, representing 18.0%, 18.9% and 22.0% of our total revenue for the respective years.

We believe that we do not have material reliance on any single customer. During the Track Record Period, our major customers comprised (i) distributors engaged in the delivery of pharmaceutical products in our portfolio to hospitals, pharmacies, and other terminal channels; and (ii) pharmaceutical companies engaging us to provide promotion services under the CSO model. For material terms of the agreements with our distributor customers, see “— Sales and Promotion — Distribution network of our products — Terms of distributorship agreements”. For material terms of the agreements with customers who are pharmaceutical companies engaging us to provide promotion services under the CSO model, see “— Our Business Model — Promotion of CSO products”. The demands from our customers are usually driven by market conditions and based on mutually agreed terms, allowing us to evaluate in advance and swiftly adjust our sale strategy as market conditions change. Our customer concentration is in part a structural feature of China’s pharmaceutical industry. In particular, the pharmaceutical distribution market is dominated by a limited number of large-scale national and regional distributors, and regulatory requirements such as the “two-invoice system” and GSP certification further restrict the pool of qualified distribution partners, resulting in sales being naturally concentrated among a smaller number of qualified distributors. With respect to our CSO promotion services, such services are provided to pharmaceutical companies who are the marketing authorization holders or rights owners of the relevant products, and each product typically involves only one such counterparty. According to CIC, a relatively high level of sales customer concentration is consistent with industry practice in the biopharmaceutical industry, and is commercially justifiable.

Regarding distributors of pharmaceutical products, we contract with national and regional distributors, which are considered as our customers for revenue recognition purposes, consistent with customary practice in China’s pharmaceutical industry. We have long-standing relationships with our key distributors, generally dating back to 2012 or 2013, and they are typically large-scale commercial enterprises, including state-owned entities and publicly listed companies. There were no red flags indicating likely termination or material adverse change during the Track Record Period. As of December 31, 2025, we maintained an extensive distribution network comprising 241 distributors, and we believe we can readily identify replacement distributors from within our existing network if needed. In line with industry practice, our distributors serve as intermediaries delivering products to hospitals, pharmacies and other medical institutions. Our revenue is ultimately driven by end-market demand from hospitals, pharmacies and patients rather than by any individual distributor’s purchasing decisions, and accordingly, the apparent customer concentration at the distributor level does not reflect a corresponding concentration of underlying demand.

Regarding promotion services customers, our key CSO customers have long-term collaboration histories with us, commencing as early as 2015, with consistent operational cadence and ordinary payment terms, and there were no red flags indicating likely termination or material adverse change during the Track Record Period. We continue to seek opportunities to deepen our collaboration with key CSO customers by expanding into new product areas.

In addition to the long-standing customer relationships and diversified distribution network described above, we have taken active steps to both strengthen existing customer relationships and diversify our customer base. In particular, we have been (i) building long-term cooperation frameworks

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with our key customers by, among others, extending contract terms and broadening cooperation scope across additional product lines, and incorporating contractual arrangements that foster long-term commitment and cooperation continuity; (ii) continuously strengthening our comprehensive competitiveness by actively adapting to changes in industry policies and the regulatory environment, including expanding and enriching our product portfolio to enhance the commercial value we offer to our customers; and (iii) developing new key customers on an ongoing basis to supplement and diversify our customer base.

The composition of our five largest customers changed during the Track Record Period, primarily because, following the Kyowa Kirin China Acquisition, WinHealth China, which was previously among our five largest customers in 2023 and 2024, became a consolidated subsidiary and ceased to be an external customer in 2025, and the expansion of our product portfolio led to increased procurement volumes from certain distributors. Such changes were driven by our strategic development and did not reflect any loss of or deterioration in existing customer relationships.

Notwithstanding the foregoing, we face certain challenges in maintaining long-term relationships with our major customers. According to CIC, as competition in China’s pharmaceutical industry continues to intensify, our distributor customers, who typically maintain relationships with multiple pharmaceutical companies, may allocate greater priority to products with stronger market demand or more favorable commercial terms, and pharmaceutical companies engaging us for CSO promotion services may develop in-house commercialization capabilities or engage alternative service providers. In addition, the ongoing implementation of centralized procurement programs, adjustments to the NRDL, and medical insurance cost control measures may alter hospital-level prescribing patterns and procurement volumes, which in turn may adversely affect the purchasing behavior of our distributor customers. See “Risk Factors — Risks Relating to our Business and Industry — Our revenue is concentrated among a few major customers, which may subject us to customer concentration risks” for further details.

The following tables set out the details of our five largest customers for the periods indicated based on revenue contribution.

For the year ended December 31, 2023

Customer	Major products/services provided	Year of commencement of business relationship	Payment method	Credit period	Percentage of total revenue	Revenue
					%	(RMB'000)
WinHealth China ⁽¹⁾	Pharmaceutical products promotion	2017	Bank Transfer	10 working days after invoice	18.0	159,720
Customer B ⁽²⁾	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	11.5	102,066
Customer C ⁽³⁾	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	10.3	91,485
Customer F ⁽⁶⁾	Promotion services for CSO pharmaceutical products	2015	Bank Transfer	60 days after invoice	7.6	67,572
Customer G ⁽⁷⁾	Sales of acquired and CSO pharmaceutical products	2012	Bank Transfer	45 days after invoice	7.4	65,941
Total					54.8	486,784

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For the year ended December 31, 2024

Customer	Major Products/Services Provided	Year of commencement of business relationship	Payment method	Credit Period	Percentage of total revenue	Revenue
					%	(RMB'000)
Customer E ⁽⁵⁾ . . .	Sales of CSO pharmaceutical products	2012	Bank Transfer	60 days after delivery	18.9	170,353
Customer B ⁽²⁾ . . .	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	14.2	127,755
Customer C ⁽³⁾ . . .	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	10.2	92,038
WinHealth China ⁽¹⁾	Pharmaceutical products promotion	2017	Bank Transfer	10 working days after invoice	10.1	91,486
Customer D ⁽⁴⁾ . . .	Promotion services for CSO pharmaceutical products	2019	Bank Transfer	30 working days after invoice	6.4	57,388
Total					59.8	539,020

For the year ended December 31, 2025

Customer	Major Products/Services Provided	Year of commencement of business relationship	Payment method	Credit Period	Percentage of total revenue	Revenue
					%	(RMB'000)
Customer E ⁽⁵⁾ . . .	Sales of CSO pharmaceutical products	2012	Bank Transfer	60 days after delivery	22.0	369,098
Customer B ⁽²⁾ . . .	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	10.7	179,546
Customer C ⁽³⁾ . . .	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	11.6	195,310
Customer H ⁽⁸⁾ . . .	Sales of acquired and CSO pharmaceutical products	2013	Bank Transfer	60 days after delivery	8.4	140,906
Customer F ⁽⁶⁾ . . .	Promotion services for CSO pharmaceutical products	2015	Bank Transfer	60 days after invoice	5.2	87,898
Total					57.9	972,758

Notes:

- (1) Our Group acquired the entire equity interest in WinHealth China in 2024, the completion of which took place on September 14, 2024. See “History, Development and Corporate Structure — Acquisitions During The Track Record Period” for more information about our acquisition of WinHealth China.

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- (2) Customer B is a company established in the PRC with limited liability. It is a subsidiary of a company listed on the Stock Exchange. It is a state-owned enterprise headquartered in Beijing that engages in the trading of pharmaceutical products. Our existing contracts with Customer B will expire on December 31, 2026, and will be automatically renewed for up to two successive terms of up to one year each, unless either party gives notice of termination within one month prior to the expiry of the then-current term.
- (3) Customer C is a company established in the PRC with limited liability. It is a state-owned enterprise headquartered in Shanghai that engages in the trading of pharmaceutical products. Customer C is a company listed on the Stock Exchange and Shanghai Stock Exchange. Our existing contracts with Customer C will expire on December 31, 2026, and will be automatically renewed for up to two successive terms of up to one year each, unless either party gives notice of termination within one month prior to the expiry of the then-current term.
- (4) Customer D is a limited liability company established in the PRC that engages in the trading of pharmaceutical products. It is headquartered in Shanghai and is a subsidiary of a company listed on the Tokyo Stock Exchange. Our existing contracts with Customer D will expire on March 31, 2031.
- (5) Customer E is a company established in the PRC with limited liability and listed on the Stock Exchange. It is headquartered in Shanghai and it engages in the trading of pharmaceutical products. Our existing contracts with Customer E will expire on December 31, 2026, and will be automatically renewed for up to two successive terms of up to one year each, unless either party gives notice of termination within one month prior to the expiry of the then-current term.
- (6) Customer F is a company established in the PRC with limited liability. It engages in the manufacturing of pharmaceutical products. It is the subsidiary of a company listed on SIX Swiss Exchange. Our existing contracts with Customer F will expire on March 31, 2027 and, subject to our fulfillment of all obligations thereunder, will be automatically renewed for a further two-year term until March 31, 2029.
- (7) Customer G is a company established in the PRC with limited liability. Customer G is a wholly owned subsidiary of a company listed on the Shenzhen Stock Exchange, which engages in the trading of pharmaceutical products. Our existing contracts with Customer G will expire on December 31, 2026, and will be automatically renewed for up to two successive terms of up to one year each, unless either party gives notice of termination within one month prior to the expiry of the then-current term.
- (8) Customer H is a company established in the PRC with limited liability that engages in the trading of pharmaceutical products. It is listed on the Shenzhen Stock Exchange. Our existing contracts with Customer H will expire on December 31, 2026, and will be automatically renewed for up to two successive terms of up to one year each, unless either party gives notice of termination within one month prior to the expiry of the then-current term.

During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors, their close associates or any Shareholder owns more than 5% of our share capital had any interest in any of our top five customers in each year during the Track Record Period.

Major Suppliers

Our purchases consisted mostly of promotion services, as well as finished goods, which were sourced from a limited number of suppliers for each product, leading to a relatively higher supplier concentration during the Track Record Period. Purchases from our five largest suppliers in each year during the Track Record Period in aggregate amounted to RMB317.6 million, RMB230.6 million and RMB832.8 million, accounting for 65.4%, 61.9% and 81.1% of our total purchases for the respective years. In the same years, purchases from our largest supplier in each year amounted to RMB123.1 million, RMB93.8 million and RMB457.0 million, accounting for 25.4%, 25.2% and 44.5% of our total purchases for the respective years. We believe that we do not have material reliance on any single supplier. We believe that we have long and stable relationships with our existing major suppliers. Pharmaceutical products are typically subject to exclusive rights arrangements — the supply of a given product is generally restricted to the relevant rights holder, marketing authorization holder, or its designated manufacturer, and accordingly, each product can typically only be procured from a single or very limited number of authorized sources. According to the CIC Report, it is in line with industry norm to procure a specific pharmaceutical product from a limited number of sources and a relatively high level of supplier concentration is consistent with industry practice in the biopharmaceutical industry, and is commercially justifiable. For risks relating to our major suppliers, see “Risk Factors — Risks Relating to our Business and Industry — We depend on a limited number of suppliers, which may subject us to supplier concentration risks.”

Our Group maintains close and long-standing cooperation with a number of our major suppliers. For our in-licensed products, the relevant suppliers are also the licensors who have granted us exclusive rights to register, import, distribute, promote, and sell the products in Greater China. For products obtained through the Kyowa Kirin China Acquisition, we have secured the exclusive rights of

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commercialization and manufacturing in China. As such, our major suppliers leverage our expertise and capabilities to access and commercialize their product in the Chinese market, which we believe provides a strong basis for the continuity and stability of these supplier relationships. Furthermore, we have entered into long-term supply arrangements with our major suppliers to ensure stable product supply, and we continue to expand our product portfolio and broaden our supplier base through ongoing business development efforts. For material terms of the agreements with our pharmaceutical suppliers, see “— Production, Procurement and Inventory of our Products — Procurement in relation to our products”.

In addition to the above, we have taken the following active steps to further diversify our sources of supply and reduce our reliance on individual suppliers: (i) continuously expanding our product portfolio through new licensing, acquisition, and CSO partnership opportunities with additional global and domestic pharmaceutical companies, which broadens our overall supplier base and reduces the proportionate contribution of any single supplier to our total purchases over time; (ii) for products currently procured from a single source, actively exploring the qualification of second-source manufacturers and, where feasible, commencing localization of production at our own facilities to develop alternative supply channels for the same products; and (iii) implementing supply continuity safeguards, including establishing safety stock arrangements with major overseas suppliers, identifying alternative domestic suppliers for key raw materials, and commencing expansion of our local production facilities, see “— Production, Procurement and Inventory of Our Products — Inventory management” for further details.

The following tables set out the details of our five largest suppliers for the periods indicated based on purchases from them.

For the year ended December 31, 2023

Supplier	Products procured	Year of commencement of business relationship	Payment method	Credit Period	Percentage of total purchase	Purchase amount
					%	(RMB'000)
Supplier A ⁽¹⁾	Finished pharmaceutical products	2017	Bank Transfer	Prepayment	25.4	123,097
Supplier B ⁽²⁾	Finished pharmaceutical products	2019	Bank Transfer	90 days after invoice	22.3	108,339
Supplier C ⁽³⁾	CRO services ⁽³⁾	2023	Bank Transfer	60 days after invoice	7.1	34,521
Supplier D ⁽⁴⁾	Finished pharmaceutical products	2019	Bank Transfer	60 days after shipment	6.0	29,298
Supplier E ⁽⁵⁾	Finished pharmaceutical products	2017	Bank Transfer	35 days after invoice	4.6	22,313
Total					65.4	317,568

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For the year ended December 31, 2024

Supplier	Products procured	Year of commencement of business relationship	Payment method	Credit Period	Percentage of total purchase	Purchase amount
					%	(RMB'000)
Supplier A ⁽¹⁾ . . .	Finished pharmaceutical products	2017	Bank Transfer	Prepayment	25.2	93,750
Supplier E ⁽⁵⁾ . . .	Finished pharmaceutical products	2017	Bank Transfer	35 days after delivery	22.5	83,763
Supplier C ⁽³⁾ . . .	CRO services ⁽³⁾	2023	Bank Transfer	60 days after invoice	6.2	23,269
Supplier B ⁽²⁾ . . .	Finished pharmaceutical products	2019	Bank Transfer	90 days after invoice	5.3	19,791
Supplier F ⁽⁶⁾ . . .	Finished pharmaceutical products	2019	Bank Transfer	45 days after invoice	2.7	9,990
Total					61.9	230,563

For the year ended December 31, 2025

	Supplier	Products procured	Year of commencement of business relationship	Payment method	Credit Period	Percentage of total purchase	Purchase amount
						%	(RMB'000)
1.	Supplier A ⁽¹⁾	Finished pharmaceutical products	2017	Bank Transfer	Prepayment	44.5	456,967
2.	Supplier E ⁽⁵⁾	Finished pharmaceutical products	2017	Bank Transfer	35 days after delivery	24.0	245,858
3.	Supplier B ⁽²⁾	Finished pharmaceutical products	2019	Bank Transfer	90 days after invoice	9.7	99,573
4.	Supplier G ⁽⁷⁾	Finished pharmaceutical products	2023	Bank Transfer	50% prepayment, and 15 days after delivery	1.5	15,778
5.	Supplier H ⁽⁸⁾	Promotion services ⁽⁸⁾	2024	Bank Transfer	60 days after invoice	1.4	14,670
Total						81.1	832,846

Notes:

- Supplier A is a company established in the PRC with limited liability that primarily engages in investment holding and trading of pharmaceutical products. It is the subsidiary of a company listed on SIX Swiss Exchange. Our existing contracts with Supplier A will expire on December 31, 2026.
- Supplier B is a German-based company that primarily engages in the manufacturing of pharmaceutical products. Our existing contracts with Supplier B will expire on June 30, 2035.

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- (3) Supplier C is a Hong Kong-based company that primarily engages in investment holding and clinical research services. It is a subsidiary of a company listed on Stock Exchange and Shenzhen Stock Exchange. Our existing contracts with Supplier C will expire on November 30, 2029. Supplier C provided CRO services in relation to the development of Kapruvia[®].
- (4) Supplier D is a PRC-based company that primarily engages in the trading of pharmaceutical products. It is a subsidiary of a company listed on the New York Stock Exchange. Our existing contracts with Supplier D expired on September 19, 2024.
- (5) Supplier E is a Japan-based company that primarily engages in the manufacturing of pharmaceutical products. It is listed on the Tokyo Stock Exchange. Our contracts with Supplier E ceased on September 30, 2024 due to Kyowa Kirin China Acquisition.
- (6) Supplier F is a Japan-based company that primarily engages in research, development, manufacturing and distribution of pharmaceuticals, diagnostic reagents and medical devices, etc. It is listed on the Tokyo Stock Exchange. Our existing contracts with Supplier F will expire on July 31, 2029.
- (7) Supplier G is an Italy-based company that primarily engages in the research, development, manufacturing and sale of pharmaceutical products, with a focus on respiratory and central nervous system therapeutic areas. Our existing contracts with Supplier G will expire in March 31, 2028.
- (8) Supplier H is a PRC-based company that primarily engages in pharmaceutical-related technology services. Our existing contracts with Supplier H will expire on December 31, 2026. We purchased promotion services from Supplier H in connection with the sales of Monurol[®] (美樂力[®]), a CSO product, in certain regions. Supplier H undertook certain large-scale promotion projects in 2025.

During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors and their respective close associates or any of our Shareholders who held more than 5% of our issued share capital had any interest in our five largest suppliers in each year during the Track Record Period.

Overlapping of Customers and Suppliers

During the Track Record Period, we had overlapping customer-suppliers, where an entity and/or its subsidiary(ies) was both (i) one of our five largest customers in any period and also a supplier, or (ii) one of our five largest suppliers in any period and also a customer. The following table sets forth certain details of two overlapping customer-suppliers:

Customer/ Supplier	Ranking	Year	Revenue (RMB in thousands)	% of our total revenue	Purchase (RMB in thousands)	% of our total purchase
Winhealth China/Supplier E . . .	Among five largest customers in 2023 and 2024 and five largest suppliers during each period in the Track Record Period	2025	—	—	245,858	24.0%
		2024	91,486	10.1%	83,763	22.5%
		2023	159,720	18.0%	22,313	4.6%
Customer F/Supplier A .	Among five largest customers in 2023 and 2025 and five largest suppliers during each period in the Track Record Period	2025	87,898	5.2%	456,967	44.5%
		2024	10,129	1.1%	93,750	25.2%
		2023	67,572	7.6%	123,097	25.4%

Customer F and Supplier A are both subsidiaries of a company listed on SIX Swiss Exchange and thus under common control. WinHealth China is a wholly-owned subsidiary of Supplier E prior to the Kyowa Kirin China Acquisition.

These overlaps relate to two CSO products both sold and promoted by us sourced from the two entities above. For each product, we provided promotion services and earned promotion service fees, which are recognized as revenue from rendering of promotion service. In this context, the overlapping customer-supplier is considered as our customer. Costs for promotion service are recorded in our selling and distribution expenses, resulting in the gross profit margin of 100.0% for each product (excluding the impact of taxes and surcharges and other costs. At the same time, we purchased these products from the same entities and sell them to distributors. Revenue from such transactions is recognized as revenue from sales of pharmaceutical products. In this context, the overlapping customer-supplier is considered as our supplier.

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With respect to WinHealth China/Supplier E, the products are Coniel[®] and NESP[®]. Prior to the acquisition, we provided promotion services for both products. Following the acquisition, (i) regarding Coniel[®], of which the MAH is WinHealth China, the product shifted from a promotion service-fee model to a buy-sell model, with its sales revenue now consolidated under revenue from sales of pharmaceutical products, and the promotion service fees previously received from WinHealth China became intra-group transactions and were eliminated from consolidated revenue; (ii) regarding NESP[®], of which the MAH is Supplier E, we continue to purchase such products from Supplier E and sell them to distributors, with the associated revenue recognized as revenue from sales of pharmaceutical products.

With respect to Customer F/Supplier A, the product is Tamiflu[®]. We both sold and provided CSO promotion services for this product during the Track Record Period.

During the Track Record Period, we had four other major customers, namely Customers C, E, G and H, who were also our suppliers. Purchases from each of these suppliers accounted for less than 2.0% of our total purchases for the relevant periods. These purchases were for a limited amount of pharmaceutical products we directly sold to hospitals and pharmacies in designated provinces and regions. In addition, three other major suppliers, namely Suppliers B, C and D, were also our customers. Revenue attributable to each such customers accounted for less than 0.2% of our total revenue for the relevant periods, resulting from the promotion and other ancillary services, including channel management, targeted academic promotion activities, physician education, and marketing activities provided by us. According to CIC, it is a common practice in the industry to have overlapping customers and suppliers.

Our Directors have confirmed that all of our revenue and purchases from the overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms on an arm’s length basis. During the Track Record Period, we maintained a stable and mutual beneficial relationship with overlapping customers and suppliers. The sales and purchases were neither interconnected nor inter-conditional with each other and the terms of such transactions are in all material respects comparable with those with other customers and suppliers. Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, all of these customers and suppliers were Independent Third Parties.

CROSS-BORDER OPERATIONS

Overseas Operations

In addition to our principal operations in Chinese mainland, certain members of our Group are domiciled or operate overseas. As of the Latest Practicable Date, our overseas operations primarily comprised DDAG in Switzerland and WinHealth Japan in Japan. See “Risk Factors — Risks Relating to our Business and Industry — We are subject to risks associated with international trade policies, geopolitics and trade protection measures and economic or trade sanctions” for the risks associated with our cross-border operations.

DDAG

Located in Switzerland, DDAG is principally engaged in the development, production and sale of dietary supplements and herbal pharmaceutical products manufactured to pharmaceutical standards. DDAG distributes its products primarily in Switzerland and through distribution partners in Spain, Italy, South Korea, Japan, Thailand and China. For the years ended December 31, 2023, 2024 and 2025, the revenue attributable to DDAG represented approximately 0.8%, 2.5% and 1.4% of our total revenue, respectively. DDAG recorded revenue of approximately RMB24 million for the year ended December 31, 2025 and has substantially achieved breakeven. For details on our acquisition of DDAG, see “History, Development and Corporate Structure — Acquisitions During the Track Record Period.”

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WinHealth Japan

WinHealth Japan was established in Japan in 2019 as an indirect wholly-owned subsidiary of our Company. In March 2025, WinHealth Japan obtained a Type 1 pharmaceutical manufacturing and sales license from the Japanese regulatory authorities, qualifying it as a MAH in Japan. WinHealth Japan serves as our Group’s operational platform in the Japanese market, with responsibilities including (i) pharmaceutical product development and regulatory registration in Japan, (ii) serving as a regional business development hub for identifying and evaluating potential product opportunities in the Asia-Pacific region, and (iii) building pharmaceutical supply chain capabilities. As of December 31, 2025, we had seven full-time employees based in Japan. As WinHealth Japan obtained its pharmaceutical license in March 2025, it had not yet generated material revenue during the Track Record Period. We expect business contributions from WinHealth Japan to be reflected in future periods as commercialization activities progress.

Save for the above, the remaining overseas entities within our Group structure, including those incorporated in the BVI, Hong Kong and Singapore, are principally engaged in investment holding activities and do not conduct substantive business operations.

Cross-border Supply Chain

As our products are primarily sourced from suppliers in Japan and Europe, we are exposed to potential geopolitical and cross-border supply chain risks. See “Risk Factors — Risks Relating to our Business and Industry — We are subject to risks associated with international trade policies, geopolitics and trade protection measures and economic or trade sanctions” for further details of the risks associated with our cross-border operations. We have adopted a suite of measures to manage and mitigate the potential impact of geopolitical risks.

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	8.7	—	—
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.

Cost of sales attributable to products sourced from Japan accounted for 2.2%, 11.7% and 18.3% of our total cost of sales in 2023, 2024 and 2025, respectively. The remaining products were generally sourced from suppliers in Europe, including Switzerland, Germany and Sweden. As of the Latest Practicable Date, our Directors confirm that we have not experienced any material adverse impact on our business or financial performance arising from geopolitical events or cross-border supply chain disruptions.

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Our legal advisor as to cross-border corporate finance laws is of the view that, during the Track Record Period and up to the Latest Practicable Date, although our production and business operations are exposed to potential geopolitical risks, such potential risks have not, at present, caused any material adverse impact on our production and operational activities, including our cross-border procurement activities.

To mitigate the potential risks that may arise, our legal advisor recommends that we establish a periodic screening mechanism for our overseas suppliers, maintain safety stock levels for critical procurement categories sourced from Japan and Europe, develop a pool of alternative suppliers, and implement diversified procurement arrangements. These measures would enhance our Company’s ability to switch to alternative sources of supply and help to ensure that the relevant risks remain within a manageable and mitigable range.

We have adopted the following measures to manage and mitigate the potential impact of geopolitical risks on our business operations, financial performance and future prospects:

Safety stock. We maintain regular supply and demand communications with our upstream suppliers and maintain a safety stock level of three to 12 months for our key products, providing an effective buffer against potential supply disruptions and minimizing the impact on the continuity of our production and sales operations. For exclusive products that cannot be immediately substituted, we have negotiated with Japanese suppliers to establish six to 12 months of safety stock in China.

Localization of production. We have commenced expansion and upgrade of our local production facilities and plan to progressively transition from overseas to domestic production for certain of our portfolio products, thereby reducing our reliance on overseas supply sources. Localization of production will strengthen our competitive position, reduce supply chain risks and foreign exchange rate fluctuations, thereby enhancing our long-term market prospects. See “Future Plans and [REDACTED]” for more details.

Supplier diversification. We have commenced identifying alternative domestic suppliers to diversify our sourcing channels, and actively expand our supplier base across different regions and product areas to reduce our dependence on any single supplier or region.

Compliance coordination and monitoring. We maintain close communication and cooperation with overseas suppliers and customs, and continuously monitor the evolving global geopolitical environment to formulate proactive contingency plans.

Foreign exchange and treasury management. We closely monitor exchange rate fluctuations and manage our exposure through enhanced budget management and optimization of settlement arrangements.

Our Directors are of the view that, taking into account the measures described above, our exposure to geopolitical risks is manageable and we are well-positioned to maintain the continuity and stability of its business operations.

EMPLOYEES

As of December 31, 2025, we had a total of 853 full-time employees, comprising 846 based in Greater China, and 7 based in Japan. The following table sets forth the numbers and percentages of our full-time employees by function as of December 31, 2025:

	As of December 31, 2025	
	Number	%
Sales and marketing	616	72.2
Business development	16	1.9
Drug development	31	3.6
Manufacturing	48	5.6
Others (including operational and management)	142	16.7
Total	853	100.0

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We normally enter into individual employment contracts covering wages, benefits, and grounds for termination with our employees. We generally pay employees a fixed salary with bonuses and allowances based on their positions and responsibilities, and provide benefits in line with industry practices. We had not experienced any material labor disputes or any material difficulties in recruiting employees for our operations during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

China’s pharmaceutical market is competitive, characterized by rapid changes from technological advances and scientific discoveries. We may face competition mainly from international and domestic pharmaceutical and biotech companies in the areas in which we primarily operate our current business and seek future expansion. See “Risk Factors — Risks Relating to our Business and Industry — We operate in a competitive industry and may fail to compete effectively” for more information.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 41 registered trademarks covering certain of our products. We are the registered owner of 21 domain names. For more information about our intellectual property rights, see “Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights of our Group” in Appendix IV to this document. We also seek to protect our proprietary technology and processes by entering into confidentiality agreements with consultants, business partners, and contractors. We have entered into confidentiality agreements and non-competition agreements with our senior management and certain core members of our development team and other key employees who have access to trade secrets or confidential proprietary information. However, despite measures taken to protect our intellectual property rights, third parties may nevertheless gain unauthorized access to our confidential information and trade secrets. See “Risk Factors — Risks Relating to our Business and Industry — We depend on information technology and other infrastructure that are exposed to certain risks, including cyber security risks” for further details.

Our Directors confirmed that we did not infringe on or misappropriate third parties’ intellectual property rights, and we were not aware of any legal, arbitral, or administrative proceedings of potential or confirmed infringement or misappropriation of any third parties’ intellectual property rights by us, during the Track Record Period and up to the Latest Practicable Date.

AWARDS AND RECOGNITIONS

The following table sets forth our recent major awards and recognitions:

Year	Entity Receiving Award	Award	Award Issuing Authority
2020	WinHealth HK	Member Entity of the China Alliance for Rare Diseases	China Alliance for Rare Diseases
2020	Zhejiang Medical	Honorary Certificate of the Wuhan Red Cross Society	Wuhan Red Cross Society
2021–2026 (six consecutive years). . .	WinHealth HK	Hangzhou Municipal Quasi-Unicorn Enterprise	Hangzhou Entrepreneurship & Venture Association
2026	WinHealth HK	Top Employer	Top Employers Institute

LAND AND PROPERTIES

As of December 31, 2025, we owned one property in the heart of the Zhangjiang Pharmaceutical Industry Park in Shanghai in the PRC with a GFA of approximately 14,958 sq.m. The parcel of land has a gross floor area of approximately 43,000 sq.m. As of December 31, 2025, we leased 14 major properties with a total GFA of approximately 9,546 sq.m in Chinese mainland, and some properties in

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Hong Kong, Switzerland and Japan as our offices and warehouses. As of December 31, 2025, we had no single property with a carrying amount which represents 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this document.

As of the Latest Practicable Date, the PRC Subsidiaries have leased a total of 11 properties for operational purposes such as office space and warehousing and all of these lease agreements, where required, have been registered with the authorities.

QUALITY MANAGEMENT

We have established an internal product quality management system. This system is continuously improved through regular self-inspection and external monitoring, encompassing quality risk identification and control, safety review, change administration, deviation management, and supplier management. Our manufacturing quality management system is designed to ensure consistent compliance with applicable manufacturing practice requirements and to safeguard product quality throughout the production lifecycle.

INTERNAL CONTROLS AND RISK MANAGEMENT

We have continuously optimized our internal risk management and control capabilities and have established policies to promote the sustainable and healthy development of our Group. We have built a risk management and internal control system covering our Board, management, functional departments, and subsidiaries. Our Board is the decision-making body for risk management, with the internal audit function reporting directly to it. Our management team oversees daily operation of the internal control system. We have developed a full life-cycle risk management process encompassing risk identification, assessment, response, control, and supervision, and plan to conduct comprehensive risk assessments at least annually. We have also engaged an independent internal control consultant to assess our systems, and have rectified all identified deficiencies based on their findings.

Business Ethics

We adhere to high standards of business ethics, strictly complying with relevant laws, regulations and our internal policies. For further details on our business ethics policies, see “— Environmental, Social and Governance — Social matters — Business ethics.” Our anti-fraud organizational structure includes our Board, management, the audit department, and all employees, with the Board taking ultimate responsibility for the soundness and effectiveness of internal control systems. We have established preventive controls, investigation procedures, and whistleblower protection measures. We also place emphasis on responsible marketing, reviewing promotional materials and conducting interactions with medical professionals to ensure compliance. During the Track Record Period and as of the Latest Practicable Date, we were not involved in any material legal proceedings related to corruption, bribery, fraud, or consumer deception.

DATA PRIVACY

We have implemented measures to protect the information security and data privacy of our customers, employees, patients, and other relevant parties. Internally, we adopt preventative measures such as internal document separation and document encryption, and have established a review, approval, and authorization regulation and an operating mechanism for access to customer information, which specified that the employees are required to inquire and maintain personal and customer data with authorization, and unauthorized employees are not permitted to access, export, or copy any customer information. At the same time, we regularly conduct information system permission checks, including but not limited to reviews of our authorization mechanisms, processes, user permissions, confirmation of the scope of permissions for current employees, and clearance of permissions for

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former employees. We have formulated a disaster recovery plan to ensure prompt investigation and handling of network and data security incidents. Furthermore, we require employees to receive training related to data privacy protection.

In the course of our business operations, we collect, process and transfer personal information of our employees, customer contacts, subjects, as well as other individuals. For example, we typically collect and process personal information such as the names and contact information of employees and customer contacts. In the course of conducting drug clinical trials, we collect and process personal data, which are subject to evolving regulatory requirements and administrative oversight. We mainly collect (i) the names, contact details, curricula vitae and other information of project team members (primarily the Group’s employees, personnel seconded by the Group’s partnering CROs, the investigators of clinical trial institutions); and (ii) the subjects’ identification codes, dates of birth, ages, ethnicities, height, weight and other personal basic information, as well as their medical histories, laboratory test reports record of adverse events and other personal health and physiological information.

We require that any access to clinical trial data must be strictly limited to authorized personnel only according to the GCP and relevant regulations. Authorized personnel typically include Sponsor staff, investigators, CRCs, CRAs, and other project participants who are appropriately qualified and competent. Additionally, personnel from the drug regulatory authority may also review clinical data in the performance of their statutory duties. We have formulated and implemented SOPs for clinical trials in accordance with regulations such as GCP, to protect the rights and interests of the subjects and ensure the quality of clinical data. Additionally, we require external parties and internal employees involved in clinical trials to comply with confidentiality requirements. Data may only be used as intended, as agreed by the subjects, and consistently with the Informed Consent Form of Subjects. Our Directors are of the view that, during the Track Record Period and as of the Latest Practicable Date, our internal control measures are adequate and effective in place to ensure data privacy and security.

During the Track Record Period and as of the Latest Practicable Date, we had not received any notification from any authority indicating that the data we process has been classified as “important data” or “core data”. During the Track Record Period and as of the Latest Practicable Date, (a) we had not been notified by any authorities of being classified as a CIIO, (b) the volume of personal information we process did not exceed one million users, and (c) we had received no notice from any authority requiring us to undergo a cybersecurity review. As advised by our PRC legal counsel for data compliance, our business does not involve the operation of critical information infrastructure and we should not be classified as a CIIO. [REDACTED] in Hong Kong does not fall under the category of ‘listing abroad’ as defined in the Cybersecurity Review Measures, therefore, we are not required to proactively submit a cybersecurity review [REDACTED] for our [REDACTED] in Hong Kong. Furthermore, as of the Latest Practicable Date, neither we nor any of our subsidiaries had been subject to any material administrative penalties or other sanctions by any regulatory authority in respect of cybersecurity or data protection, nor had we experienced any material cybersecurity or data-protection incidents or alleged data infringements by third parties, nor were we aware of any pending or threatened legal, administrative or governmental proceedings in these areas.

Based on the foregoing, our PRC legal counsel for data compliance is of the view that: (i) during the Track Record Period and as of the Latest Practicable Date, we had complied in all material respects with the applicable PRC laws and regulations relating to data security, data privacy and personal information protection; and (ii) the PRC cyber security regulatory regime will not have any material adverse effect on our business operations or on this [REDACTED]. For the potential impact and related risks for data privacy and security breaches, see “Risk Factors — Risks Relating to our Business and Industry — We may handle personal information as we conduct our business and may be subject to patient privacy regulations” in this document.

INSURANCE

We maintain insurance coverage customary for pharmaceutical companies operating in China, including open cover for domestic inland cargo transportation, and property all-risks insurance and machinery breakdown insurance for our facilities and assets. For international cargo shipments, we

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currently purchase insurance on a per-shipment basis, as needed. Additionally, we maintain product liability insurance covering claims arising from our finished drug products; this coverage includes claims related to clinical trial activities. See “Risk Factors — Risks Relating to our Business and Industry — We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources” in this document for more information.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE MATTERS

Our ESG Policies and ESG Working Group

We have established an Environmental, Social, Governance Working Group (“**ESG Working Group**”). The Board has the collective and overall responsibility for overseeing the ESG vision, policy and target of the Group, and evaluating, determining and addressing our ESG-related risks at least once a year. The Board may assess and review the ESG-related risks and opportunities with the ESG Working Group and approves ESG-related business strategies to enhance our ESG management schemes. Additionally, the Board will make resolutions on ESG-related issues raised by the ESG Working Group, formulate work plans and assign relevant tasks for follow-ups by the relevant departments and/or working units.

Members of the ESG Working Group are from various departments of our Group, including but not limited to Finance Department and Human Resource Department, to ensure a more effective implementation of ESG policies. Our ESG Working Group also has comprehensive management capabilities and a strong sense of responsibility in fulfilling social responsibilities, operating in accordance with laws and regulations and managing community relations. We may also engage with independent third-party advisors as our ESG advisors (the “**ESG Advisors**”) to evaluate potential ESG-related risks faced by the Company, provide comment on our ESG Policy and strategies, and set targets so that the ESG Policy will be up-to-date.

The key responsibility, authority and discretion of the ESG Working Group are as follows:

- Deal with and hold regular meetings to discuss ESG, internal control and risk management-related matters on a regular basis;
- Oversee and assess any ESG-related risks that we may face in our business operations;
- Foster a corporate culture of safety and strictly implementing the occupational health and safety system to ensure that all health and safety factors are taken into account;
- Identify and assess climate-related risks and opportunities that have potential impacts on us; and
- Developing strategies of responding to climate change, setting targets of reducing greenhouse gas (“**GHG**”) emissions and guiding implementation efforts.

Identification and Assessment of Potential ESG-related Risks

In identifying, assessing, and prioritizing material ESG topics and related potential risks, we consider our Group’s business development strategy, industry characteristics, national policies, and stakeholder expectations. The table below outlines the material ESG-related issues we have identified, their potential risks and impacts, and the corresponding strategies:

Material ESG-related issues	Potential risks and impacts	Our strategies (adopted/to be adopted)
Greenhouse gas (“ GHG ”) emissions	We may generate GHG emissions inevitably, which exposes us to potential climate-related risks.	We regularly review the GHG emissions profile of our operation to manage and control the emission.

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Material ESG-related issues	Potential risks and impacts	Our strategies (adopted/to be adopted)
Resource management . . .	Ineffective management of resources can potentially result in excessive energy consumption, leading to increased operational costs.	We implement measures for resource management and promote energy conservation in our operation.
Climate change . . .	Physical and transition risks induced by climate change may cause disruption during our operation and could increase the operational cost.	We constantly monitor the changes in ESG-related regulatory requirements and market trends.
Employee management . . .	Failure to comply with labor laws can lead to lawsuits and fines. Insufficient resources dedicated to the development of human capital, may pose a risk of higher turnover rates and a less competent workforce.	We prioritize the protection of the lawful rights and interests of our employees. We have established internal policies. We also provide employees with social benefits and career development opportunities.
Business ethics . . .	Neglecting business ethics can result in severe consequences, including regulatory penalties, financial losses, reputational damage, stakeholder disengagement, and ultimately, business decline.	We are committed to upholding the highest standards of business ethics in our operations. This involves conducting our business with integrity, transparency, and respect for stakeholders, including employees and the community.

A comprehensive set of policies and procedures focused on the environment, employee welfare, and corporate governance has been established, in compliance with the applicable laws and the Listing Rules.

Identification of Climate-related Risks

Due to our business nature and operational model, we face minimal climate-related risks. In terms of physical risk, extreme weather events, such as typhoons and floods, could disrupt operation. We will take the necessary actions to respond to the relevant government notices in case of these events, make contingency plans to ensure the safety of our staff. In terms of transition risk, potential regulatory shifts in carbon emissions or disclosure requirements could impose compliance costs. We will actively monitor updates in ESG compliance standards and industry developments.

Environmental Protection

We strictly adhere to the standards set or issued by the relevant PRC environment-related laws and regulations in assessing and managing our impacts on the environment as a result of our business activities. We have implemented company-wide environmental policies and standard operating procedures, mainly comprising management systems and procedures including but not limited to Environmental Protection Management System (《環境保護管理制度》), Solid Waste Management System (《固體廢棄物管理制度》) and Hazardous Waste Management System (《危險廢棄物管理制度》), Electricity Usage Management System (《用電管理制度》) and Energy Management System (《能源管理制度》).

Metrics and Targets

GHG emissions

Scope 1 emissions refer to direct GHG emissions that occur from sources owned or controlled by the company. Given the nature of our business operations, we have limited Scope 1 emissions from company vehicles. Scope 2 emissions, which account for energy indirect emissions from the generation

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of purchased electricity and purchased steam. Scope 3 other indirect emissions primarily arising from business air travel from employees, and fresh water and sewage treatment. Since the completion of the acquisition of WinHealth China was on September 30, 2024, environmental data related to manufacturing activities are available afterwards. Since our operations were mainly office-based before the acquisition, and related resource consumption, such as electricity and water, are maintained by the property management company, related data are not available. The following tables set forth the emissions and resources consumption of our Group in the previous financial years.

GHG Emissions⁽¹⁾

Key Performance Indicator	Unit	Year ended December 31,		
		2025	2024	2023
Direct (Scope 1) GHG emissions . . .	tons of carbon dioxide equivalent (tCO ₂ e)	30.48	32.55	34.46
Energy Indirect (Scope 2) GHG emissions	tCO ₂ e	2,653.24	682.00	N/A
Other Indirect (Scope 3) GHG emissions	tCO ₂ e	663.24	399.35	412.26
Total GHG emissions (Scopes 1, 2 and 3)	tCO ₂ e	3,346.96	1,113.90	446.72
Intensity of GHG emissions (Scope 1, 2 and 3)	tCO ₂ e/Employee	3.85	1.42	0.49

Note:

- (1) GHG emission data are presented in terms of carbon dioxide equivalent and are based on, including but not limited to (i) “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development; (ii) “How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange; (iii) “2023 National Electricity Carbon Footprint Factor” issued by Ministry of Environmental Protection of the People’s Republic of China; and (iv) the “Global Warming Potential Values” from the IPCC Sixth Assessment Report.

Waste management

Due to our business nature, we may involve the use of hazardous chemical materials, and hazardous wastes may be produced. We divide the waste we produced into hazardous waste (such as organic chemical waste, waste pharmaceuticals and intermediates) and non-hazardous waste (such as packaging materials). We have developed policies in place in waste management, including but not limited to Solid Waste Management System (《固體廢棄物管理制度》) and Hazardous Waste Management System (《危險廢棄物管理制度》). Both types of waste are disposed by qualified contracted third parties to ensure proper and compliant disposal. In addition, for hazardous waste generated from our business operations, it is required to be handled, used, stored, treated and disposed of according to the requirements specified in the Hazardous Waste Management System. It is required to be temporarily stored in designated areas with labels affixed externally and to be collected, treated and disposed of by qualified contracted third parties. We will also keep track on the amount of waste generated, to minimize the environmental impacts resulted from our operation.

Waste

Key Performance Indicator	Unit	Year ended December 31,		
		2025	2024	2023 ⁽²⁾
Non-hazardous waste	kg	5,995.78	1,605.00	N/A
Intensity of non-hazardous waste . . .	kg/Employee	6.90	2.04	N/A

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Key Performance Indicator	Unit	Year ended December 31,		
		2025	2024	2023 ⁽²⁾
Hazardous waste	kg	8,697.81	2,860.00	N/A
Intensity of hazardous waste	kg/Employee	10.01	3.63	N/A

Note:

- (2) Since the completion of the acquisition of WinHealth China was on September 30, 2024, environmental data related to manufacturing activities are available afterwards.

Resource management

We endeavor to promote green operations and have implemented relevant policies, including the Electricity Usage Management System (《用電管理制度》), Energy Management System (《能源管理制度》), and Water Resources Management System (《水資源管理制度》), to lower energy and water consumption, improve resource utilization, and raise environmental awareness among our workforce. Key measures include requiring employees to switch off idle lighting and electronic appliances, prioritizing energy-saving devices, and conducting regular inspections of water pipes to identify and prevent potential leaks.

Use of Resources

Key Performance Indicator			Year ended December 31,		
			2025	2024	2023 ⁽³⁾
Unit					
Energy Consumption					
Direct energy consumption	Diesel	MWh	48.04	49.37	50.26
	Petrol	MWh	67.55	73.88	80.01
Renewable energy	Solar	MWh	483.10	81.20	N/A
Purchased energy	Electricity	MWh	2,560.58	589.20	N/A
	Steam	MWh	2,687.88	799.00	N/A
Total energy consumption		MWh	5,847.15	1,592.65	130.27
Intensity of energy consumption		MWh/Employee	6.73	2.02	0.14
Water Consumption					
Total water consumption		m ³	9,499.00	1,285.00	N/A
Intensity of water consumption		m ³ /Employee	10.93	1.63	N/A

Note:

- (3) Since the completion of the acquisition of WinHealth China was on September 30, 2024, environmental data related to manufacturing activities are available afterwards.

Environmental Targets

We have set various goals to reduce our environmental impact, and we continue to take significant steps toward these targets:

- **GHG emissions.** We aim to reduce our GHG emissions and support the national “carbon peaking and carbon neutrality” goals. In 2030, we aim to control our GHG emissions within the range of 90% to 130% of that recorded in 2025. This will be achieved through the adoption of energy-efficient equipment and renewable energy if possible.
- **Energy consumption.** During the Track Record Period, we have actively monitored our electricity consumption. In 2030, we aim to control our energy consumption within the range of 90% to 130% of that recorded in 2025. We aim to promote energy-saving practices and increase the share of low carbon energy used throughout our daily operations if possible. This includes encouraging the procurement and use of energy-efficient equipment if possible.

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- **Water consumption.** During the Track Record Period, we have closely monitored our water consumption and implemented initiatives to promote water conservation. In 2030, we aim to control our water consumption within the range of 90% to 130% of that recorded in 2025.
- **Hazardous waste discharge.** Throughout the Track Record Period, we have conducted periodic monitoring of our hazardous waste discharge. For any hazardous waste generated from our business operations, we engage certified third-party service providers to ensure proper and compliant disposal. In 2030, we aim to control our hazardous waste discharge within the range of 90% to 130% of that recorded in 2025. We aim to continuously monitor and evaluate waste sources, as well as to replace or optimize processes, materials, and equipment that contribute to unnecessary hazardous waste generation.
- **Non-hazardous waste disposal.** Throughout the Track Record Period, we have conducted periodic monitoring of our non-hazardous waste disposal and engaged certified third-party service providers to ensure proper and compliant disposal. In 2030, we aim to control our non-hazardous waste discharge within the range of 90% to 130% of that recorded in 2025.

Social Matters

Employment Practices

We adhere to the relevant labor standards, laws and regulations in the PRC, including but not limited to the Labour Law of the PRC (《中華人民共和國勞動法》), the Provisions on Prohibition of Using Child Labour (《禁止使用童工規定》) and the Law of the PRC on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》). In order to ensure compliance and improve employment management, we have formulated a series of employment management related policies, including but not limited to the Employee Handbook (《員工手冊》).

We are devoted to offering fair and equal opportunities in all our employment practices and have implemented relevant policies and procedures. We have developed a comprehensive compensation system under the Group Compensation and Benefits Management System (《集團薪酬福利管理制度》), providing competitive salaries and merit-based incentives typically based on individual and overall business performance.

We recognize that training and career development are essential to empowering our employees. We have established the Group Training Management System (《集團培訓管理制度》) and other relevant internal policies and procedures to encourage employees to engage in continuous learning, actively participate in on-the-job continuing education, and pursue professional certification examinations.

Our company has established work safety guidelines with regards to relevant laws and regulations including the Prevention and Control of Occupational Disease Policy (《職業病危害防治責任制度》), Hazardous Operations Safety Management Policy (《危險作業安全管理制度》) and Vital Post Safety Management Policy (《要害崗位安全管理制度》) which our employees must strictly adhere to, and we provide our production staff with sufficient safety equipment. Our Environment and Safety Committee (環境安全管理委員會) carries out regular inspections to maintain a safe working environment and implement related mitigation measure when necessary. Employees engaged in dangerous operations must apply for a dangerous operation permit and complete the operation permit approval procedures, and are required to wear safety gear whenever necessary.

Clinical Trial Safety

We are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory, and scientific standards, such as GCP. Our research & development and medical affairs team leverages a deep understanding of drug approval policies and comprehensive capabilities in clinical research design and execution to integrate the entire process from clinical study design to regulatory submission. Our research & development and medical affairs team

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serves as our clinical medical research function. The team oversees or supervises the preparation of clinical trial documentation, including but not limited to clinical protocols, informed consent forms, investigator brochures, and clinical study reports, and is accountable for the planning and execution oversight of clinical research activities to ensure strict compliance with clinical protocols, company SOPs, and GCP. In strict accordance with the GCP guidelines, we ensure timely and accurate safety reporting, and execute targeted risk mitigation strategies to maintain a favorable benefit-risk profile for all trial participants. During the Track Record Period and up to the Latest Practicable Date, no clinical trials conducted by us had been suspended or terminated by regulatory authorities due to safety concerns.

Business Ethics

We have implemented internal policies and measures related to anti-corruption and anti-bribery, including but not limited to Anti-fraud Management Policy (《反舞弊管理制度》) and Anti-bribery and Anti-corruption Policy (《反賄賂與反腐敗政策》), to strictly control corruption and bribery activities of our employees.

SEASONALITY

The seasonality of the operations is primarily driven by the influenza season, during which demand for the anti-influenza product Tamiflu® tends to increase, typically peaking between November and March, while other products generally do not exhibit significant seasonal fluctuations. For Tamiflu®, we employ a data-driven demand forecasting and inventory management system, including real-time influenza surveillance monitoring and predictive modeling updated weekly.

LICENSES, PERMITS, AND APPROVALS

We are required to obtain and renew certain licenses, permits, and approvals for our business operations in various jurisdictions. See “Regulatory Overview” in this document for more information.

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits, and approvals that are material for our operations, and all of such licenses, permits, and approvals were within their respective effective periods. We had not experienced any material difficulty in renewing such certificates, permits, and licenses during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any difficulty in renewing them when they expire, if applicable. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for any non-compliance relating to maintenance and renewal of our material licenses, permits, and approvals.

License /Permit	Holder	Purpose	Issuing Authority	Validity Period
Drug Registration Certificate (藥品註冊證書)	WinHealth China	Registration of cinacalcet hydrochloride tablet	Shanghai Medical Products Administration (上海市藥品監督管理局) (“Shanghai MPA”)	November 24, 2022– November 23, 2027
Drug Production License (藥品生產許可證) . . .	WinHealth China	Production of pharmaceutical products	Shanghai MPA	January 1, 2026– December 31, 2030
Business Operation License of Drugs (藥品經營許可證)	Zhejiang Medical	Business operation of pharmaceutical products	Zhejiang Medical Products Administration (浙江省藥品監督管理局) (“Zhejiang MPA”)	December 27, 2024– April 16, 2029
Business Operation License of Medical Devices (醫療器械經營許可證)	Zhejiang Medical	Trading of medical devices	Hangzhou Administration for Market Regulation (杭州市市場監督管理局)	June 28, 2023– June 27, 2028

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Up to the date of the document, the Drug Production License has been renewed, with the new certificate set to expire on December 31, 2030. In addition, as advised by our PRC Legal Advisors, there are no material legal impediments to the renewal of the other material licenses that are due to expire soon.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may become involved in legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

During the Track Record Period and as of the Latest Practicable Date, there were no litigation or arbitration proceedings brought by us, or pending or threatened against us or any of our Directors, that would, individually or in the aggregate, have a material adverse effect on our financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incident which our Directors believe would, individually or in the aggregate, have a material adverse effect on our financial condition or results of operations.

Compliance

In the opinion of our Directors, the non-compliance incidents described below, individually or taken as a whole, are not likely to have a material adverse effect on our business, financial condition or results of operations. During the Track Record Period, we also did not experience any non-compliance of the laws or regulations, which individually or in the aggregate, in the opinion of our Directors, reflects negatively on the ability or tendency of us to operate our business in a compliant manner. According to our PRC Legal Advisors, we have complied with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Social insurance and housing provident funds

During the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds for a number of employees. This arrangement was made for employees working in locations where we had no branch or legal entity. To facilitate their access to social insurance and housing provident fund benefits in their place of work, we entrusted the local third-party human resources agencies to make the contributions.

We might be subject to additional contribution, late payment fee, and /or penalties imposed by the relevant PRC authorities if the third-party human resources agencies failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by competent PRC authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees.

Pursuant to Article 19 of the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases (which took effect in September 2025) (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)) (the “New Judicial Interpretation”), if an employer and an employee agree or the employee undertakes that social insurance contributions are not required to be paid, the People’s Court shall deem such agreement or undertaking invalid, and where an employer fails to pay social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation from the employer in accordance with the PRC Labor Contract Law, the People’s Court shall support such claims. During the Track Record Period and up to the Latest Practicable Date, there were no written agreements with or undertakings made by any of our employees under which employees undertook not to participate in social insurance schemes.

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We gradually established offices in the regions where we engage third-party agencies to pay social security premium and housing provident funds. Up to the Latest Practicable Date, all formally employed staff of the PRC Subsidiaries have entered into written labor contracts with their respective employing entities, and all such employees are enrolled in the social insurance and housing provident fund schemes by the PRC Subsidiaries themselves.

During the Track Record Period and as of the Latest Practicable Date, no administrative penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any rectification order concerning this matter. During the Track Record Period and as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy. Based on the foregoing, our Directors and our PRC Legal Advisors are of the view that the implementation of the New Judicial Interpretation is not expected to have any material adverse impact on our business, results of operations, or financial condition.

Based on the above, we are of the view that, if we are able to rectify upon request by the relevant authorities within the specified period, the risk of us being subject to material penalties as a result of paying the social insurance premium and housing provident funds for the relevant employees through the third-party agencies is relatively low. As a result, we did not recognize any provision for social security premium and housing provident funds paid through third-party agencies during the Track Record Period.

We have taken and will continue to take the following remedial measures to comply with the regulatory requirements for social insurance and housing provident fund: (i) we gradually established offices in the regions where we engage third-party agencies to pay social security premium and housing provident funds. Up to the Latest Practicable Date, all formally employed staff of the PRC Subsidiaries have entered into written labor contracts with their respective employing entities, and all such employees are enrolled in the social insurance and housing provident fund schemes by the PRC Subsidiaries themselves; (ii) we will regularly review and monitor the reporting and contributions of social insurance and housing provident fund to keep us abreast of relevant regulatory developments; and (iii) we undertake to maintain close communication with relevant authorities on a regular basis to understand their requirements and interpretation of relevant rules and regulations, and make contributions to social insurance and housing provident fund in accordance with their specific guidance in a timely manner.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately upon completion of the [REDACTED] and the [REDACTED], assuming the [REDACTED] is not exercised, Mr. Wang through Supra Brilliant, Ms. Hu through Acme Gain, Mr. Xing through Rongshun Technology and Hangzhou Rongshun, and Ms. Guo, through Qingyun Technology and Hangzhou Qingyun will hold an interest in approximately [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively, of the total issued Shares of our Company. In addition, Great Reputation is a holding company wholly owned by Ms. Hu and serves as our shareholding platform for the Pre-[REDACTED] Share Incentive Plan. The voting rights of the Shares held by Great Reputation are ultimately controlled by Ms. Hu. Immediately upon completion of the [REDACTED] and the [REDACTED], Great Reputation will hold [REDACTED]% of the total issued Shares, assuming the [REDACTED] is not exercised.

Mr. Wang is our co-founder, Chairman, executive Director and chief executive officer. Ms. Hu is our co-founder, executive Director and vice president and is the spouse of Mr. Wang. Mr. Xing and Ms. Guo are each individual investors in the pharmaceutical industry. They first became acquainted with Mr. Wang in the early years of their careers through mutual business contacts in the pharmaceutical industry. Over the course of their ongoing collaborations, they engaged in discussions regarding industry trends and the business development direction of our Group, and gradually developed a close rapport based on their shared views regarding the pharmaceutical industry and the strategic positioning of our Group. Leveraging their networks, Mr. Xing and Ms. Guo introduced to Mr. Wang a number of potential investors whom they considered to be a good strategic fit for our Group, and facilitated communications and discussions between such investors and our Company in relation to potential investment and cooperation opportunities. In December 2017, Mr. Wang agreed to transfer 200 and 10 ordinary shares of our Company to Mr. Xing and Ms. Guo, respectively, in connection with their contributions relating to the introduction of investments in our Company. In January 2018, in recognition of Mr. Wang’s management experience, industry expertise and leadership role within our Group, and to support the stable and consistent management direction of our Company, Mr. Wang entered into acting in concert agreements with Ms. Hu and Mr. Xing, respectively, and Ms. Guo signed an authorization letter authorizing Mr. Wang to exercise the voting rights in our Company on her behalf, which together formed the acting in concert arrangements among the Ultimate Controlling Shareholders. In October 2025, the Ultimate Controlling Shareholders entered into the Acting in Concert Deed to further acknowledge and confirm the prior acting in concert arrangements among them. See “History Development and Corporate Structure — Acting In Concert Deed”. The roles of Mr. Xing and Ms. Guo in relation to our Group are limited to their respective capacities as individual investors, and do not extend to the day-to-day management or operations of our Group. Accordingly, neither Mr. Xing nor Ms. Guo has held any position in our Group. Save for (i) the spousal relationship between Mr. Wang and Ms. Hu, (ii) their respective shareholding interests in our Group, and (iii) the acting in concert arrangements described above, there is no other relationship among Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo.

By virtue of the Acting in Concert Deed, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo, will be entitled to exercise [REDACTED]% of the voting power at general meetings of our Company and accordingly, Mr. Wang, Ms. Hu, Mr. Xing, Ms. Guo, Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology, Hangzhou Rongshun, Qingyun Technology and Hangzhou Qingyun will be a group of Controlling Shareholders upon the [REDACTED].

COMPETITION

Each of our Directors and our Controlling Shareholders have confirmed that, as of the Latest Practicable Date, none of them or any of their respective close associates had interests in any business, other than our business, which competes, or is likely to compete either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board comprises four executive Directors, three non-executive Directors and four independent non-executive Directors. See “Directors and Senior Management” for details.

Our Directors are of the view that our Board and senior management team are able to manage our business independently from the Controlling Shareholders and their respective close associates for the following reasons:

- each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;
- our daily management and operations are carried out by our senior management team as a whole, comprising our four executive Directors, namely, Mr. Wang, Ms. Hu, Ms. Shen Huacheng and Ms. Lin Jing, our vice president, Mr. Wang Xingyao, our head of the mature pharmaceuticals department, Mr. Zhou Laiming, our head of the nephrology and hematology department, Mr. Wang Baolong and our head of the specialty pharmaceuticals department, Mr. Wang Fengqiang, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;
- we have four independent non-executive Directors, representing more than one-third of the Board, in compliance with the Listing Rules. All of our independent non-executive Directors are qualified to provide independent, sound and professional advice to our Company and will among other matters, review and monitor the connected transactions as may be entered into between our Group and our Controlling Shareholders or their respective associates from time to time to act in the best interests of our Company and our Shareholders as a whole;
- in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum;
- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders and their close associates which would support our independent management. For more details, see “— Corporate Governance Measures”.

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team is able to perform the managerial role in our Group independently.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. Our Company (through our subsidiaries) holds the licenses and qualifications necessary to carry on our current business, and has sufficient capital, facilities, premises, technology and employees to operate our business independently from our Controlling Shareholders. We have independent access to our customers and suppliers and an independent management team, including an

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

organizational structure made up of individual departments, each with specific areas of responsibilities, to operate our business. Our Group has also established a set of internal controls procedures to facilitate the effective operation of our business.

Accordingly, our Directors are of the view that we are able to function and operate independently from our Controlling Shareholders.

Financial Independence

We have an independent internal control and accounting system and make financial decisions according to our business needs. We also have an independent finance department responsible for discharging the treasury functions for cash receipts and payments, accounting, reporting, and internal control independently of our Controlling Shareholders and their respective close associates. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates. We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations.

We expect that (i) any amount due to and/or from our Controlling Shareholders which do not arise out of the ordinary course of business and non-trade in nature will be fully settled before the [REDACTED]; and (ii) none of the loans or debts of our Group will be guaranteed or secured by any connected person of our Company upon [REDACTED]. We have also engaged an independent internal control consultant, which is part of an international audit firm, to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Accordingly, our Directors are of the view that our Group is capable of maintaining financial independence from our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests with our Controlling Shareholders and their respective close associates:

- as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon the [REDACTED]. In particular, our Articles of Association provides that a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting save for certain excepted matters as specified in the Articles of Association;
- our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
- where a transaction or arrangement of our Company is subject to Shareholders’ approval under the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting and shall not be counted in the quorum in the voting on the resolution(s) approving the transaction or arrangement at the general meeting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders (“**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- our Controlling Shareholders will undertake to provide, to the extent reasonably practicable, all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- we will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcements as required by the Listing Rules;
- where our Directors reasonably request the advice of independent professionals, the appointment of such independent professionals will be made at our expenses;
- we have appointed China Sunrise Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and
- we will appoint a Hong Kong legal advisor to provide advice and guidance to us after the [REDACTED] from time to time in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between us and our Controlling Shareholders, and to protect our minority Shareholders’ interests after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board comprises 11 Directors, including four executive Directors, three non-executive Directors and four independent non-executive Directors. The table below sets out certain information about our Directors:

Name	Age	Existing position(s) in our Company	Date of joining our Group	Date of appointment as a Director	Roles and Responsibilities	Relationship with other Directors or senior management
Executive Directors						
Mr. Wang Wei (王威)	[55]	Chairman, executive Director and chief executive officer	November 11, 2011	November 9, 2015	Overall strategic planning, business direction, operational management and supervision of the senior management of our Group and overseeing our Board	Spouse of Ms. Hu
Ms. Hu Qing (胡青)	[52]	Executive Director and vice president	November 11, 2011	November 9, 2015	Overseeing finance, human resources and administrative management for our Group	Spouse of Mr. Wang
Ms. Shen Huacheng (沈華程)	[38]	Executive Director and vice president	November 19, 2012	August 15, 2025	Overseeing human resources management, people development and administration of our Group	None
Ms. Lin Jing (林靜)	[40]	Executive Director and vice president	November 27, 2017	August 15, 2025	Overseeing the financial affairs of our Group	None
Non-executive Directors						
Ms. Chen Muyu (陳慕雨)	[28]	Non-executive Director	August 22, 2025	August 22, 2025	Providing strategic advice and recommendations on the operations and management of the Group	None
Dr. Jiang Fei (姜非)	[49]	Non-executive Director	August 15, 2025	August 15, 2025	Providing strategic advice and recommendations on the operations and management of the Group	None
Mr. Chen Long (陳龍)	[38]	Non-executive Director	August 11, 2025	August 11, 2025	Providing strategic advice and recommendations on the operations and management of the Group	None
Independent non-executive Directors						
Dr. Toshifumi Mikayama (三箇山俊文)	[68]	Independent non-executive Director	•	•	Supervising and providing independent advice to our Group	None
Prof. Ma Jun (馬軍)	[71]	Independent non-executive Director	•	•	Supervising and providing independent advice to our Group	None
Dr. Peng Tao (彭滔)	[44]	Independent non-executive Director	•	•	Supervising and providing independent advice to our Group	None
Mr. Liu Kai Yu Kenneth	[56]	Independent non-executive Director	•	•	Supervising and providing independent advice to our Group	None

Executive Directors

Mr. Wang Wei (王威), aged [55], founded our Group in November 2011. Mr. Wang was appointed as our Chairman, Director and chief executive officer on November 9, 2015 and was re-designated as our executive Director on October 30, 2025. He is a Controlling Shareholder. He is primarily

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responsible for overall strategic planning, business direction, operational management, and supervision of the senior management of our Group and overseeing our Board. He currently holds directorships in various subsidiaries of our Group.

Mr. Wang has over [20] years of experience in the healthcare and pharmaceutical industries. Prior to founding our Group, Mr. Wang gained extensive experience in both clinical practice and management in pharmaceutical industry for approximately 10 years, accumulating a wealth of first-hand industry knowledge. After he graduated from the university, Mr. Wang worked as a dentist at Harbin Vehicle Factory Hospital (哈爾濱市車輛廠醫院). From October 1997 to January 2003, Mr. Wang held various position at Shenzhen Kangzhe Pharmaceutical Co., Ltd. (深圳市康哲藥業有限公司), a subsidiary of CMS, with his last position being a manager of the management department, where he was primarily responsible for the overall management of sales. Between January 2003 and November 2011, Mr. Wang gained extensive experience through various entrepreneurial endeavors in the pharmaceutical industry, laying the foundation for the establishment of our Group. Since January 2023, he has been a vice president of the China National Health Association (中國民族衛生協會). Since January 2022, he has been a member of the CPPCC (Chinese People’s Political Consultative Conference) in Gongshu District, Hangzhou (杭州市拱墅區政協委員).

Mr. Wang obtained a bachelor’s degree in stomatology from Jiamusi Medical School (佳木斯醫學院) (now known as Jiamusi University (佳木斯大學)) in the PRC in July 1994. He was admitted as a practicing physician in the PRC in February 2006.

Ms. Hu Qing (胡青), aged [52], was appointed as our Director on November 9, 2015 and was re-designated as our executive Director on October 30, 2025. She is a Controlling Shareholder. Ms. Hu has been serving as our vice president since November 2011. She is responsible for overseeing finance, human resources and administrative management for our Group. She currently holds directorships in various subsidiaries of our Group.

Ms. Hu has over [30] years of experience in the finance and accounting industry. Prior to joining our Group, from September 1993 to March 2002, Ms. Hu worked at Hangzhi Machinery & Electronics Company Limited (杭芝機電有限公司), a joint venture established by Toshiba Corporation, a company listed on the Tokyo Stock Exchange (stock code: 6502) and principally engaged in the R&D and sale of electromechanical equipment, where she was primarily responsible for finance-related matters. From March 2003 to October 2008, she worked at Hangzhou Hangdong Lighting Fixture Co., Ltd. (杭州杭東照明器材有限公司) (now known as ITO Electromechanical Manufacturing (Hangzhou) Co., Ltd. (易東機電製造(杭州)有限公司)), a professional manufacturer specialized in the design, development and manufacturing of lighting and lamps, where she was primarily responsible for overseeing finance-related matters.

Ms. Hu obtained a bachelor’s degree in accounting from Zhejiang Cadre Business School (浙江省商業幹部學校) (now known as Zhejiang Business College (浙江商業職業技術學院)) and a degree in business corporate management from Beijing Open University (北京開放大學) in the PRC in July 2023.

Ms. Shen Huacheng (沈華程), aged [38], joined our Group in November 2012 as a corporate planning specialist and was appointed as our Director on August 15, 2025 and was re-designated as our executive Director and vice president on October 30, 2025. She is responsible for human resource management, people development and administration of our Group.

Ms. Shen has over [13] years of experience in human resources management and people development. She joined our Group in November 2012 and served as a planning and operations officer until October 2016, where she was primarily responsible for the execution of corporate development matters. Since September 2021, Ms. Shen has been serving as the head of human resources and administration department of our Group, where she leads the talent recruitment, performance and compensation, training and development and employee relationship management functions of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Shen obtained a bachelor of arts degree from Keyi College of Zhejiang Sci-Tech University (浙江理工大學科技與藝術學院) in the PRC in June 2011.

Ms. Lin Jing (林靜), aged [40], joined our Group as a deputy financial officer in November 2017 and has been serving as our chief financial officer since August 2025. Ms. Lin was appointed as our Director on August 15, 2025 and was re-designated as an executive Director on October 30, 2025. She is responsible for overseeing and executing financial related matters.

Ms. Lin has over [17] years of experience in the finance and auditing field. Prior to joining our Group, Ms. Lin worked at BDO China Shu Lun Pan CPAs (立信會計師事務所) commenced from July 2008. After that, she worked at RSM China Certified Public Accountants (中瑞岳華會計師事務所) from April 2013. From March 2014 to July 2017, she worked at Beida Pharmaceutical Co., Ltd. (貝達藥業股份有限公司), an integrated pharmaceutical R&D, production, and sales company, where she was primarily responsible for overseeing financial operations.

Ms. Lin obtained a bachelor’s degree in international economics and trade from Xiangtan University (湘潭大學) in the PRC in June 2008 and a master of business administration degree from Zhejiang University (浙江大學) in the PRC in December 2025. She has been a certified public accountant of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since June 2010.

Non-executive Directors

Ms. Chen Muyu (陳慕雨), aged [28], was appointed as our Director on August 22, 2025 and was re-designated as a non-executive Director on October 30, 2025. She is responsible for providing strategic advice and recommendations on the operations and management of the Group.

Ms. Chen has [two] years of experience in the investment field. Since August 2023, Ms. Chen has served as an investment manager at Hangzhou Gongshu Guotou Industrial Development Co., Ltd. (杭州拱墅國投產業發展有限公司), a real estate investment management company in the PRC primarily engaged in park operations, government industrial fund investment and policy-based financing guarantee services where she is primarily responsible for end-to-end investment project management, monitoring project-related risks and leading investment negotiations.

Ms. Chen obtained a bachelor’s degree in finance from Harbin Commercial University (哈爾濱商業大學) in the PRC in June 2020 and a master’s degree in regional economics from Nankai University (南開大學) in the PRC in June 2023.

Dr. Jiang Fei (姜非), aged [49], was appointed as our Director on August 15, 2025 and was re-designated as a non-executive Director on October 30, 2025. He is responsible for providing strategic advice and recommendations on the operations and management of the Group.

Dr. Jiang is the chief investment officer of CMS for great China region and has served such position since January 2022. Prior to joining CMS, Dr. Jiang was engaged in R&D and business expansion in several domestic and foreign pharmaceutical companies, and held the positions including executive director and managing director at several venture capital firms and private equity funds. From January 2007 to July 2009, he served as a process development scientist at Cell Genesys, Inc., a company focusing on cell therapy product research, development, and manufacturing. From August 2009 until he left, he served as a process development scientist at AlphaVax Inc., a company focusing on biological vaccine research, development and manufacturing. From September 2010 to February 2017, he served successively as manager of R&D department, director of R&D department and director of business development at 3SBio Inc., a company listed on the Main Board of the Stock Exchange (stock code: 1530). He served as the head of the investment department at Hunan Jingfeng Pharmaceutical Co., Ltd. (湖南景峰醫藥股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000908.SZ) from February 2017 until no later than January 2019. He served as executive director at Shanghai Zhongnuo Venture Capital Co., Ltd. (上海中諾創業投資有限公司) until January 2019, a venture capital firm, where he was responsible for VC investments in novel drug and

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innovative medical device and pre- and post-investment management. From January 2019 to August 2020, he served successively as an executive director at Sinopharm Capital Co., Ltd. (國藥資本管理有限公司), a private equity firm. From August 2020 to January 2022, he served as a managing director at Beijing Hongtai Tongchuang Investment Management Co., Ltd. (北京洪泰同創投資管理有限公司), a company focusing on asset management, investment consulting and corporate management consulting.

Dr. Jiang obtained a bachelor’s degree in chemical engineering from East China University of Science and Technology (華東理工大學) in June 1998 and a doctoral degree in chemical engineering from Syracuse University in December 2006.

Mr. Chen Long (陳龍), aged [38], was appointed as our Director on August 11, 2025 and was re-designated as a non-executive Director on October 30, 2025. He is responsible for providing strategic advice and recommendations on the operations and management of the Group.

Mr. Chen has nearly [10] years of experience in the investment field. From August 2016 to July 2019, he served as a senior investment manager at LYFE Capital, a global healthcare investment firm, where he was primarily responsible for equity investment. From November 2019 to March 2021, he served as a vice president at IMEIK Technology Development Co., Ltd. (愛美客技術發展股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300896), where he was primarily responsible for strategy and investment. Since April 2021, Mr. Chen has served and held various positions at LYFE Capital, with his current position as a partner and managing director where he is primarily responsible for investment in the healthcare sector.

Mr. Chen obtained a bachelor’s degree in statistics from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 2011 and a master of business administration degree from Kellogg School of Management of Northwestern University in the U.S. in June 2016.

Independent Non-executive Directors

Dr. Toshifumi Mikayama (三箇山 俊文), aged [68], was appointed as our independent non-executive Director on [•]. He is responsible for supervising and providing independent advice on the operations and management of the Group.

Dr. Mikayama has over [40] years of experience in the pharmaceutical industry. From July 2024 to January 2025, he served as an honorary director of our Company. Prior to joining our Group, from April 1983 to July 2007, Dr. Mikayama worked at Kirin Brewery Co., Ltd. (now known as Kirin Holdings Company, Limited, a company whose shares are listed on the Tokyo Stock Exchange (stock code: 2503)) commenced from April 1983 with his last position as the general manager of the planning department. From July 2007 to October 2008, he served as the director, executive officer, and the head of research division at Kirin Pharma Co., Ltd. From 2008 to 2019, he worked at Kyowa Hakko Kirin Co Ltd, with his last position as an executive officer and senior managing executive officer head of research. From July 2019 to March 2023, he worked at Kyowa Kirin as the executive vice president. Since April 2010, he has successively served as a director and managing executive officer and since March 2018, he has been serving as a director and senior managing executive vice president at Kirin Holdings Co., Ltd. Since June 2023, Dr. Mikayama has been serving as an outside corporate auditor at Central Glass Co., Ltd., a company listed on the Tokyo Stock Exchange (stock code: 4044). Since March 2025, he has also been serving as an external director at Kuraray Co., Ltd., a company whose shares are listed on the Tokyo Stock Exchange (stock code: 3405).

Dr. Mikayama obtained a bachelor’s degree, a master’s degree, and a doctoral degree in biophysics and biochemistry from Tokyo University in Japan in March 1981, March 1983 and March 1995, respectively.

Prof. Ma Jun (馬軍), aged [71], was appointed as our independent non-executive Director on [•]. He is responsible for supervising and providing independent advice on the operations and management of the Group.

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Prof. Ma has engaged in research of hematological system diseases for more than [40] years and is entitled to the special government allowance granted by the State Council. From May 2018 to January 2025, Prof. Ma was the chief committee member of Chinese Society of Clinical Oncology leukemia expert committee (中國臨床腫瘤學會白血病專家委員會). Since August 1988, Prof. Ma has been serving at the Harbin Institute of Hematology and Oncology (哈爾濱血液病腫瘤研究所), with his current positions as a director, professor, doctoral supervisor and chief physician. Since September 2019, he has been the Chairman of the board of supervisors of Chinese Society of Clinical Oncology (中國臨床腫瘤學會).

Prof. Ma has published over 200 academic papers in domestic and international journals, authored more than 40 monographs and led 863 national research projects and over 20 provincial and municipal research projects. Prof. Ma obtained medical practitioner qualification certificate (執業醫師資格證書) from Heilongjiang Provincial Department of Health (黑龍江省衛生廳) (now known as Heilongjiang Provincial Health Commission (黑龍江省衛生健康委員會)) in April 2001. He was recognized as a national outstanding science and technology worker and won the May 1st Labor Medal (五一勞動獎章) in May 1987.

Dr. Peng Tao (彭滔), aged [44], was appointed as our independent non-executive Director on [•]. He is responsible for supervising and providing independent advice on the operations and management of our Group.

Dr. Peng has over [16] years of experience in algorithms and data science. Prior to joining our Group, Dr. Peng served as an algorithm architect at Baidu, Inc. commenced from August 2009, a Chinese language Internet search provider whose shares are listed on the Main Board of the Stock Exchange (stock code: 9888) and NASDAQ (ticker symbol: BIDU). From May 2014, he served as an algorithm architect at Meili Works (Beijing) Limited (美麗說(北京)網路科技有限公司). From April 2016 to April 2024, he served as a chief data scientist at Yidu Tech Inc., a company principally engaged in providing healthcare solutions built on big data and artificial intelligence (AI) technologies and whose shares are listed on the Main Board of the Stock Exchange (stock code: 2158). From April 2024 to May 2025, he served as an algorithm architect at Beijing Zitiao Network Technology Co., Ltd. (北京字跳網絡技術有限公司), a technology company in the PRC.

Dr. Peng obtained a bachelor’s degree in automation and a PhD degree in control science and engineering from Tsinghua University (清華大學) in the PRC in July 2004 and in July 2009, respectively.

Mr. Liu Kai Yu Kenneth, aged [56], was appointed as our independent non-executive Director on [•]. He is responsible for supervising and providing independent advice on the operations and management of the Group.

Mr. Liu is an experienced audit professional. Prior to joining our Group, from May 1994 to August 1994, he served as a junior accountant in the audit department of Kwan Wong Tan & Fong (merged with Deloitte Touche Tohmatsu in 1997). From August 1994 to May 1996, he served as an accountant at Ernst & Young. From August 1996 to September 1997, he served as an assistant manager of the audit and control division of the Hong Kong branch of Banque Nationale de Paris. From January 2000 to September 2000, he served as an audit officer in the internal audit department of Kowloon-Canton Railway Corporation (now known as MTR Corporation Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 66)). From September 2000 to May 2003, he served at VC CEF Capital Limited (now known as VC Capital Limited), with his last position as an assistant manager in the corporate finance department. From June 2004 to October 2016, he served at Hong Kong Exchanges and Clearing Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 388), with his last position as assistant vice president in IPO Transactions, Listing & Regulatory Affairs Division, where he was primarily responsible for vetting initial public offering applications. From April 2020 to June 2026, Mr. Liu served as an independent non-executive director of Hangzhou Tigermed Consulting Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 300347) and the Main Board of the Stock Exchange (stock code: 3347). Mr. Liu is appropriately qualified as required under Rule 3.10(2) of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu obtained a bachelor’s degree in mechanical engineering from the Imperial College of Science, Technology and Medicine of the University of London in the United Kingdom in August 1991 and a master of business administration degree in international banking and finance from the University of Birmingham in the United Kingdom in December 1998. Mr. Liu has been a member of the Hong Kong Institute of Certified Public Accountants since July 1999 and a fellow of the Association of Chartered Certified Accountants since April 2004.

Mr. Liu has been serving as an independent non-executive director of the following listed companies:

Name of company	Principal business	Place of listing and stock code	Period of service
Sisram Medical Ltd.	Medical aesthetics	Main Board of the Stock Exchange (stock code: 1696)	August 2017 to present
Tianli International Holdings Limited	Comprehensive education services	Main Board of the Stock Exchange (stock code: 1773)	June 2018 to present
Fourace Industries Group Holdings Limited	Design, development and manufacturing of personal care and lifestyle electrical appliances	Main Board of the Stock Exchange (stock code: 1455)	August 2020 to present
Wuhan Youji Holdings Ltd. . . .	Production of toluene derivative	Main Board of the Stock Exchange (stock code: 2881)	June 2024 to present

Our Directors are of the view that Mr. Liu will be able to devote sufficient time to discharge his duties and responsibilities as our independent non-executive Director on the following bases: (i) his involvement in other listed companies as independent non-executive director primarily requires him to oversee their management independently, rather than his allocation of substantial time on the participation of the day-to-day management and operations of their respective businesses; (ii) notwithstanding his current engagement as an independent non-executive director of four other listed companies, he has demonstrated that he is capable of devoting sufficient time to discharge his duties owed to each of these listed companies by attending all board meetings and board committee meetings of these listed companies during their latest financial year as disclosed in these listed companies’ latest published annual reports; (iii) he has acquired extensive management experience and developed substantial knowledge on corporate governance through his directorships in other listed companies, which is expected to facilitate the proper discharge of his duties and responsibilities as our independent non-executive Director; and (iv) he will devote sufficient time to perform his duties as our independent non-executive Director.

Other Disclosure Pursuant to Rule 13.51(2) of the Listing Rules

Save as disclosed “— Board of Directors” in this section and in “Substantial Shareholders” in this document, each of our Directors confirms with respect to himself or herself that he or she (i) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (ii) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (iii) there are no other matters concerning his or her appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. As of the Latest Practicable Date, except that Mr. Wang and Ms. Hu are spouses, none of our Directors or senior management is related to other Directors or senior management of our Company.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

In addition to our executive Directors, the following table sets forth the key information of our senior management:

Name	Age	Existing position(s) in our Company	Date of joining our Group	Date of appointment as a member of senior management of our Group	Roles and Responsibilities	Relationship with other Directors and senior management
Mr. Wang Xingyao (王星耀) . . .	[56]	Vice president	October 1, 2024	August 11, 2025	Overseeing the supply chain management, legal affairs, compliance and information technology departments, as well as supervising the operations and management of WinHealth China, our Group’s manufacturing base in Shanghai	None
Mr. Zhou Laiming (周來明) . . .	[41]	Head of the mature pharmaceuticals department	August 1, 2025	August 1, 2025	Marketing and promotion of products	None
Mr. Wang Baolong (王寶龍) . . .	[47]	Head of the nephrology and hematology department	February 19, 2024	September 5, 2025	Sales team management and development, advancing central market strategies, and optimizing sales models	None
Mr. Wang Fengqiang (王鳳強)	[48]	Head of the specialty pharmaceuticals department	June 16, 2021	June 16, 2021	Managing marketing and sales teams of rare disease department and developing brand strategies	None

Mr. Wang Xingyao (王星耀), aged [56], joined our Group in October 2024 as our head of functions department and was appointed as a vice president of our Group in August 2025. He is responsible for overseeing the supply chain management, legal affairs, compliance and information technology departments, as well as supervising the operations and management of WinHealth China, our Group’s manufacturing base in Shanghai.

Mr. Wang has over [20] years of experience in the pharmaceutical industry. Prior to joining our Group, from January 2000 to June 2004, Mr. Wang worked at Shanghai Roche Pharmaceutical Co., Ltd. (上海羅氏製藥有限公司), with his last posting as the chief officer of sales department, where he was primarily responsible for overseeing marketing and promotion in the Shandong province. From September 2004 to September 2024, Mr. Wang worked at WinHealth China as the director of the business planning office regional manager, deputy director of business division, and the chief of office, where he was primarily responsible for corporate development, compliance, and product promotion in regional and national markets.

Mr. Wang obtained a bachelor’s degree in Chinese medicine from Shandong University of Traditional Chinese Medicine in the PRC in July 1993 and a master of business administration degree from Shandong University of Finance and Economics (山東財經大學) in the PRC in June 2012.

Mr. Zhou Laiming (周來明), aged [41], joined our Group in August 2025 and has been serving as our head of the mature pharmaceuticals department. He is primarily responsible for marketing and promotion of products.

Mr. Zhou has over [19] years of experience in the pharmaceutical industry. Prior to joining our Group, from May 2006 to December 2007, Mr. Zhou served as a sales specialist at GlaxoSmithKline (China) Investment Co., Ltd. (葛蘭素史克(中國)投資有限公司), an investment company in the PRC which is part of GlaxoSmithKline plc. From January 2008 to September 2018, he served as a senior regional manager at Lilly Suzhou Pharmaceutical Co., Ltd. (禮來蘇州製藥有限公司), a pharmaceutical

DIRECTORS AND SENIOR MANAGEMENT

company in the PRC. From October 2018 to August 2025, he served as the director of the marketing center division at Shanghai Greenvalley Pharmaceutical Co., Ltd. (上海綠穀製藥有限公司), a pharmaceutical company in the PRC.

Mr. Zhou obtained a bachelor’s degree in management from China Pharmaceutical University (中國藥科大學) in the PRC in July 2006.

Mr. Wang Baolong (王寶龍), aged [47], joined our Group in February 2024 and has been serving as our head of the nephrology and hematology department since September 2025. He is primarily responsible for sales team management and development, advancing central market strategies, and optimizing sales models.

Mr. Wang has over [19] years of experience in the pharmaceutical industry. Prior to joining our Group, from August 2003 to May 2005, he served as a quality assurance at Beijing Double Crane Pharmaceutical Business Co., Ltd. (北京雙鶴藥業經營有限責任公司). From June 2005 to March 2006, he served as a medical sales representative at Xian Janssen Pharmaceutical Ltd. (西安楊森製藥有限公司). From September 2006 to July 2015, he served as a deputy director of the cardiovascular business unit at AstraZeneca Pharmaceutical Co., Ltd. (阿斯利康製藥有限公司), a pharmaceutical company in the PRC. From August 2015 to February 2024, he served as the head of operations of new specialty pharmaceuticals for North China at Shenzhen Salubris Pharmaceuticals Co., Ltd. (深圳信立泰藥業有限公司), a pharmaceutical company in the PRC.

Mr. Wang obtained a bachelor’s degree in pharmacy from Shenyang Pharmaceutical University (瀋陽藥科大學) in the PRC in July 2003.

Mr. Wang Fengqiang (王鳳強), aged [48], joined our Group in June 2021 and has been serving as our head of the specialty pharmaceuticals department. He is primarily responsible for managing marketing and sales teams of rare disease department and developing brand strategies.

Mr. Wang has over [18] years of experience in the medical and pharmaceutical industry, with extensive senior management expertise in marketing and sales. Prior to joining our Group, from June 2007 to December 2007, Mr. Wang served as an assistant product manager at Servier, a pharmaceutical company in France. From January 2008 to June 2011, he last served as an assistant product manager at Servier (Tianjin) Pharmaceutical Co., Ltd. (施維雅(天津)製藥有限公司), a pharmaceutical company in the PRC. From July 2011 to August 2015, he last served as a senior product manager at Bayer Healthcare Company Ltd. (拜耳醫藥保健有限公司), a pharmaceutical company in the PRC. From August 2015 to September 2016, he served as a senior product manager at Mundipharma Company (萌蒂(中國)製藥有限公司), a pharmaceutical company in the PRC. From September 2016 to July 2020, he last served as a regional sales director at Novo Nordisk (China) Pharmaceuticals Co., Ltd. (諾和諾德(中國)製藥有限公司), a pharmaceutical company in the PRC. From July 2020 to June 2021, he served as the marketing director at SinoCelltech Ltd. (神州細胞工程有限公司), a pharmaceutical company in the PRC.

Mr. Wang obtained a bachelor’s degree in medicine from China Medical University (中國醫科大學) in the PRC in July 2002 and a bachelor’s degree in international trade and business management from the University of Rennes 1 in France in July 2005. He further obtained a master’s degree in socioeconomic organization management from the Rennes 2 University in France in July 2006 and a master’s degree in pharmaceutical and biotechnology management from IAE Lyon School of Management of Jean Moulin University Lyon 3 in France in March 2008.

JOINT COMPANY SECRETARIES

Ms. Ho Wing Nga (何詠雅), joined our Group and was appointed as our joint company secretary on October 30, 2025. Ms. Ho is the Managing Director, Entity Solutions of Computershare Hong Kong Investor Services Limited and the joint company secretary and company secretary for various companies listed on the Stock Exchange. Ms. Ho has over 25 years of experience in corporate governance services.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Ho obtained a master’s degree in corporate governance from the Hong Kong Polytechnic University (香港理工大學) in December 2006 and became an associate of The Hong Kong Chartered Governance Institute (the “HKCGI”, formerly known as the Hong Kong Institute of Chartered Secretaries) in the same month. In March 2015, Ms. Ho became a fellow of both the HKCGI and The Chartered Governance Institute. She is also a holder of the practitioner’s endorsement of HKCGI and a member of The Hong Kong Institute of Directors.

Ms. Ho has been serving as the sole company secretary of AustAsia Group Ltd., a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2425), Central China Management Company Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 9982) and GOGOX Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 2246). She has also been serving as a joint company secretary at the following companies whose shares are listed on the Main Board of the Stock Exchange:

Name of company	Principal business	Stock code
Concord Healthcare Group Co., Ltd.	Medical services	2453
DPC Dash Ltd.	Food and beverage business	1405
Financial Street Property Co., Limited	Property management and related services	1502
Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd.	R&D, development, manufacturing and commercialization of biopharmaceutical products and medical devices	2566
JY Gas Limited	Sales of natural gas	1407
Laekna, Inc.	Discovery, development and commercialization of innovative therapies for cancer, liver diseases and obesity	2105

Mr. Hu Fan (胡帆), aged [40], joined our Group in April 2012 as a product manager of the marketing department and has been the assistant to the chief executive officer since March 2013. Mr. Hu was appointed as our joint company secretary on October 30, 2025.

Prior to joining our Group, from October 2011 to March 2012, Mr. Hu worked at LifeTech Scientific (Shenzhen) Co., Ltd. (先健科技(深圳)有限公司), a wholly-owned subsidiary of LifeTech Scientific Corporation, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1302).

Mr. Hu obtained a bachelor’s degree in engineering from Xiangtan University (湘潭大學) in the PRC in June 2007 and a master’s degree in pharmacy from Central South University (中南大學) in the PRC in June 2011.

BOARD COMMITTEES

Our Company [has] established three committees under the Board pursuant to the corporate governance practice requirements under the Listing Rules, including the Audit Committee, Remuneration Committee and Nomination Committee.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We [have] established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Audit Committee comprises three members, namely Mr. Liu Kai Yu Kenneth, Prof. Ma Jun and Dr. Peng Tao, with Mr. Liu Kai Yu Kenneth being our independent non-executive Director with the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules as chairperson of our Audit Committee. The primary duties of our Audit Committee are, among other things, to review and supervise our financial reporting process and internal control system of our Group, to provide advice and comments to our Board in respect of financial risk, risk management and internal control matters, and to perform other duties and responsibilities as may be assigned by our Board.

Remuneration Committee

We [have] established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Remuneration Committee comprises four members, namely Dr. Peng Tao, Prof. Ma Jun, Ms. Shen Huacheng and Mr. Liu Kai Yu Kenneth, with Dr. Peng Tao as chairperson of our Remuneration Committee. The primary duties of our Remuneration Committee are to establish and review the policy and structure of the remuneration for our Directors and senior management and make recommendations on employee benefit arrangements.

Nomination Committee

We [have] established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Nomination Committee comprises five members, namely Prof. Ma Jun, Dr. Peng Tao, Mr. Wang Wei, Mr. Liu Kai Yu Kenneth and Ms. Shen Huacheng, with Prof. Ma Jun as chairperson of our Nomination Committee. The primary duties of our Nomination Committee include (i) reviewing the structure, size and composition of our Board on a regular basis; (ii) identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorship, and ensuring the diversity of our Board members; (iii) performing review on the contributions made by our Directors (including our independent non-executive Directors) and the sufficiency of time devoted to perform their duties; (iv) assessing the independence of our independent non-executive Directors; and (v) making recommendations to our Board on relevant matters relating to the appointment, re-appointment and removal of our Directors.

BOARD DIVERSITY POLICY

We [have] adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to our Company's development. Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to educational background, professional qualifications, skills, knowledge, industry experience, gender, age, independence and length of service. We will select potential Board candidates based on merit and his/her potential contribution to our Board while taking into consideration our own business model and specific needs from time to time.

Our Board members have a balanced mix of experiences and background, including but not limited to experiences in the pharmaceutical, life science, accounting and business administration industries. We have three non-executive Directors and four independent non-executive Directors with different industry backgrounds, and they together represent more than half of the members of our Board. We also recognize the importance of gender diversity, and take into account gender balance when nominating candidates to our Board. Taking into account our business model and specific needs as well as the presence of four female Directors out of a total of 11 Board members, we consider that the composition of our Board satisfies our board diversity policy.

DIRECTORS AND SENIOR MANAGEMENT

We recognize the particular importance of gender diversity on our Board. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Our board diversity policy provides that our Board shall take opportunities when selecting and making recommendations on suitable candidates for Board appointments with the aim of increasing the proportion of female members over time after the [REDACTED]. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After [REDACTED], our Nomination Committee will review our board diversity policy and its implementation annually to monitor its continued effectiveness and we will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

CORPORATE GOVERNANCE

We recognize the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. Our Company expects to comply with the Corporate Governance Code and the associated Listing Rules after the [REDACTED] save for the deviation as mentioned below.

Chairman and chief executive officer

Under paragraph C.2.1 of part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wang is the chairman of our Board and chief executive officer of our Company. In view of the fact that Mr. Wang is the co-founder of our Group and has been assuming the responsibilities in the overall management and business operation, board affairs, formulating strategies and operation plans and making major business decisions of our Group since our establishment, despite the fact that the roles of the chairman of our Board and chief executive officer of our Company are both performed by Mr. Wang which constitutes a deviation from paragraph C.2.1 of part 2 of the Corporate Governance Code, our Board considers that vesting the roles of both the chairman of the Board and chief executive officer all in Mr. Wang has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of our Company. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board Committees, and there are four independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he/she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on October 30, 2025, and (ii) understands his/her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he had no past or present financial or other interest in the business of our Company or its subsidiaries or any connection

DIRECTORS AND SENIOR MANAGEMENT

with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

Rule 8.10 of the Listing Rules

Each of our Directors (other than our Independent non-executive Directors) confirms that as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and members of our senior management receive compensation from our Group in the form of fees, salaries and other benefits and contribution to pension scheme.

The aggregate remuneration (including fees, salaries, allowances and benefits in kind, performance-related bonuses, share-based payments and pension scheme contributions) paid to our Directors for each of the three years ended December 31, 2023, 2024 and 2025, was approximately RMB15.7 million, RMB12.1 million and RMB15.1 million, respectively.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, allowances and benefits in kind, performance-related bonuses, share-based payments and pension scheme contributions) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB18.0 million.

The five highest paid individuals in respect of each of the years ended December 31, 2023, 2024 and 2025 included two, two and three employees, respectively, who were not Directors. The aggregate amount of salaries, allowances and benefits in kind, performance-related bonuses, share-based payments and pension scheme contributions (but excluding any of our Directors and chief executive) in respect of each of the three years ended December 31, 2023, 2024 and 2025 was approximately RMB9.8 million, RMB9.0 million and RMB9.7 million, respectively.

No remuneration was paid by us to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group or as a compensation for loss of office in respect of each of the three years ended December 31, 2025. Further, none of our Directors had waived or agreed to waive any remuneration during the same periods.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [REDACTED], receive recommendation from the remuneration and appraisal committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

For more details on remuneration of our Directors and the highest paid individuals, see Notes 8 and 9 to the Accountants’ Report.

COMPLIANCE ADVISOR

We have appointed China Sunrise Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules.

The term of the appointment of our Compliance Advisor will commence on the [REDACTED] and end on the date on which we distribute our annual report in respect of our financial results for the first full financial year commencing after the [REDACTED] and such appointment may be extended by mutual agreement.

AUTHORIZED AND ISSUED SHARES

AUTHORIZED AND ISSUED SHARES

The following is a description of the authorized shares, the amount in issue and to be issued as fully paid or credited as fully immediately following completion of the [REDACTED] and the [REDACTED].

As of the Latest Practicable Date

Authorized shares

Number	Description of shares	Aggregate nominal value	Approximate percentage of the total authorized shares
12,919,814	Ordinary Shares with a par value of HK\$0.001	HK\$12,919.81	86.13%
84,000	Series A-1 Preferred Shares with a par value of HK\$0.001	HK\$84.00	0.56%
112,100	Series A-2 Preferred Shares with a par value of HK\$0.001	HK\$112.10	0.75%
113,379	Series A-3 Preferred Shares with a par value of HK\$0.001	HK\$113.38	0.76%
702,603	Series A-4 Preferred Shares with a par value of HK\$0.001	HK\$702.60	4.68%
1,068,104	Series B Preferred Shares with a par value of HK\$0.001	HK\$1,068.10	7.12%
15,000,000	Shares in total	HK\$15,000.00	100%

Issued Shares

Number	Description of shares	Aggregate nominal value	Approximate percentage of the total issued shares
1,259,383	Ordinary Shares with a par value of HK\$0.001	HK\$1,259.38	44.41%
56,000	Series A-1 Preferred Shares with a par value of HK\$0.001	HK\$56.00	1.97%
74,733	Series A-2 Preferred Shares with a par value of HK\$0.001	HK\$74.73	2.64%
75,586	Series A-3 Preferred Shares with a par value of HK\$0.001	HK\$75.59	2.67%
473,165	Series A-4 Preferred Shares with a par value of HK\$0.001	HK\$473.17	16.69%
896,940	Series B Preferred Shares with a par value of HK\$0.001	HK\$896.94	31.63%
2,835,807	Shares in total	HK\$2,835.81	100%

AUTHORIZED AND ISSUED SHARES

Assuming the [REDACTED] is not exercised, the issued shares of our Company immediately after the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (HK\$)
Shares in issue (including the Shares on re-designation of the Preferred Shares)	2,835,807	2,835.81
Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Assuming the [REDACTED] is exercised in full, the issued shares of our Company upon completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (HK\$)
Shares in issue (including the Shares on re-designation of the Preferred Shares)	2,835,807	2,835.81
Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>

ASSUMPTIONS

The above table assumes that the [REDACTED] becomes unconditional and the issue of Shares pursuant to the [REDACTED] and the [REDACTED] are made. It takes no account of any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED] or any Shares that may be [REDACTED] or bought back by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKINGS

The [REDACTED] will be ordinary shares of our Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this document and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document save for the entitlement under the [REDACTED].

GENERAL MANDATE TO ALLOT AND ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general mandate to allot, issue and deal with Shares in the issued shares of our Company with a total number of issued shares of not more than the sum of:

- (1) 20% of the total number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]); and
- (2) the total number of Shares bought back by our Company (if any) pursuant to the general mandate to repurchase Shares granted to our Directors referred to below.

AUTHORIZED AND ISSUED SHARES

Our Directors may, in addition to the Shares which they are authorized to issue under this general mandate, allot, issue or deal with Shares under a rights issue, scrip dividend scheme or similar arrangement.

This general mandate will remain in effect until the earliest of:

- (i) the conclusion of the next annual general meeting of our Company; or
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or
- (iii) the date on which such general mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in “Statutory and General Information — A. Further information about our Group — 4. Written resolutions of our Shareholders passed on [•]” in Appendix IV to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general mandate to exercise all the powers of our Company to repurchase Shares with a total number of Shares of not more than 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]).

This mandate only relates to repurchases made on the [REDACTED] or any other stock exchange on which the Shares are [REDACTED] (and which is recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in “Statutory and General Information — A. Further information about our Group — 5. Repurchase by our Company of our own securities” in Appendix IV to this document. This general mandate will remain in effect until the earliest of:

- (i) the conclusion of the next annual general meeting of our Company; or
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held; or
- (iii) the date on which such general mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Further information on this general mandate is set out in “Statutory and General Information — A. Further information about our Group — 4. Written resolutions of our Shareholders passed on [•]” in Appendix IV to this document.

AUTHORIZED AND ISSUED SHARES

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS AND CLASS MEETINGS ARE REQUIRED

Upon [REDACTED], our Company will have only one class of Shares, namely ordinary shares, and which ranks *pari passu* with each other Shares.

Pursuant to the BVI Companies Act and the terms of the Memorandum and Articles of Association, our Company may from time to time by ordinary resolution amend the Memorandum to increase or reduce the maximum number of shares that our Company is authorized to issue, or to authorize our Company to issue an unlimited number of shares.

Pursuant to the BVI Companies Act and the terms of the Memorandum and Articles of Association, our Company may by ordinary resolution (a) combine its shares, including issued shares, into a smaller number of shares; or (b) sub-divide its shares, or any of them, into a greater number of shares, provided that, where shares are divided or combined, the aggregate par value (if any) of the new shares must be equal to the aggregate par value (if any) of the original shares, and our Company shall not divide its shares if it would cause the maximum number of shares that our Company is authorized to issue to be exceeded.

Pursuant to the Memorandum and Articles of Association, our Company may by an amendment to the Memorandum divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions as may be determined by our Company.

Pursuant to the Memorandum and Articles of Association, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three fourths in nominal value or of the total number of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Further, our Company will also hold general meetings from time to time as may be required under our Articles of Association.

For details, please refer to the section headed “Summary of the Constitution of our Company and the BVI Company Law” in Appendix III to this document.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, the following persons will, immediately prior to and following the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised), have interests or short positions in our Shares or underlying Shares, which would be required to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the issued voting shares of our Company:

Name of Shareholder	Nature of interest	Shares held as of the date of this document immediately prior to the completion of the [REDACTED] and the [REDACTED] ⁽¹⁾		Shares held immediately following the completion of [REDACTED] and the [REDACTED]	
		Number	Percentage	Number	Percentage
Mr. Wang ⁽²⁾⁽³⁾	Interest in a controlled corporation	1,056,254 (L)	37.25%	[REDACTED]	[REDACTED]%
Supra Brilliant ⁽²⁾⁽³⁾ . . .	Beneficial owner	406,000 (L)	14.32%	[REDACTED]	[REDACTED]%
Ms. Hu ⁽²⁾⁽⁴⁾	Interest in a controlled corporation	1,056,254 (L)	37.25%	[REDACTED]	[REDACTED]%
Acme Gain ⁽²⁾⁽⁴⁾	Beneficial owner	150,000 (L)	5.29%	[REDACTED]	[REDACTED]%
Great Reputation ⁽²⁾⁽⁴⁾ . . .	Beneficial owner	290,254 (L)	10.24%	[REDACTED]	[REDACTED]%
Mr. Xing ⁽²⁾⁽⁵⁾	Interest in a controlled corporation	1,056,254 (L)	37.25%	[REDACTED]	[REDACTED]%
Hangzhou Rongshun ⁽²⁾⁽⁵⁾	Interest in a controlled corporation	1,056,254 (L)	37.25%	[REDACTED]	[REDACTED]%
Rongshun Technology ⁽²⁾⁽⁵⁾ . . .	Beneficial owner	200,000 (L)	7.05%	[REDACTED]	[REDACTED]%
Ms. Guo ⁽²⁾⁽⁶⁾	Interest in a controlled corporation	1,056,254 (L)	37.25%	[REDACTED]	[REDACTED]%
Hangzhou Qingyun ⁽²⁾⁽⁶⁾	Interest in a controlled corporation	1,056,254 (L)	37.25%	[REDACTED]	[REDACTED]%
Qingyun Technology ⁽²⁾⁽⁶⁾ . . .	Beneficial owner	10,000 (L)	0.35%	[REDACTED]	[REDACTED]%
LYFE Mount	Beneficial owner	343,148 (L)	12.10%	[REDACTED]	[REDACTED]%
LYFE Capital Fund II, L.P. (“LYFE Capital Fund”) ⁽⁷⁾	Interest in a controlled corporation	269,830 (L)	9.52%	[REDACTED]	[REDACTED]%
LYFE Kings ⁽⁷⁾	Beneficial owner	269,830 (L)	9.52%	[REDACTED]	[REDACTED]%
Hangzhou Gongshu ⁽⁸⁾	Beneficial owner	270,764 (L)	9.55%	[REDACTED]	[REDACTED]%
Hangzhou Gongshu Guotou Industrial Development Company Limited (杭州拱墅國投產業發展有限公司) (“Gongshu Guotou”) ⁽⁸⁾	Interest in a controlled corporation	270,764 (L)	9.55%	[REDACTED]	[REDACTED]%
CMS Venture ⁽⁹⁾	Beneficial owner	222,522 (L)	7.85%	[REDACTED]	[REDACTED]%
China Medical System Holdings Limited (“CMS”) ⁽⁹⁾	Interest in a controlled corporation	222,522 (L)	7.85%	[REDACTED]	[REDACTED]%

Notes:

- (1) The letter “L” denotes the person’s long position in our Shares.
- (2) Pursuant to the Acting in Concert Deed, our Ultimate Controlling Shareholders, namely, Mr. Wang, Ms. Hu, Mr. Xing and Ms. Guo, have agreed and confirmed that from the date when they became the registered owners and/or beneficial owners of the equity interests in our Group until after [REDACTED] and to the date when any one of them cease to be our Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of our Group; (b) they had cast and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders’

SUBSTANTIAL SHAREHOLDERS

meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group. See “History, Development and Corporate Structure — Acting in Concert Deed.” By virtue of the SFO, each of our Ultimate Controlling Shareholders together with their respective investment holding companies (being Hangzhou Rongshun and Hangzhou Qingyun) are all deemed to be interested in the total Shares directly held by Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology and Qingyun Technology.

- (3) Supra Brilliant is wholly owned by Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in the Shares held by Supra Brilliant.
- (4) Acme Gain and Great Reputation, both of which are wholly owned by Ms. Hu. Great Reputation holds all the Shares underlying the awards granted and to be granted pursuant to the Pre-[REDACTED] Share Incentive Plan. By virtue of the SFO, Ms. Hu is deemed to be interested in the Shares held by Acme Gain and Great Reputation.
- (5) Rongshun Technology is wholly owned by Hangzhou Rongshun and in turn wholly owned by Mr. Xing. By virtue of the SFO, Mr. Xing and Hangzhou Rongshun are deemed to be interested in the Shares held by Rongshun Technology.
- (6) Qingyun Technology is wholly owned by Hangzhou Qingyun and in turn wholly owned by Ms. Guo. By virtue of the SFO, Ms. Guo and Hangzhou Qingyun are deemed to be interested in the Shares held by Qingyun Technology.
- (7) LYFE Kings is wholly owned by LYFE Capital Fund, a limited partnership incorporated in the Cayman Islands. By virtue of the SFO, LYFE Capital Fund is deemed as interested in the Shares held by LYFE Kings.
- (8) Hangzhou Gongshu is wholly owned by Gongshu Guotou, which in turn is ultimately controlled by Hangzhou Gongshu District Finance Bureau (杭州市拱墅區財政局), the working department of the People’s Government of Gongshu District of Hangzhou City (杭州市拱墅區人民政府). By virtue of the SFO, Gongshu Guotou is deemed to be interested in the Shares held by Hangzhou Gongshu.
- (9) CMS Venture is wholly owned by CMS, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 867) and the Mainboard of the SGX (stock code: 8A8). By virtue of the SFO, CMS is deemed to be interested in the Shares held by CMS Venture.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short positions in the Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our issued shares carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

FINANCIAL INFORMATION

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

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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 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

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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

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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.

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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.

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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.

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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.

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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.

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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)
<i>Add/(less):</i>			
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)
<i>Add/(less):</i>			
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.

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- (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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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.

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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.

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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	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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.

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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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
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

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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	<u>3,800</u>	<u>10,649</u>	<u>9,194</u>
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
	<u>—</u>	<u>28,460</u>	<u>71,449</u>
Total	<u>3,800</u>	<u>39,109</u>	<u>80,643</u>

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.

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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.

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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.

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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.

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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.

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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].

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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.

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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.

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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)

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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
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026 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
	2023	2024	2025	April 30,
	RMB'000	RMB'000	RMB'000	2026 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

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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	<u>265,468</u>	<u>662,500</u>	<u>650,397</u>
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	<u>2,402</u>	<u>340,094</u>	<u>271,196</u>
Net non-current assets	<u>263,066</u>	<u>322,406</u>	<u>379,201</u>

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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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	146,564	138,840	237,566
Over one year	—	41,840	64,461
	<u>146,564</u>	<u>180,680</u>	<u>302,027</u>

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

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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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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.

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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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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	<u>1,498</u>	<u>2,085</u>	<u>1,465</u>

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 (<i>RMB'000</i>)	138,418	192,402	232,851
Expected credit losses (<i>RMB'000</i>)	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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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	<u>13,941</u>	<u>57,326</u>	<u>47,040</u>

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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

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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.

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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.

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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.

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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

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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
	<i>Basis point</i>	<i>Basis point</i>	<i>Basis point</i>
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
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
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.

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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.

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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.

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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

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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)
	<u>(162,647)</u>	<u>(461,240)</u>	<u>(113,991)</u>

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.

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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

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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

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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.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans and strategies.

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] range stated in this document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]) from the [REDACTED] after deducting the [REDACTED] commission and other estimated expense paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised.

In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]%, or HK\$[REDACTED], for strengthening our business development capabilities through mergers and acquisitions, in-licensing, and the CSO model. We will continue to focus on original and innovative drugs for kidney and hematologic diseases, including first-in-class drugs for dialysis-related treatments, while evaluating opportunities in other major disease areas, prioritizing products that expand our existing indication coverage, and adjusting our strategy based on product nature and partner profile.
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for acquiring suitable pharmaceutical companies with strong industry positions and value, thereby expanding our product portfolio and market presence;

We will adopt a disciplined screening and diligence framework, selecting targets with the following features: (i) at a relatively mature R&D stage (e.g., having completed Phase III clinical trials), with a shorter time-to-market cycle enabling expedited commercialization; (ii) focusing on original and innovative drugs for kidney and hematologic diseases, including first-in-class dialysis-related treatments and products that expand our existing indication coverage; (iii) demonstrating innovativeness, academic merit, a robust intellectual property landscape, and strong market potential; and (iv) exhibiting synergy with our existing product portfolio and commercialization infrastructure. We have established investment policies and a structured decision-making process governing external investments. See “Financial Information — Description of Major Line Items in Our Consolidated Statements of Financial Position — Financial Assets at Fair Value through Profit or Loss” for more details. As advised by CIC, as of December 31, 2025, there were over 20 pharmaceutical companies in the market that met our investment and acquisition criteria as described above and could be considered potential targets.

As of the Latest Practicable Date, we had not identified any investment or acquisition target or entered into any definitive investment or acquisition agreement, to which we will apply these [REDACTED]. We will continue to actively scout potential opportunities that align with our selection criteria and strategically advance our multi-pronged business development model to achieve comprehensive pharmaceutical transformation.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used for entering into licensing and sales collaborations with reputable global pharmaceutical companies to introduce more innovative drug products into China;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for launching CSO products through our commercialization effort to further expand product portfolio and boost sales.

We anticipate using over [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

FUTURE PLANS AND [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED], for the expansion of production capacity.

We have obtained manufacturing rights for multiple products through the Kyowa Kirin China Acquisition but, as of the Latest Practicable Date, we only produce Regpara[®] in-house, with its upstream APIs and raw materials sourced from external suppliers. For the other four acquired products (Romiplate[®], Gran[®], Coniel[®] and Orkedia[®]), we procure semi-finished products from Kyowa Kirin and/or its approved contract manufacturers and undertakes only the repackaging process internally. We seeks to accelerate the localization of the remaining products. Our existing production facilities, while adequate for the current scope of in-house production, are insufficient to support the our strategy of localizing production for the acquired products. Please see “Business — Our Strategies — Further strengthen end-to-end capabilities across drug development, manufacturing, and commercialization to drive sustainable performance growth” for further details. The expansion is directed mainly at building new manufacturing capabilities that are not within the current configuration of Company’s facilities setup.

- approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our capacity and efficiency of solid dosage manufacturing, with tablet production capacity expected to reach approximately 400 million tablets per year, laying a foundation for the future expansion of the our product portfolio.
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for localization of production and technology transfer. We seek to localize production of our acquired products, Romiplate[®], Gran[®], Coniel[®] and Orkedia[®], through transfer of overseas tablet manufacturing technology including process validation, documentation transfer, personnel training, and pilot production support thereby enhancing supply chain resilience and responsiveness.
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for purchase of equipment and upgrade in production automation, to provide sustained momentum for our medium- to long-term development. We plan to carry out aseptic environment upgrades to our existing injectables workshop at the Shanghai site and to procure the equipment required for a segmented biopharmaceutical production line (including equipment for compounding, filling and lyophilization), with a view to achieving phased localization of the production of imported biopharmaceutical injectables and laying the foundation for future expansion of our large-molecule drug product portfolio.
- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for introducing more advanced testing and analytical instruments, including the acquisition of precision equipment such as gas chromatographs, ultra-high performance liquid chromatographs, and rapid microbiological detection systems, as well as upgrading and replacing existing equipment. In addition, approximately [REDACTED]%, or HK\$[REDACTED], will be used to upgrade our quality management system. These measures are aimed at strengthening comprehensive quality monitoring from raw materials to finished products, enhancing data integrity and GMP compliance, and ensuring that product reliability meets both PRC and international standards.
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for recruiting approximately 40 experienced personnel over the next three years across key functions, including production operations, production management, quality assurance and quality control, and equipment operation and maintenance.

We plan to progressively localize the production of Coniel[®], Orkedia[®], Romiplate[®] and Gran[®] at our Shanghai production facilities. In particular, Orkedia[®] was successfully included in the NRDL, and we expect the sales volume of Orkedia[®] to grow rapidly from 2026 onwards. We have formulated a phased localization plan as follows.

FUTURE PLANS AND [REDACTED]

Phase I: Tablet production line upgrade. Our tablet production line is currently configured exclusively for the production of Regpara[®] and is not equipped to manufacture other tablet products, including Coniel[®] and Orkedia[®]. To accommodate the localization of these products, we intend to upgrade and retrofit this line to support multi-product manufacturing, expanding tablet production capacity to approximately 40 million boxes per year (on a 10-tablet-per-box equivalent basis). As Orkedia[®] was included in the NRDL in 2025 and is expected to see rapid sales growth and the sales volumes of Coniel[®] continue to grow during the Track Record Period, we believe there is a growing demand basis for the planned capacity expansion. We expect the upgraded tablet production line to commence operations in 2030.

Phase II: Injectable filling line construction. Our injectable production filling and packaging line is currently used for the repackaging of Gran[®], Romiplate[®], NESP[®], Crysvita[®] and Poteligeo[®]. While this line is designated as a “filling and packaging” line, its current operational scope is limited to packaging, and the line does not currently have active filling capabilities for injectable products. We expect the utilization of the package capacity to increase over time, driven by the anticipated growth in our sales volume. As part of our localization strategy, we plan to construct new injectable filling lines to support the phased localization of Romiplate[®] and Gran[®]. The construction is expected to commence in 2028 and commence operations in 2030.

We anticipate using over [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

- Approximately [REDACTED]%, or HK\$[REDACTED], for enhancing commercialization capabilities.
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for expanding our sales and promotion team to support our sales growth. We plan to recruit approximately 300 personnel, with a strategic focus on sales, marketing, customer operations, and business development functions, to strengthen our market expansion capabilities and improve customer acquisition and conversion efficiency. The planned recruitment is driven by the following factors: (i) certain of our CSO arrangements, including those for Tamiflu[®] and Monurol[®], impose minimum staffing requirements on us as a contractual obligation, and the planned recruitment is necessary to fulfill such obligations; (ii) as our product portfolio continues to grow and annual sales targets for each product increase year-on-year, additional personnel are required to meet the corresponding increase in workload and performance targets; and (iii) the introduction of new products and business lines requires dedicated sales and promotion teams to ensure service quality and effective market coverage.
 - approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for further growing our marketing network and geographic coverage and strengthen the collaboration with various resourceful business partners, aiming to enhance the accessibility and market penetration of our products at the end-user level. In addition, we plan to allocate resources to training programs for our channel partners, co-branding and joint marketing initiatives, as well as digital channel development.

We anticipate using over [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

FUTURE PLANS AND [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED], for implementing AI and digitalization initiatives, including but not limited to:
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for AI in clinical care, primarily targeting HCPs specializing in nephrology and hematology, with patients requiring long-term medication management as indirect beneficiaries. This involves developing a professional knowledge assistant to provide data-driven support for diagnosis, treatment and continuous medical education, and optimizing specialty care workflows. This initiative supports our commercialization segment by facilitating physician engagement and improving patient education and medication adherence.
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for enhancing our academic promotion channels through AI technologies, primarily targeting our sales representatives and MRLs, with HCPs as recipients of the content delivered. This includes AI-assisted generation of medical literature excerpts, clinical research interpretations and product comparison analyses, and the establishment of an AI-driven medical information distribution system. This initiative supports our commercialization segment by enabling efficient content generation and coordinated multi-channel academic promotion.
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for deploying AI-supported distributor relationship management and content systems, primarily targeting our management team responsible for channel and supply chain decisions, as well as our distributors. The intended functionalities include distributor performance evaluation, order forecasting, customer profiling and automated task reminders. This initiative supports our supply chain management by providing data-driven tools for inventory monitoring, demand forecasting and distributor compliance oversight.
 - approximately [REDACTED]%, or HK\$[REDACTED], will be used for deploying AI to raise production efficiency, primarily targeting our production and quality teams, including manufacturing facility managers and QA/QC personnel. This includes AI-based image recognition for detecting product appearance defects, real-time monitoring of key process parameters, and enhancement of our pharmaceutical quality management system. This initiative supports our manufacturing operations by reducing manual labor reliance and maintaining GMP compliance and continuity of supply.

We anticipate using over [REDACTED]% of the [REDACTED] allocated for the aforementioned purposes within 24 months following the [REDACTED].

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED]. In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or applicable laws and regulations in relevant jurisdictions. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

We will issue an appropriate announcement if there is any material change to the above proposed [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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ACCOUNTANTS’ REPORT

The following is the text of a report on WinHealth International Holding Group Company Limited prepared for the purpose of incorporation in this document received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WINHEALTH INTERNATIONAL HOLDING GROUP COMPANY LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of WinHealth International Holding Group Company Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-74, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-74 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**Document**”) in connection with the [REDACTED] of the shares of the Company on the [REDACTED].

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong

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ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The Historical Financial Information of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	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	5	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	7	(18,926)	(18,240)	(26,069)
Fair value change in financial instruments issued to investors	6/24	(10,274)	(47,398)	(238,244)
(LOSS)/PROFIT BEFORE TAX	6	(16,859)	11,458	(55,576)
Income tax expense	10	(141)	(2,885)	(23,457)
(LOSS)/PROFIT FOR THE YEAR		(17,000)	8,573	(79,033)
(LOSS)/EARNINGS PER SHARE				
ATTRIBUTABLE TO THE GROUP				
Basic (RMB)				
— For (loss)/profit for the year	12	(16.10)	8.12	(69.69)
Diluted (RMB)				
— For (loss)/profit for the year	12	(16.10)	7.44	(69.69)

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	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	(463)	500	(1,646)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of the Company	(10,637)	(12,064)	21,762
Fair value reserve of equity investment designated at fair value through other comprehensive income.	406	1,687	2,162
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	(10,231)	(10,377)	23,924
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	(10,694)	(9,877)	22,278
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(27,694)	(1,304)	(56,755)

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	3,602	110,563	90,461
Right-of-use assets	14	6,717	175,085	169,298
Goodwill	15	8,907	8,907	8,907
Other intangible assets	16	208,317	354,780	359,630
Equity investment designated at fair value through other comprehensive income	17	3,606	5,293	7,315
Other non-current assets	18	34,319	7,872	14,786
Total non-current assets		265,468	662,500	650,397
CURRENT ASSETS				
Inventories	19	146,564	180,680	302,027
Trade and bills receivables	20	136,920	190,317	231,386
Prepayments, other receivables and other assets	21	13,941	57,326	47,040
Financial assets at fair value through profit or loss	22	—	10,000	—
Cash and cash equivalents	23	175,245	288,319	608,047
Total current assets		472,670	726,642	1,188,500
CURRENT LIABILITIES				
Financial instruments issued to investors . . .	24	643,113	880,170	1,245,888
Trade payables	25	36,738	67,049	135,202
Other payables and accruals	26	305,201	322,915	251,211
Interest-bearing bank loans	27	277,053	296,311	404,815
Lease liabilities	14	4,426	5,041	8,303
Income tax payable		—	9,661	12,178
Total current liabilities		1,266,531	1,581,147	2,057,597
NET CURRENT LIABILITIES		(793,861)	(854,505)	(869,097)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		(528,393)	(192,005)	(218,700)
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	27	—	272,702	210,771
Lease liabilities	14	2,246	7,768	4,580
Deferred tax liabilities	28	156	59,624	55,845
Total non-current liabilities		2,402	340,094	271,196
Net liabilities		(530,795)	(532,099)	(489,896)
EQUITY				
Share capital	29	—	—	—
Reserves	31	(530,795)	(532,099)	(489,896)
Net liabilities		(530,795)	(532,099)	(489,896)

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<i>Note</i>	Attributable to the owners of the parent					
		Share capital	Share premium*	Share option reserve*	Fair value reserve of equity investment designated at fair value through other comprehensive income*	Foreign currency translation reserve*	Accumulated losses*
		<i>RMB'000</i> <i>(note 29)</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(note 30)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023		—	—	29,131	(3,207)	(9,849)	(519,212)
Loss for the year		—	—	—	—	—	(17,000)
Other comprehensive income/(loss) for the year:							
Change in fair value of equity investment designated at fair value through other comprehensive income . .		—	—	—	406	—	—
Exchange differences on translation of foreign operations and the Company.		—	—	—	—	(11,100)	—
Total comprehensive loss for the year		—	—	—	406	(11,100)	(17,000)
Share-based payment expenses	30	—	—	36	—	—	—
At 31 December 2023 . . .		—	—	29,167	(2,801)	(20,949)	(536,212)

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ACCOUNTANTS’ REPORT

	Attributable to the owners of the parent						
	Share capital	Share premium*	Share option reserve*	Fair value reserve of equity investment designated at fair value through other comprehensive income*	Foreign currency translation reserve*	Accumulated losses*	Total
	RMB'000 (note 29)	RMB'000	RMB'000 (note 30)	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	—	—	29,167	(2,801)	(20,949)	(536,212)	(530,795)
Profit for the year	—	—	—	—	—	8,573	8,573
Other comprehensive income/(loss) for the year:							
Change in fair value of equity investment designated at fair value through other comprehensive income	—	—	—	1,687	—	—	1,687
Exchange differences on translation of foreign operations and the Company	—	—	—	—	(11,564)	—	(11,564)
Total comprehensive loss for the year	—	—	—	1,687	(11,564)	8,573	(1,304)
At 31 December 2024	—	—	29,167	(1,114)	(32,513)	(527,639)	(532,099)

	Attributable to the owners of the parent						
	Share capital	Share premium*	Share option reserve*	Fair value reserve of equity investment designated at fair value through other comprehensive income*	Foreign currency translation reserve*	Accumulated losses*	Total
	RMB'000 (note 29)	RMB'000	RMB'000 (note 30)	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	—	—	29,167	(1,114)	(32,513)	(527,639)	(532,099)
Loss for the year	—	—	—	—	—	(79,033)	(79,033)
Change in equity investment designated at fair value through other comprehensive income	—	—	—	2,162	—	—	2,162
Exchange differences on translation of foreign operations and the Company	—	—	—	—	20,116	—	20,116
Total comprehensive loss for the year	—	—	—	2,162	20,116	(79,033)	(56,755)
Share-based payments	—	—	5,250	—	—	—	5,250
Issue of ordinary shares	—	93,708	—	—	—	—	93,708
At 31 December 2025	—	93,708	34,417	1,048	(12,397)	(606,672)	(489,896)

* These reserve accounts comprise the consolidated negative reserves of RMB530,795,000, RMB532,099,000 and RMB489,896,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax		(16,859)	11,458	(55,576)
Adjustments for:				
Finance costs	7	18,926	18,240	26,069
Fair value change in financial instruments issued to investors.		10,274	47,398	238,244
Effect of preferred share term modifications.	5	—	—	(69,741)
Interest income.		(1,138)	(8,211)	(2,426)
Foreign exchange differences, net		117	(979)	(1,708)
Gain on acquisition of a subsidiary		—	(38)	—
Depreciation of property, plant and equipment.	13	2,653	7,061	17,516
Depreciation of right-of-use assets.	14	5,915	8,753	12,296
Amortisation of other intangible assets.	16	10,665	19,435	37,553
Reversal of impairment of trade receivables	20	(719)	(370)	(620)
Impairment of inventories	6	45,849	4,209	13,223
Loss on disposal of items of property, plant and equipment.		1	151	3,030
Gain on disposal of distribution and promotion rights	5	—	(27,481)	—
Share-based payment expenses	30	36	—	5,250
		75,720	79,626	223,110
Receipt of government grant for property, plant and equipment		—	1,850	—
(Increase)/decrease in inventories		(66,617)	43,840	(134,571)
(Increase)/decrease in trade and bills receivables		164,218	9,564	(40,448)
Decrease in prepayments, other receivables and other assets.		24,948	16,494	6,314
Increase/(decrease) in trade payables, accruals and other payables		2,598	(127,983)	64,640
Cash from operations		200,867	23,391	119,045
Interest received		1,138	8,211	2,426
Corporate income tax paid		(3)	(13)	(24,719)
Net cash flows from operating activities . . .		202,002	31,589	96,752

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		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
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	34	(14,087)	(399,624)	(72,000)
Sales of the product exclusive rights		—	106,440	—
Purchase of financial assets at fair value through profit or loss		(4,690)	(10,000)	—
Proceeds from disposal of financial assets at fair value through profit or loss		4,692	—	10,001
Net cash flows used in investing activities . .		(162,645)	(364,800)	(103,990)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of convertible loans .		—	177,595	—
Proceeds from bank loans		421,714	568,335	384,533
Repayment of bank loans		(382,491)	(276,715)	(337,954)
Interest paid		(18,472)	(17,421)	(25,413)
Lease payments		(6,093)	(7,007)	(6,649)
Repurchase of financial instruments issued to investors	24	—	—	(225,332)
Issuance of financial instruments issued to investors	24	—	—	538,015
Net cash flows from financing activities . .		14,658	444,787	327,200
NET INCREASE IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		54,015	111,576	319,962
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
Cash and cash equivalents as stated in the consolidated statements of cash flows . . .		175,245	288,319	608,047

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Investments in subsidiaries	1	39,517	39,517	44,767
Other receivables and other non-current assets	18	446,580	637,101	601,156
Total non-current assets		486,097	676,618	645,923
CURRENT ASSETS				
Cash and cash equivalents.	23	690	257	327,408
Total current assets.		690	257	327,408
CURRENT LIABILITIES				
Financial instruments issued to investors . . .	24	643,113	880,170	1,245,888
Other payables and accruals		93	54	53
Total current liabilities		643,206	880,224	1,245,941
NET CURRENT LIABILITIES.		(642,516)	(879,967)	(918,533)
TOTAL ASSETS LESS CURRENT LIABILITIES				
		(156,419)	(203,349)	(272,610)
Net liabilities		(156,419)	(203,349)	(272,610)
EQUITY				
Share capital	29	—	—	—
Reserves	31	(156,419)	(203,349)	(272,610)
Net liabilities		(156,419)	(203,349)	(272,610)

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

WinHealth International Holding Group Company Limited (“**the Company**”) is a limited liability company incorporated as an exempted company in the British Virgin Islands on 13 March 2015 under the Companies Law of the British Virgin Islands, formerly known as WinHealth International Company Limited and Eternal Charm International Limited. The registered office of the Company is located at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

The Company is an investment holding company. The principal activities of its subsidiaries are the sale and promotion of pharmaceutical products, and research and development.

Information about subsidiaries

As at 31 December 2025, the Company had direct and indirect interests in its subsidiaries, of which the principal ones are set out below:

Company name	Place and date of incorporation/registration and business	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principle activities
			Direct	Indirect	
WinHealth Investment Company Limited (a) . . .	British Virgin Islands 15 January 2019	HKD100	100%	—	Investment holding
Hong Kong Winhealth Pharma Group Co. Ltd. (b)	Hong Kong 15 December 2015	USD1,500,000	100%	—	Investment holding and sale and promotion of drugs
Good City Holdings Limited (c)	Hong Kong 27 April 2018	HKD100	100%	—	Investment holding
WinHealth Enterprise Limited (a)	British Virgin Islands 25 February 2019	HKD100	100%	—	Investment holding
WinHealth Investment (Overseas) Ltd. (b)	Hong Kong 21 March 2019	HKD100	—	100%	Investment holding and sale of drugs
WinHealth Investment (HK) Ltd. (b)	Hong Kong 21 March 2019	HKD100	—	100%	Sale of drugs
Zhejiang Medical Technology Development Co., Ltd.* 浙江醫學科技開發有限公司 (a)	Chinese Mainland 8 October 1992	RMB468,000,000	—	100%	Sale and promotion of drugs and research and development
WinHealth Business Consulting (Hangzhou) Co., Ltd.* 維健商務諮詢(杭州)有限公司 (a) . . .	Chinese Mainland 26 April 2017	RMB5,107,800	—	100%	Promotion of drugs
Dr. Dunner AG (d)	Switzerland 7 July 2003	CHF100,000	—	100%	Sale of drugs
Kyowa Kirin China Pharmaceutical Co., Ltd.* 協和麒麟(中國)製藥有限公司 (e)	Chinese Mainland 26 June 1997	USD29,800,000	—	100%	Production and sale of drugs

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- (a) No audited financial statements have been prepared for these entities for the Relevant Periods.
- (b) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with HKFRS Accounting Standards for Private Entities were audited by Ken So & Co., Certified Public Accountants, certified public accountants registered in Hong Kong.
- (c) The statutory financial statements of the entity for the years ended 31 December 2023 and 2024 prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard were audited by Ken So & Co., Certified Public Accountants, certified public accountants registered in Hong Kong.
- (d) The statutory financial statements of the entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Swiss law were audited by TFP Treuhand AG, certified public accountants registered in Switzerland.
- (e) The statutory financial statements of the entity for the year ended 31 December 2024 and 2025 prepared in accordance with the Generally Accepted Accounting Principles in the People’s Republic of China (“**PRC GAAP**”) were audited by Ernst & Young Hua Ming, certified public accountants registered in Chinese Mainland.
- * The English names of the companies registered in Chinese Mainland referred to above in this note represent the best efforts made by the directors of the Company to translate the Chinese names of these companies as they do not have official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The Company

The carrying amounts of the Company’s investments in subsidiaries are as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Investments, at cost	10,350	10,350	10,350
Deemed investment arising from share-based payments	29,167	29,167	34,167
Total	<u>39,517</u>	<u>39,517</u>	<u>44,767</u>

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (the “**IASB**”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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 investors which have been measured at fair value.

Notwithstanding that the Group recorded net current liabilities and net liabilities of RMB869,097,000 and RMB489,896,000, respectively, as at 31 December 2025, the Historical Financial Information has been prepared on a going concern basis. Convertible redeemable preferred shares with an amount of RMB1,245,888,000 were recorded in current liabilities as at 31 December 2025. The Group assesses its liquidity by its ability to generate cash from operating activities. The directors of the Company have reviewed the Group’s working capital forecast, which covers a period of twelve months from 31 December 2025. Based on management’s working capital forecast, it is expected that the convertible redeemable preferred shares would not be redeemed. The directors of the Company are of

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the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations when they fall due and to sustain its operations for the next twelve months from 31 December 2025.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to adopt them, if applicable, when they become effective:

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹

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Amendments to IFRS 10 and IAS 28
Amendments to IAS 21
Annual Improvements to IFRS Accounting Standards — Volume 11

*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*³
*Translation to a Hyperinflationary Presentation Currency*²
*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is currently assessing the impact of these new and amended IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities must classify all income and expenses in the statement of profit or loss into one of five categories: operating, investing, financing, income taxes, and discontinued operations, and present two new defined subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for the aggregation and disaggregation of financial information. These new requirements are expected to impact the Group’s presentation of the statement of profit or loss and its disclosures regarding financial performance. So far, the Group considers that these new and amended IFRS Accounting Standards are unlikely to have a material impact on the Group’s results of operations and financial position. Except for IFRS 18, which may affect presentation, the Group anticipates that the application of these new and amended IFRS Accounting Standards will have no material impact on the Group’s financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

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 the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the 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.

The 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 the 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 at 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 recognised 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 recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

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Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the 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, recognised 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. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the 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 the 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 recognised. An impairment loss recognised 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

The Group measures its investment properties and certain financial instruments at fair value at the end of each of the Relevant Periods. 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 the 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.

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

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised 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

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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 recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;

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- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4%–5%
Furniture, fixtures and equipment	10%–50%
Motor vehicles	19%
Leasehold improvements	20%–50%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual value, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Other intangible assets

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of other intangible assets are assessed to be either finite or indefinite. Other intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for other intangible assets with finite useful lives are reviewed at least at each financial year end.

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Other intangible assets with infinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised.

Other intangible assets are amortised on the straight-line basis over the following useful economic lives:

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years.

Distribution and promotion rights

Distribution and promotion rights are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 3 to 15 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Research and development costs which do not meet these criteria are expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land	25 years
Office and warehouse	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office, motor vehicles, equipment and green plants (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and potted plants that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair

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value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the

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transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

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Simplified approach

For trade and bills receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each of the Relevant Periods. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of trade and other payables, and loans, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, interest-bearing bank loans and financial instruments issued to investors.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss (financial instruments issued to investors)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group’s own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and loans)

After initial recognition, trade and other payables, and interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

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Convertible loans

The component of convertible loans that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. If the conversion option of convertible loans exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible loans is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible loans based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Inventories

Inventories mainly include merchandises and are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

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Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the 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 the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts of the Group do not contain significant financing components.

(a) Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised 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.

(i) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Rendering of promotion service — at the point in time

The rendering of promotion service is recognised when the Group satisfies its promise to arrange for the pharmaceutical products to be provided by the supplier to the customer.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions

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with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 30 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of the Company and its overseas subsidiaries are currencies other than RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and its overseas subsidiaries are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information.

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Research and development expenditure

Development costs are capitalised in accordance with the accounting policy for research and development expenditure in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 28 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Useful lives of intangible assets

The Group’s management determines the estimated useful lives and the related amortisation charge for the Group’s intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. Management will increase the amortisation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in amortisable lives and, therefore, amortisation charge in the future periods.

Variable consideration for returns and volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of industrial products with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group’s expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer is likely to be entitled to a rebate depends on the customer’s historical rebate entitlement and accumulated purchases to date.

The Group has applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group’s past experience regarding returns and rebate entitlements may not be representative of customers’ actual returns and rebate entitlements in the future.

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Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2023, 2024 and 2025 were RMB8,907,000, RMB8,907,000 and RMB8,907,000, respectively. Further details are given in note 15.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investment

The unlisted equity investment has been valued based on the market approach. Such method relies on observable market data, such as quoted prices or valuation multiples from comparable assets, to estimate fair value. The Group classifies the fair value of the investment as Level 3. The fair values of the unlisted equity investment as at 31 December 2023, 2024 and 2025 were RMB3,606,000, RMB5,293,000 and RMB7,315,000, respectively.

Further details are included in note 38 to the Historical Financial Information.

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 at 31 December 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 at 31 December 2023, 2024 and 2025 were nil, RMB183,389,000 and nil, respectively.

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Further details are included in note 38 to the Historical Financial Information.

Provision for expected credit losses on trade and bills receivables

The 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 customer rating).

The provision matrix is initially based on the Group’s historical observed default rates. The 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 Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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. The 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 the Group’s trade and bills receivables is disclosed in note 20 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive director of the Company. During the Relevant Periods, the Group was principally engaged in the sale and promotion of pharmaceutical products. Management reviews the operating results of the Group’s business as one operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

Geographical information

No geographical information is presented as the Group’s revenue from the external customers is mainly derived from its operations in Chinese Mainland and minor non-current assets of the Group are located outside Chinese Mainland.

Information about major customers

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Customer A	159,720	91,486	*
Customer B	102,066	127,755	179,546
Customer C	91,485	92,038	195,310
Customer D	*	170,353	369,098
	<u>353,271</u>	<u>481,632</u>	<u>743,954</u>

The customers above are individually accounted for more than 10% of the Group’s revenue.

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5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	887,397	901,838	1,679,980

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Sales of pharmaceutical products	590,904	731,898	1,526,306
Rendering of promotion service	296,493	169,940	153,674
Total	887,397	901,838	1,679,980
Timing of revenue recognition			
Goods transferred at a point in time	590,904	731,898	1,526,306
Services transferred at a point in time	296,493	169,940	153,674
Total	887,397	901,838	1,679,980

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:			
Sales of pharmaceutical products	101,582	121,815	46,255

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(b) *Performance obligations*

Information about the Group’s performance obligations is summarised below:

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and payment is generally due within 0 to 180 days from the date of billing.

Rendering of promotion service

The performance obligation is satisfied when the promotion activity is rendered and payment is generally due within 30 to 60 days from delivery to the end customer.

The management of the Group expects the transaction price (excluding variable consideration) allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of the end of each of the Relevant Periods will basically be recognised within one year from the end of the respective periods.

	Year ended 31 December		
	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			
Foreign exchange differences, net	—	979	1,708
Effect of preferred share term modifications	—	—	69,741
Gain on disposal of distribution and promotion rights	—	27,481	—
Total Gains	—	28,460	71,449
Total other income and gains	3,800	39,109	80,643

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6. (LOSS)/PROFIT BEFORE TAX

The Group’s (loss)/profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Cost of inventories sold and promotion service*		384,824	345,851	804,467
Depreciation of property, plant and equipment.	13	2,653	7,061	17,516
Depreciation of right-of-use assets.	14	5,915	8,753	12,296
Amortisation of other intangible assets.	16	10,665	19,435	37,553
Lease payments not included in the measurement of lease liabilities		3,856	5,985	7,984
Professional fee		27,068	39,992	82,909
Promotion service fee		60,310	62,805	68,788
Employee benefit expenses**:				
Wages, salaries and bonuses.		197,190	218,894	280,889
Pension scheme contributions.		29,768	29,712	94,013
Share-based payment expenses.		36	—	5,250
Total employee benefit expenses		226,994	248,606	380,152
Foreign exchange differences, net		117	(979)	(1,708)
Reversal of impairment of trade receivables	20	(719)	(370)	(620)
Loss on disposal of items of property, plant and equipment.		1	151	3,030
Gain on disposal of the product exclusive rights		—	(27,481)	—
Fair value change in financial instruments issued to investors.	24	10,274	47,398	238,244
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]

* Cost of inventories sold and cost of promotion service sold include expenses relating to depreciation of property, plant and equipment, which are also included in the total amounts disclosed in the depreciation of property, plant and equipment above. Cost of inventories sold and cost of promotion service sold include impairment of inventories, which are also disclosed in impairment loss of inventories above.

** The employee benefit expenses for the Relevant Periods are included in “Cost of sales”, “Administrative expenses”, “Selling and distribution expenses” and “Research and development expenses” in the consolidated statement of profit or loss and other comprehensive income. The employee benefit expenses included all directors.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on bank loans.	18,509	17,761	25,407
Interest on lease liabilities (note 14(b))	417	479	662
Total	18,926	18,240	26,069

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8. DIRECTORS’ AND CHIEF EXECUTIVE’S REMUNERATION

Directors’ and chief executive’s remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fees.	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind . .	14,068	11,156	9,319
Performance related bonuses	1,480	807	600
Share-based payment expenses.	—	—	4,972
Pension scheme contributions.	179	104	165
Subtotal	15,727	12,067	15,056
Total	15,727	12,067	15,056

In 2021 and 2025, certain directors were granted share options, in respect of their services to the Group, under the 2021 and 2025 Pre-[REDACTED] Share Option Plans of the Company, further details of which are set out in note 30 to the Historical Financial Information. The fair values of such share options, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors’ and chief executive’s remuneration disclosures.

(a) Independent non-executive directors

The Company did not have any independent non-executive directors at any time during the Relevant Periods. There were no fees and other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and the chief executive

	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2023					
Chief executive and executive director:					
Mr. Wang Wei (i)	4,605	900	—	71	5,576
Executive directors:					
Mrs. Hu Qing (ii)	4,083	500	—	42	4,625
Mr. Hao Jinghui (iv)	3,628	80	—	5	3,713
Mr. Jing Tian (iii)	1,752	—	—	61	1,813
Subtotal.	9,463	580	—	108	10,151
Non-executive directors:					
Mr. Jing Tian (iii)	—	—	—	—	—
Mr. Hu Xuyu	—	—	—	—	—
Subtotal.	—	—	—	—	—
Total.	14,068	1,480	—	179	15,727

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	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024					
Chief executive and executive director:					
Mr. Wang Wei (i)	5,483	599	—	81	6,163
Executive directors:					
Mrs. Hu Qing (ii)	1,670	208	—	7	1,885
Mr. Hao Jinghui (iv)	4,003	—	—	16	4,019
Subtotal.	5,673	208	—	23	5,904
Non-executive directors:					
Mr. Jing Tian (iii)	—	—	—	—	—
Mr. Hu Xuyu	—	—	—	—	—
Subtotal.	—	—	—	—	—
Total.	11,156	807	—	104	12,067
	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025					
Chief executive and executive director:					
Mr. Wang Wei (i)	5,435	600	4,704	111	10,850
Executive directors:					
Mrs. Hu Qing (ii)	—	—	—	—	—
Mr. Hao Jinghui (iii)	3,066	—	—	12	3,078
Ms. Shen Huacheng (iv)	372	—	134	21	527
Ms. Lin Jing (v)	446	—	134	21	601
Subtotal.	3,884	—	268	54	4,206
Non-executive directors:					
Mr. Hu Xuyu (vi)	—	—	—	—	—
Ms. Chen Muyu (vii)	—	—	—	—	—
Dr. Jiang Fei (viii)	—	—	—	—	—
Mr. Chen Long (ix)	—	—	—	—	—
Subtotal.	—	—	—	—	—
Total.	9,319	600	4,972	165	15,056

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

Notes:

- (i) Mr. Wang Wei was appointed as chairman, executive director and chief executive officer of the Company at 9 November 2015.
- (ii) Mrs. Hu Qing was appointed as executive director and vice president of the Company at 9 November 2015.
- (iii) Mr. Hao Jinghui resigned on 11 August 2025.
- (iv) Ms. Shen Huacheng was appointed as executive director and vice president on 15 August 2025.

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- (v) Ms. Lin Jing was appointed as executive director and vice president on 15 August 2025.
- (vi) Mr. Hu Xuyu resigned on 11 August 2025.
- (vii) Ms. Chen Muyu was appointed as the non-executive director on 22 August 2025.
- (viii) Dr. Jiang Fei was appointed as the non-executive director on 15 August 2025.
- (ix) Mr. Chen Long was appointed as non-executive director on 11 August 2025.
- (x) Mr. Jing Tian was appointed as an executive director with effect from 6 September 2021, subsequently redesignated as a non-executive director on 22 November 2023 and resigned on 11 August 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included three, three and two of the directors including the chief executive, details of whose remuneration are set out in note 8 above. Details of the remuneration for the Relevant Periods of the remaining two, two and three highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	4,727	4,751	7,464
Performance related bonuses	4,900	4,067	1,945
Share-based payment expenses	36	—	29
Pension scheme contributions	102	144	240
Total	9,765	8,962	9,678

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
HKD1,000,001 to HKD1,500,000	—	—	—
HKD1,500,001 to HKD2,000,000	—	—	—
HKD2,000,001 to HKD2,500,000	—	—	1
HKD2,500,001 to HKD3,000,000	—	—	—
HKD3,000,001 to HKD3,500,000	1	—	—
HKD3,500,001 to HKD4,000,000	—	1	1
HKD4,000,001 to HKD4,500,000	—	—	—
HKD4,500,001 to HKD5,000,000	—	—	—
HKD5,000,001 to HKD5,500,000	—	—	1
HKD5,500,001 to HKD6,000,000	—	—	—
HKD6,000,001 to HKD6,500,000	—	1	—
HKD6,500,001 to HKD7,000,000	—	—	—
HKD7,000,001 to HKD7,500,000	1	—	—
Total	2	2	3

In 2021 and 2025, share options were granted to certain non-director and non-chief executive highest paid employees, under the 2021 and 2025 Pre-[REDACTED] Share Option Plans of the Company, in respect of their services to the Group, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair values of such share options, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees’ remuneration disclosures.

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10. INCOME TAX

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	3	8,727	27,236
Deferred income tax	138	(5,842)	(3,779)
Total tax charge for the year	141	2,885	23,457

The Company was incorporated in the BVI as an exempted company with limited liability under the BVI Companies Act 2004 and accordingly is not subject to income tax.

Chinese Mainland

Pursuant to the Corporate Income Tax (“CIT”) Law of the People’s Republic of China and the respective regulations (the “CIT Law”), the subsidiaries which operate in Chinese Mainland were subject to CIT at a rate of 25% during the Relevant Periods on the taxable income, except for a certain subsidiary of the Group in Chinese Mainland which is granted tax concession and is taxed at preferential tax rates.

Hangzhou Hainuo Network Technology Co., Ltd. was qualified as High and New Technology Enterprises to enjoy a preferential income tax rate of 15% from 2024 to 2027.

Hong Kong

The subsidiaries incorporated in Hong Kong were subject to income tax at the rate of 16.5% during the Relevant Periods on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HKD 2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% during the Relevant Periods.

British Virgin Islands

Under the current laws of the British Virgin Islands (“BVI”), the subsidiaries incorporated in the BVI are not subject to tax on income or capital gains. In addition, upon payments of dividends by these subsidiaries to their shareholders, no BVI withholding tax is imposed.

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A reconciliation of the tax expense applicable to the operating results at the statutory rate for Chinese Mainland in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit before tax	(16,859)	11,458	(55,576)
Tax at the statutory tax rate of 25%	(4,215)	2,865	(13,894)
Effect of different tax rates in different jurisdictions	(5,928)	3,658	34,156
Expenses not deductible for tax purposes	3,681	4,655	6,260
Additional deductible allowance for qualified research and development costs	(517)	(436)	—
Tax losses not recognised	7,120	3,022	12,819
Tax losses utilised from previous periods	—	(10,879)	(15,884)
Total tax charge for the year	141	2,885	23,457

11. DIVIDENDS

No dividends have been paid or declared by the Company during the Relevant Periods.

12. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO THE GROUP

The calculation of the basic (loss)/earnings per share amounts is based on the profit or loss for the Relevant Periods attributable to the Group, and the weighted average number of ordinary shares outstanding during the Relevant Periods.

The calculation of the diluted (loss)/earnings per share amounts is based on the profit or loss for the Relevant Periods attributable to the Group, adjusted to reverse the fair value change on the preferred shares and convertible loans. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the Relevant Periods, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	As at 31 December		
	2023	2024	2025
(Loss)/Earnings			
(Loss)/profit attributable to the Group, used in the basic (loss)/earnings per share calculation (RMB'000)	(17,000)	8,573	(79,033)
Shares			
Weighted average number of ordinary shares outstanding during the Relevant Periods used in the basic earnings per share calculation ('000)	1,056	1,056	1,134
Share options ('000)	—	97	—
Total	1,056	1,153	1,134

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During the Relevant Periods, the convertible redeemable preferred shares and convertible loans had an anti-dilutive effect on the Group’s earnings per share.

In 2024, share options had a dilutive effect on the Group’s earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023:					
Cost	—	5,539	2,914	6,450	14,903
Accumulated depreciation . . .	—	(3,775)	(1,698)	(4,164)	(9,637)
Net carrying amount	—	1,764	1,216	2,286	5,266
At 1 January 2023, net of accumulated depreciation . . .	—	1,764	1,216	2,286	5,266
Additions	—	89	—	7	96
Disposals	—	(1)	—	—	(1)
Acquisition of a subsidiary . . .	—	856	—	—	856
Depreciation provided during the year	—	(1,045)	(318)	(1,290)	(2,653)
Exchange realignment	—	38	—	—	38
At 31 December 2023, net of accumulated depreciation . . .	—	1,701	898	1,003	3,602
At 31 December 2023:					
Cost	—	6,520	2,914	6,457	15,891
Accumulated depreciation . . .	—	(4,819)	(2,016)	(5,454)	(12,289)
Net carrying amount	—	1,701	898	1,003	3,602

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	Buildings	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024:					
Cost	—	6,520	2,914	6,457	15,891
Accumulated depreciation . . .	—	(4,819)	(2,016)	(5,454)	(12,289)
Net carrying amount	—	1,701	898	1,003	3,602
At 1 January 2024, net of accumulated depreciation . . .	—	1,701	898	1,003	3,602
Additions	—	898	749	1,544	3,191
Disposals	—	(110)	(41)	—	(151)
Government grant received . . .	—	(1,850)	—	—	(1,850)
Acquisition of a subsidiary . . .	72,339	40,517	—	—	112,856
Depreciation provided during the year.	(2,031)	(3,671)	(413)	(946)	(7,061)
Exchange realignment	—	(24)	—	—	(24)
At 31 December 2024, net of accumulated depreciation . . .	70,308	37,461	1,193	1,601	110,563
At 31 December 2024:					
Cost	72,339	45,156	2,836	8,001	128,332
Accumulated depreciation . . .	(2,031)	(7,695)	(1,643)	(6,400)	(17,769)
Net carrying amount	70,308	37,461	1,193	1,601	110,563
	Buildings	Furniture, fixtures and equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025:					
Cost	72,339	45,156	2,836	8,001	128,332
Accumulated depreciation . . .	(2,031)	(7,695)	(1,643)	(6,400)	(17,769)
Net carrying amount	70,308	37,461	1,193	1,601	110,563
At 1 January 2025, net of accumulated depreciation . . .	70,308	37,461	1,193	1,601	110,563
Additions	—	296	112	—	408
Disposals	—	(2,454)	(411)	(165)	(3,030)
Depreciation provided during the year.	(8,124)	(8,663)	(58)	(671)	(17,516)
Exchange realignment	—	36	—	—	36
At 31 December 2025, net of accumulated depreciation . . .	62,184	26,676	836	765	90,461
At 31 December 2025:					
Cost	72,339	42,998	2,537	7,836	125,710
Accumulated depreciation . . .	(10,155)	(16,322)	(1,701)	(7,071)	(35,249)
Net carrying amount	62,184	26,676	836	765	90,461

As at 31 December 2023, 2024 and 2025, certain of the Group’s property, plant and equipment with net carrying amounts of approximately nil, RMB106,071,000 and RMB87,914,000, respectively, were pledged to secure certain banking facilities granted to the Group.

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14. LEASES

The Group as lessee

The Group has lease contracts for various items of office premises in its operations. Leases of leasehold land have lease terms of 23 years. Leases of office and buildings generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Land	Office and warehouse	Total
	RMB’000	RMB’000	RMB’000
As at 1 January 2023	—	8,274	8,274
Additions	—	4,393	4,393
Depreciation charge	—	(5,915)	(5,915)
Exchange realignment	—	(35)	(35)
As at 31 December 2023 and 1 January 2024	—	6,717	6,717
Additions	—	10,589	10,589
Additions as a result of acquisition of a subsidiary	164,444	2,077	166,521
Depreciation charge	(1,787)	(6,966)	(8,753)
Exchange realignment	—	11	11
As at 31 December 2024 and 1 January 2025	162,657	12,428	175,085
Additions	—	6,413	6,413
Depreciation charge	(7,149)	(5,147)	(12,296)
Modification	—	101	101
Exchange realignment	—	(5)	(5)
As at 31 December 2025	<u>155,508</u>	<u>13,790</u>	<u>169,298</u>

As at 31 December 2023, 2024 and 2025, the Group’s land with net carrying amounts of approximately nil, RMB162,657,000 and RMB155,508,000, respectively, were pledged to secure certain banking facilities granted to the Group.

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(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of year . . .	7,933	6,672	12,809
New leases	4,393	10,589	6,413
Additions as a result of acquisition of a subsidiary	—	2,058	—
Accretion of interest recognised during the year	417	479	662
Payments	(6,093)	(7,007)	(6,649)
Lease modification	—	—	(347)
Exchange realignment	22	18	(5)
Carrying amount at end of year	6,672	12,809	12,883
Analysed into:			
Current portion	4,426	5,041	8,303
Non-current portion	2,246	7,768	4,580

The maturity analysis of lease liabilities is disclosed in note 39(d) to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	417	479	662
Depreciation charge of right-of-use assets . . .	5,915	8,753	12,296
Expense relating to short-term leases	3,856	5,985	7,984
Total amount recognised in profit or loss . . .	10,188	15,217	20,942

(d) The total cash outflow for leases is disclosed in note 32(c) to the Historical Financial Information.

15. GOODWILL

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	—	8,907	8,907
Acquisition of a subsidiary (note 34)	8,907	—	—
At end of year	8,907	8,907	8,907

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to DDAG products cash-generating unit (“**DDAG CGU**”) for impairment testing.

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The carrying amount of goodwill allocated to the cash-generating unit is as follows:

	As at 31 December		
	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 31 December 2023	4%–41%	1.0%	17.87%	5 years
As of 31 December 2024	4%–16%	1.0%	18.11%	5 years
As of 31 December 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 31 December		
	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 31 December		
	2023	2024	2025
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%

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16. OTHER INTANGIBLE ASSETS

	Software	Distribution and promotion rights	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023			
Cost at 1 January 2023, net of accumulated amortisation	50	49,703	49,753
Additions	—	161,045	161,045
Amortisation provided during the year	(20)	(10,645)	(10,665)
Acquisition of a subsidiary	188	7,996	8,184
At 31 December 2023	218	208,099	208,317
At 31 December 2023 and 1 January 2024			
Cost	1,168	250,242	251,410
Accumulated amortisation	(950)	(42,143)	(43,093)
Net carrying amount	218	208,099	208,317
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	218	208,099	208,317
Additions	—	55,352	55,352
Disposal	—	(107,188)	(107,188)
Amortisation provided during the year	(1,134)	(18,301)	(19,435)
Acquisition of a subsidiary	14,021	203,720	217,741
Exchange realignment	(7)	—	(7)
At 31 December 2024	13,098	341,682	354,780
At 31 December 2024 and 1 January 2025			
Cost	37,325	401,191	438,516
Accumulated amortisation	(24,227)	(59,509)	(83,736)
Net carrying amount	13,098	341,682	354,780
At 31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	13,098	341,682	354,780
Additions	730	41,722	42,452
Amortisation provided during the year	(2,014)	(35,539)	(37,553)
Exchange realignment	(49)	—	(49)
At 31 December 2025	11,765	347,865	359,630
At 31 December 2025			
Cost	38,007	442,911	480,918
Accumulated amortisation	(26,242)	(95,046)	(121,288)
Net carrying amount	11,765	347,865	359,630

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17. EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Unlisted equity investment, at fair value	3,606	5,293	7,315

The above unlisted equity investment represents investment in Cumberland Emerging Technologies Inc. The equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers the investment to be strategic in nature. No dividend was paid or declared by the equity investment during the Relevant Periods.

18. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits	34,319	7,872	7,699
Prepayment for long-term assets	—	—	7,087
Total	34,319	7,872	14,786

Deposits are deemed to have insignificant credit risk, with expected credit losses recognised as immaterial.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amount due from subsidiaries	446,580	637,101	594,069
Other non-current assets	—	—	7,087
Total	446,580	637,101	601,156

19. INVENTORIES

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	146,564	180,680	302,027

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20. TRADE AND BILLS RECEIVABLES

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

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit periods for trade receivables are generally 0 to 180 days and are set by different commercial categories or by business scale. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 19%, 17% and 27% of the Group’s trade receivables and 49%, 44% and 47% of the Group’s trade receivables were due from the Group’s largest debtor and five largest debtors, respectively. Except for the aforementioned concentrations of credit risk, the Group’s trade receivables relate to a large number of diversified customers. As at 31 December 2023, 2024 and 2025, the bills receivable are subject to the credit risks of the acceptance banks. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables of the Group as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	136,618	191,934	232,342
1 to 2 years	1,800	468	411
2 to 3 years	—	—	98
Total	<u>138,418</u>	<u>192,402</u>	<u>232,851</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	2,610	1,498	2,085
Reversal of impairment losses (<i>Note 6</i>)	(719)	(370)	(620)
Acquisition of a subsidiary	1,759	957	—
Amount written off as uncollectible	(2,152)	—	—
At end of year	<u>1,498</u>	<u>2,085</u>	<u>1,465</u>

The Group applies the approach to providing for expected credit losses prescribed by IFRS 9. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on comparable companies and subsequent settlement, adjusted for factors that are specific to the debtors and general economic conditions. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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Set out below is the information about the credit risk exposure on the Group’s trade and bills receivables using a provision matrix:

	As at 31 December		
	2023	2024	2025
Expected credit loss rate	1.08%	1.08%	0.63%
Gross carrying amount (<i>RMB’000</i>)	138,418	192,402	232,851
Expected credit losses (<i>RMB’000</i>)	1,498	2,085	1,465

As at 31 December 2023, 2024 and 2025, the net carrying amounts of certain trade receivables of the Group of approximately RMB24,000,000, RMB24,000,000 and RMB24,000,000, respectively, were pledged to secure certain banking facilities granted to the Group (Note 27).

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

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

* Acquisition price adjustment receivable represented 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

Deposits and other receivables mainly represent rental deposits and deposits receivable from suppliers.

The financial assets included in the above balances related to receivables for which there was no recent history of default and past due amounts. During the Relevant Periods, the Group estimated that the expected credit loss rate for other receivables was minimal.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Wealth management products	—	10,000	—

The above investments were wealth management products issued by banks in Chinese Mainland. 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.

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23. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	175,245	288,319	608,047
Denominated in:			
RMB	165,919	196,690	550,978
Japanese Yen (“JPY”)	933	569	31,221
United States dollars (“USD”)	3,370	85,747	17,108
Hong Kong dollars (“HKD”)	309	505	510
Others	4,714	4,808	8,230
Total	175,245	288,319	608,047

The RMB is not freely convertible into other currencies. However, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

The Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	690	257	327,408
Denominated in:			
RMB	626	26	327,201
USD	1	1	162
HKD	63	230	45
Total	690	257	327,408

24. FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

The Group and the Company

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Convertible redeemable preferred shares (a) . .	643,113	696,781	1,245,888
Convertible loans (b)	—	183,389	—
Total	643,113	880,170	1,245,888

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(a) Convertible redeemable preferred shares

Series A convertible redeemable preferred shares

The Company initially issued 1,012,082 shares of Series A convertible redeemable preferred shares in two tranches under subscription agreements. The shares were subject to a redemption clause requiring the Company to redeem them at the holders’ option if a qualified initial public offering was not consummated within a specified period.

Subsequently, the Company repurchased a portion of the Series A Preferred Shares from certain Pre-[REDACTED] Investors in two tranches. Following the repurchases, the remaining holders of the Series A Preferred Shares agreed to amend their rights to align with the terms applicable to the Series B Preferred Shareholders, subject to the Series A Preferred Shares remaining subordinate to the Series B Preferred Shares in the event of liquidation. The material amendments included extending the qualified [REDACTED] deadline to 31 December 2027, and adjusting the applicable annual return rate to 8% per annum. The details of the initial issuances and subsequent repurchases are as follows:

- (i) the first issuance tranche was completed in August 2018, for a total cash consideration of USD55,785,000; and
- (ii) the second issuance tranche was completed in April 2020, with total cash considerations of RMB110,000,000 and USD10,000,000;
- (iii) the first repurchase tranche was completed in August 2025, comprising 71,003 Series A Preferred Shares for a cash consideration of RMB70,630,000; and
- (iv) the second repurchase tranche was completed in October 2025, comprising an aggregate of 261,595 Preferred Shares for a total cash consideration of USD21,044,000.

The Series A convertible redeemable preferred shares were recognised as financial liabilities measured at fair value through profit or loss.

Series B convertible redeemable preferred shares

The Company issued 896,940 shares of Series B convertible redeemable preferred shares under subscription agreements for an aggregate consideration comprising RMB538,015,000 in cash and USD25,000,000 satisfied through the conversion of the outstanding convertible loans described in section (b) below. The Series B Preferred Shares are subject to a redemption clause requiring the Company to redeem the shares at the holders’ option if a qualified initial public offering is not consummated on or before 31 December 2027. The shares carry an annual return rate of 8% per annum.

The Series B convertible redeemable preferred shares were recognised as financial liabilities measured at fair value through profit or loss.

(b) Convertible loans

The Company entered into a convertible loan facility to an investor in February 2024 with a total principal of USD25,000,000, and received the full payment from the investor. In August 2025, the entire principal amount of USD25,000,000 was converted into Series B Preferred Shares in connection with the Series B issuance described above.

The convertible loan was initially recognised as a financial liability measured at fair value through profit or loss.

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The movements of convertible redeemable preferred shares and convertible loans for the years ended 31 December 2023, 2024 and 2025 are set out below:

	Convertible redeemable preferred shares	Convertible loans	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	622,202	—	622,202
Fair value losses.	10,274	—	10,274
Foreign currency translation reserve.	10,637	—	10,637
At 31 December 2023 and 1 January 2024	643,113	—	643,113
Issuance for cash	—	177,595	177,595
Fair value losses.	43,746	3,652	47,398
Foreign currency translation reserve.	9,922	2,142	12,064
At 31 December 2024 and 1 January 2025	696,781	183,389	880,170
Repurchase of financial instruments issued to investors.	(225,332)	—	(225,332)
Issuance of financial instruments issued to investors.	538,015	—	538,015
Repurchase of financial instruments issued to investors settled by issuance of ordinary shares.	(93,708)	—	(93,708)
Transfer	189,656	(189,656)	—
Fair value losses.	229,353	8,891	238,244
Effect of preferred share term modifications.	(69,741)	—	(69,741)
Foreign currency translation reserve.	(19,136)	(2,624)	(21,760)
At 31 December 2025	1,245,888	—	1,245,888

25. TRADE PAYABLES

An ageing analysis of the trade payables, as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

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

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

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26. OTHER PAYABLES AND ACCRUALS

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities		154,905	46,255	39,409
Compensation payables		29,672	—	—
Accrued expenses		60,513	69,716	84,552
Payroll payables		37,693	55,620	66,815
Other tax payables		3,645	16,478	15,576
Consideration payables	34	6,735	79,200	7,200
Other payables		12,038	55,646	37,659
Total		305,201	322,915	251,211

- (i) Contract liabilities mainly represent short-term advances received for the sales of pharmaceutical products and the sales rebates settled by future purchase deductions.
- (ii) Compensation payables primarily related to the payables to one of the suppliers as compensation for early termination of a contract.

27. INTEREST-BEARING BANK LOANS

As at 31 December 2023				
		Effective interest rates (%)	Maturity	RMB'000
Current				
Bank loans — secured and guaranteed	(a)	4.45–4.90	2024	249,042
Bank loans — guaranteed	(b)	4.35–4.90	2024	28,011
Total				277,053

As at 31 December 2024				
		Effective interest rates (%)	Maturity	RMB'000
Current				
Bank loans — secured and guaranteed	(a)	4.60–4.90	2025	203,230
Bank loans — guaranteed	(b)	3.80–4.90	2025	53,035
Bank loans — unsecured		4.60	2025	40,046
				296,311
Non-current				
Bank loans — secured and guaranteed	(c)	4.32	2026–2029	272,702
Total				569,013

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As at 31 December 2025				
		Effective interest rates (%)	Maturity	RMB’000
Current				
Bank loans — secured and guaranteed	(a)	4.32–4.45	2026	280,296
Bank loans — guaranteed	(b)	3.80–4.30	2026	84,513
Bank loans — unsecured		4	2026	40,006
				404,815
Non-current				
Bank loans — secured and guaranteed	(c)	4.32	2027–2029	210,771
Total				615,586

As at 31 December			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Analysed into:			
Bank loans repayable:			
Within one year or on demand	277,053	296,311	404,815
Over two years but within five years	—	272,702	210,771
Total	277,053	569,013	615,586

Notes:

- (a) The Group’s interest-bearing bank loans of RMB8,715,000, RMB2,955,000 and RMB5,994,291 as at 31 December 2023, 2024 and 2025, respectively, were secured by the pledge of trade receivables of the Company’s certain subsidiary as disclosed in note 20 and were jointly guaranteed by the Company’s directors, Mr. Wang and Ms. Hu.
- The Group’s interest-bearing bank loans of RMB200,000,000, RMB200,000,000 and RMB200,000,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed or jointly guaranteed by the Company’s directors, Mr. Wang and Ms. Hu, and were secured by the pledge of equity interests in a certain subsidiary.
- The Group’s interest-bearing bank loans of RMB40,000,000, as at 31 December 2023, was secured by the pledge of the exclusive rights of the trademarks of the Company’s certain subsidiary.
- The Group’s interest-bearing bank loans of RMB63,302,000 as at 31 December 2025, were secured by the pledge of equity interests in certain subsidiaries, property, plant and equipment and land as disclosed in note 13 and note 14.
- (b) The Group’s interest-bearing bank loans of RMB28,011,000, RMB53,035,000 and RMB18,000,000 as at 31 December 2023, 2024 and 2025, respectively, were guaranteed or jointly guaranteed by the Company’s directors, Mr. Wang and Ms. Hu.
- The Group’s interest-bearing bank loans of RMB66,146,000 as at 31 December 2025 were guaranteed by the Company’s certain subsidiary.
- (c) The Group’s interest-bearing bank loans of RMB272,702,000 and RMB210,771,000 as at 31 December 2024 and 2025, respectively, were secured by the pledge of equity interests in certain subsidiaries, property, plant and equipment and land as disclosed in note 13 and note 14.

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28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of financial assets	Impairment of inventories	Losses available for offsetting against future taxable profits	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets at 1 January 2023	15	—	1,175	1,958	84	3,232
Deferred tax credited/(charged) to profit or loss	61	—	(274)	(354)	(41)	(608)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	76	—	901	1,604	43	2,624
Acquisition of a subsidiary	239	13,875	—	514	5,870	20,498
Deferred tax credited/(charged) to profit or loss	19	(2,505)	2,820	992	3,683	5,009
Gross deferred tax assets at 31 December 2024 and 1 January 2025	334	11,370	3,721	3,110	9,596	28,131
Deferred tax credited/(charged) to profit or loss	(334)	(7,999)	(3,721)	111	9,089	(2,854)
Gross deferred tax assets at 31 December 2025	—	3,371	-	3,221	18,685	25,277

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
Gross deferred tax liabilities at 1 January 2023	—	2,043	2,043
Acquisition of a subsidiary	1,207	—	1,207
Deferred tax credited to profit or loss	(70)	(400)	(470)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024 . . .	1,137	1,643	2,780
Acquisition of a subsidiary	85,289	519	85,808
Deferred tax (credited)/charged to profit or loss	(1,779)	946	(833)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	84,647	3,108	87,755
Deferred tax (credited)/charged to profit or loss	(6,752)	119	(6,633)
Gross deferred tax liabilities at 31 December 2025	77,895	3,227	81,122

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For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025. The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	—	—	—
Net deferred tax liabilities recognised in the consolidated statements of financial position	156	59,624	55,845

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	524,190	601,643	429,970
Temporary differences.	133,263	127,144	81,506
Total	657,453	728,787	511,476

Deferred tax assets have not been recognised in respect of these tax losses and temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which losses can be utilised.

29. SHARE CAPITAL

Shares

The Company was incorporated in the British Virgin Islands on 13 March 2015, with initial authorised share capital of USD6,400 divided into 5,000,000 shares of par value of USD0.00128 each, of which

- (i) 3,987,918 shares are designated as ordinary shares of par value of USD0.00128 each;
- (ii) 84,000 shares are designated as Redeemable Convertible Series A-1 Preferred Shares of par value of USD0.00128 each;
- (iii) 112,100 shares are designated as Redeemable Convertible Series A-2 Preferred Shares of par value of USD0.00128 each (the “**Series A-2 Preferred Shares**”);
- (iv) 113,379 shares are designated as Redeemable Convertible Series A-3 Preferred Shares of par value of USD0.00128 each (the “**Series A-3 Preferred Shares**”);
- (v) 702,603 shares are designated as Redeemable Convertible Series A-4 Preferred Shares of par value of USD0.00128 each (the “**Series A-4 Preferred Shares**”);

On 1 August 2025, the maximum number of our authorized shares increased to 15,000,000 shares, of which (i) 12,919,814 shares were designated as ordinary shares; (ii) 1,012,082 shares were designated as Series A Preferred Shares; and (iii) 1,068,104 shares were designated as Series B Preferred Shares.

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On 28 October 2025, our Company increased its authorized shares from 15,000,000 shares of par value of USD0.00128 each (collectively, the “**USD Shares**”) to 30,000,000 shares by the creation of 15,000,000 shares of par value of HK\$0.001 each (collectively, the “**HKD Shares**”).

On 28 October 2025, our Company repurchased and canceled all the USD Shares held by our existing shareholders and simultaneously allotted and issued to each existing shareholder such number and class of HKD Shares as was equal to the number and equivalent class of USD Shares.

On 30 October 2025, our Company reduced its authorized shares from 30,000,000 (comprising the USD Shares and HKD Shares) to 15,000,000 shares of par value of HK\$0.001 each (comprising the HKD Shares).

Authorised

	Authorised number of shares	Nominal value of shares
		<i>USD</i>
As at 31 December 2023 and 2024		
Ordinary shares of USD0.00128 each	3,987,918	5,105
Series A-1 Preferred Shares of USD0.00128 each	84,000	108
Series A-2 Preferred Shares of USD0.00128 each	112,100	143
Series A-3 Preferred Shares of USD0.00128 each	113,379	145
Series A-4 Preferred Shares of USD0.00128 each	702,603	899
Total	<u>5,000,000</u>	<u>6,400</u>
		<i>HKD</i>
As at 31 December 2025		
Ordinary shares of HKD0.001 each	12,919,814	12,920
Series A-1 Preferred Shares of HKD0.001 each	84,000	84
Series A-2 Preferred Shares of HKD0.001 each	112,100	112
Series A-3 Preferred Shares of HKD0.001 each	113,379	113
Series A-4 Preferred Shares of HKD0.001 each	702,603	703
Series B Preferred Shares of HKD0.001 each	1,068,104	1,068
Total	<u>15,000,000</u>	<u>15,000</u>

Issued and not fully paid

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Issued and not fully paid:			
Ordinary shares	<u>—</u>	<u>—</u>	<u>—</u>

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A summary of movements in the Company’s share capital is as follows:

	Ordinary shares	Share capital
	<i>Number of shares in issue</i>	<i>RMB’000</i>
At 1 January 2023, 31 December 2023, 2024 and 1 January 2025	1,056,254	—
Issuance of ordinary shares	203,129	—
At 31 December 2025	1,259,383	—

30. SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s directors, senior executives and other employees of the Group.

2021 Pre-[REDACTED] Share Option Plan

The 2021 Pre-[REDACTED] Share Option Plan became effective in December 2021 and, unless otherwise cancelled or amended, will continue to be in effect for a term of 10 years from the date of grant. The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 189,725, 189,725 and 96,737 of the shares of the Company in issue as of 31 December 2023, 2024 and 2025, respectively. The exercise period of the share options granted commences after a vesting period of one to four years from the vesting commencement date of the share options.

2025 Pre-[REDACTED] Share Option Plan

The 2025 Pre-[REDACTED] Share Option Plan became effective in August 2025 and, unless otherwise cancelled or amended, will continue to be in effect for a term of 10 years from the date of grant. The Group accumulatively granted 193,517 options under the 2025 Pre-[REDACTED] Share Option Plan as of 31 December 2025. The exercise period of the share options granted commences after a vesting period of one to four years from the vesting commencement date of the share options.

Movements during the Relevant Periods

The following share options were outstanding under the Scheme as at the end of each of the Relevant Periods:

	Year ended 31 December					
	2023		2024		2025	
	Number	Weighted average exercise price	Number	Weighted average exercise price	Number	Weighted average exercise price
		<i>RMB</i>		<i>RMB</i>		<i>RMB</i>
At beginning of year	190,758	160.95	189,725	160.95	189,725	160.95
Granted during the year.	—	—	—	—	193,517	144.73
Forfeited during the year	—	—	—	—	—	—
Expired during the year.	(1,033)	161.16	—	—	(92,988)	160.95
At end of year	189,725	160.95	189,725	160.95	290,254	150.13

The Group recognised share-based payment expenses of RMB36,000, nil and RMB5,250,000 related to the above share options for the Relevant Periods, respectively.

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The exercise prices and exercise periods of the share options outstanding as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023			
Number of options	Exercise price	Exercise period	
	<i>RMB per share</i>		
51,447	332.32	19-12-2021 to 19-12-2031	
138,278	97.20	19-12-2021 to 19-12-2031	
189,725			

As at 31 December 2024			
Number of options	Exercise price	Exercise period	
	<i>RMB per share</i>		
51,447	332.32	19-12-2021 to 19-12-2031	
138,278	97.20	19-12-2021 to 19-12-2031	
189,725			

As at 31 December 2025			
Number of options	Exercise price	Exercise period	
	<i>RMB per share</i>		
26,232	332.32	19-12-2021 to 19-12-2031	
70,505	97.20	19-12-2021 to 19-12-2031	
169,199	119.90	30-10-2025 to 30-10-2035	
24,318	317.47	30-10-2025 to 30-10-2035	
290,254			

Fair value of share options

The fair value of the share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the key assumptions that the model used.

	19 December 2021
Dividend yield (%)	—
Expected volatility (%)	54.55
Risk-free interest rate (%)	1.54
Expected life of options (<i>years</i>)	10.00
Weighted average fair value per share (<i>RMB</i>)	153.26
	30 October 2025
Dividend yield (%)	—
Expected volatility (%)	55.40
Risk-free interest rate (%)	4.22
Expected life of options (<i>years</i>)	10.00
Weighted average fair value per share (<i>RMB</i>)	520.92

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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31. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity on pages [•] to [•] of the Historical Financial Information.

Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

Share option reserve

The share option reserve represents the equity-settled share awards as set out in note 30 to the Historical Financial Information.

Fair value reserve of equity investment designated at fair value through other comprehensive income

Fair value reserve represents the cumulative net change in the fair value of equity investment designated at fair value through other comprehensive income under IFRS 9 that was held at the end of each of the Relevant Periods.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group’s presentation currency.

Statutory surplus reserve

In accordance with the Company Law of the PRC and the respective articles of association of the PRC group companies, each of the subsidiaries of the Group that is domiciled in Chinese Mainland is required to allocate 10% of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory surplus reserve (the “SSR”) until such reserve reaches 50% of its registered capital.

In addition, certain of the PRC group companies are foreign investment enterprises which are not subject to the SSR allocation. According to the relevant PRC regulations applicable to foreign investment enterprises, each of these subsidiaries is required to allocate a certain portion (not less than 10%) of its profit after tax, as determined in accordance with the PRC Accounting Regulations, to the statutory reserve fund until such reserve reaches 50% of its registered capital.

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The Company

	Share capital	Share premium	Share option reserve	Foreign currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	—	—	29,131	(7,455)	(156,021)	(134,345)
Loss for the year	—	—	—	—	(11,473)	(11,473)
Exchange differences on translation of the Company	—	—	—	(10,637)	—	(10,637)
Share-based payment expenses	—	—	36	—	—	36
As at 31 December 2023 and 1 January 2024	—	—	29,167	(18,092)	(167,494)	(156,419)
Loss for the year	—	—	—	—	(34,866)	(34,866)
Exchange differences on translation of the Company	—	—	—	(12,064)	—	(12,064)
As at 31 December 2024 and 1 January 2025	—	—	29,167	(30,156)	(202,360)	(203,349)
Issue of original stock	—	93,708	—	—	—	93,708
Loss for the year	—	—	—	—	(189,981)	(189,981)
Exchange differences on translation of the Company	—	—	—	21,762	—	21,762
Share-based payments	—	—	5,250	—	—	5,250
As at 31 December 2025	—	93,708	34,417	(8,394)	(392,341)	(272,610)

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB4,393,000, RMB10,589,000 and RMB6,413,000 respectively, in respect of lease arrangements for properties.

In 2025, a non-cash repurchase of financial instruments issued to investors was settled through the issuance of ordinary shares amounting to RMB93,708,000.

(b) Changes in liabilities arising from financing activities

	Bank loans	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	237,793	7,933	245,726
Changes from financing cash flows:	20,751	(6,093)	14,658
— Interest paid	(18,472)	—	(18,472)
— New bank loans	421,714	—	421,714
— Repayment for bank loans	(382,491)	—	(382,491)
— Lease payments	—	(6,093)	(6,093)
New leases	—	4,393	4,393
Interest expense	18,509	417	18,926
Foreign exchange movements	—	22	22
At 31 December 2023	277,053	6,672	283,725

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	Bank loans	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	277,053	6,672	283,725
Changes from financing cash flows:	274,199	(7,007)	267,192
— Interest paid	(17,421)	—	(17,421)
— New bank loans	568,335	—	568,335
— Repayment for bank loans	(276,715)	—	(276,715)
— Lease payments	—	(7,007)	(7,007)
New leases	—	10,589	10,589
Interest expense	17,761	479	18,240
Acquisition of a subsidiary	—	2,058	2,058
Foreign exchange movements	—	18	18
At 31 December 2024	<u>569,013</u>	<u>12,809</u>	<u>581,822</u>
At 1 January 2025	569,013	12,809	581,822
Changes from financing cash flows:	21,166	(6,649)	14,517
— Interest paid	(25,413)	—	(25,413)
— New bank loans	384,533	—	384,533
— Repayment for bank loans	(337,954)	—	(337,954)
— Lease payments	—	(6,649)	(6,649)
New leases	—	6,413	6,413
Interest expense	25,407	662	26,069
Modification	—	(347)	(347)
Foreign exchange movements	—	(5)	(5)
At 31 December 2025	<u>615,586</u>	<u>12,883</u>	<u>628,469</u>

* Changes in financial instruments issued to investors during the reporting period are set out in note 38.

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities	3,856	5,985	7,984
Within financing activities	6,093	7,007	6,649
Total	<u>9,949</u>	<u>12,992</u>	<u>14,633</u>

33. PLEDGE OF ASSETS

Details of the Group’s interest-bearing bank loans, which are secured by the assets of the Group, are included in note 27 to the Historical Financial Information.

34. BUSINESS COMBINATIONS

(a) Dr. Dunner AG

On 21 June 2023, Hong Kong Winhealth Pharma Group Co. Limited, completed the acquisition of 100% equity interests in Dr. Dunner AG. The acquisition of Dr. Dunner AG was identified as a business combination by the management. Dr. Dunner AG was a fully operational company as at the acquisition date and its principal activity is the production and sales of high-quality dietary supplements and drugs.

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The fair values of the identifiable assets and liabilities of Dr. Dunner AG as at the date of acquisition were as follows:

	Net assets acquired
	<i>RMB’000</i>
Cash and cash equivalents	7,606
Trade receivables	1,506
Prepayments, other receivables and other assets	179
Inventories	4,638
Property, plant and equipment	856
Other intangible assets	8,184
Trade payables, other payables and accruals	(2,522)
Deferred tax liabilities	(1,207)
Total identifiable net assets at fair value	19,240
Goodwill on acquisition	8,907
Total consideration	28,147
Satisfied by	
Consideration liabilities	6,454
Cash paid	21,693
	28,147

Since the acquisition, Dr. Dunner AG contributed RMB7,458,000 to the Group’s revenue and RMB5,206,000 to the consolidated loss for the year ended 31 December 2023.

Had the combination taken place at the beginning of 2023, the revenue of the Group and the loss of the Group for the year would have been RMB896,459,000 and RMB19,180,000, respectively.

An analysis of the cash flows in respect of the acquisition of Dr. Dunner AG is as follows:

	Year ended 31 December 2023
	<i>RMB’000</i>
Cash consideration	(21,693)
Cash and cash equivalents acquired	7,606
Net outflow of cash and cash equivalents included in cash flows from investing activities	(14,087)
Total net cash outflow	(14,087)

(b) Kyowa Kirin China Pharmaceutical Co., Ltd.

On 30 September 2024, WinHealth Investment (Overseas) Limited completed the acquisition of 100% equity interests in Kyowa Kirin China Pharmaceutical Co., Ltd. The acquisition of Kyowa Kirin China Pharmaceutical Co., Ltd. was identified as a business combination by the management. Kyowa Kirin China Pharmaceutical Co., Ltd. was a fully operational company as at the acquisition date and its principal activity is the research, development, production and sales of pharmaceuticals and healthcare products.

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The fair values of the identifiable assets and liabilities of Kyowa Kirin China Pharmaceutical Co., Ltd. as at the date of acquisition were as follows:

	Net assets acquired
	<i>RMB’000</i>
Cash and cash equivalents	49,714
Trade receivables	62,592
Prepayments, other receivables and other assets	33,402
Inventories	82,165
Property, plant and equipment	112,856
Right-of-use assets	166,521
Other intangible assets	217,741
Deferred tax assets	20,498
Trade payables, other payables and accruals	(106,633)
Income tax payable	(921)
Deferred tax liabilities	(85,808)
Lease liabilities	(2,058)
Total identifiable net assets at fair value	550,069
Other income and gains	(38)
Total consideration	550,031
Satisfied by	
Cash paid	442,603
Pre-existing intangible assets	28,228
Other payables	79,200
	550,031

The financial information is prepared on the basis that, under the terms of the acquisition, the shareholder loans are not transferred with the transaction and are deducted from the Target’s cash.

Since the acquisition, Kyowa Kirin China Pharmaceutical Co., Ltd. contributed RMB231,360,000 to the Group’s revenue and RMB26,458,000 to the consolidated profit for the year ended 31 December 2024.

Had the combination taken place at the beginning of 2024, the revenue from continuing operations of the Group and the profit of the Group for the year would have been RMB1,366,157,000 and RMB6,817,000, respectively.

An analysis of the cash flows in respect of the acquisition of Kyowa Kirin China Pharmaceutical Co., Ltd. is as follows:

	Year ended 31 December 2024
	<i>RMB’000</i>
Cash consideration	(442,603)
Cash and cash equivalents acquired	49,714
Net outflow of cash and cash equivalents included in cash flows from investing activities	(392,889)
Total net cash outflow	(392,889)

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35. RELATED PARTY TRANSACTIONS

Besides the interest-bearing bank loans, which were secured by the pledge of trade receivables of the Company’s certain subsidiary or guaranteed by the company’s certain directors (the details were disclosed in note 27), and the key management remuneration disclosed in note 8, there were no other related party transactions during the Relevant Periods.

36. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets	Financial assets at amortised cost		
	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade and bills receivables	136,920	190,317	231,386
Financial assets included in other non-current assets	34,319	7,872	7,699
Financial assets included in prepayments, other receivables and other assets	6,014	52,136	32,497
Cash and cash equivalents	175,245	288,319	608,047
Total	352,498	538,644	879,629
Financial assets	Financial assets at fair value		
	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	—	10,000	—
Equity investment designated at fair value through other comprehensive income	3,606	5,293	7,315
Total	3,606	15,293	7,315
Financial liabilities	Financial liabilities at amortised cost		
	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables	36,738	67,049	135,202
Financial liabilities included in other payables and accruals	48,445	134,846	44,859
Interest-bearing bank loans	277,053	569,013	615,586
Total	362,236	770,908	795,647

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Financial liabilities	Financial liabilities at fair value through profit or loss		
	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors	643,113	880,170	1,245,888

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term of these instruments.

The Group’s finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of non-current interest-bearing loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values of the interest-bearing bank loans approximate to their carrying amounts as the loans are with floating interest rate which reflects the market rate.

Financial assets at fair value through profit or loss of the Group represented wealth management products with banks in Chinese Mainland. For the structured deposits, the fair value is based on expected cash flows from implied yield, while for other wealth management products, the fair value is based on the quoted net assets value per unit and the discount factor for lack of marketability.

For the fair value of the unlisted equity investment at fair value through other comprehensive income, the Group has estimated the fair value of the unlisted investment by using enterprise value to sales multiple method based on the enterprise value to sales ratio.

The fair value of the convertible redeemable preferred shares and convertible loans measured at fair value through profit or loss is determined using the discounted cash flow method and backsolve method, and is within Level 3 fair value measurement. Further details are set out in note 24 to the Historical Financial Information.

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Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

	Valuation techniques	Significant unobservable inputs	Range or weighted average			Sensitivity of fair value to the input		
			As at 31 December			As at 31 December		
			2023	2024	2025	2023	2024	2025
Equity instruments at fair value through other comprehensive income.	Enterprise Value to Sales Multiple Method	Enterprise Value to Sales Ratio	10.8	10.9	10.9	1% increase/decrease in multiple would result in increase/decrease in fair value by 1.17%.	1% increase/decrease in multiple would result in increase/decrease in fair value by 1.09%.	1% increase/decrease in multiple would result in increase/decrease in fair value by 1.36%.
Convertible redeemable preferred shares.	Discounted Cash Flow Method	Discount rate	16.00%	15.00%	13.00%	1% increase/decrease in multiple would result in decrease/increase in fair value by 1.89% and 1.92% respectively.	1% increase/decrease in multiple would result in decrease/increase in fair value by 1.96% and 1.98% respectively.	1% increase/decrease in multiple would result in decrease/increase in fair value by 1.36% and 1.31% respectively
		Discount for lack of marketability	17.72%	17.12%	12.15%	1% increase/decrease in multiple would result in increase/decrease in fair value by 0.17%.	1% increase/decrease in multiple would result in increase/decrease in fair value by 0.17%.	1% increase/decrease in multiple would result in increase/decrease in fair value by 0.12%

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

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Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Equity investment designated at fair value through other comprehensive income	—	—	3,606	3,606

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	—	10,000	—	10,000
Equity investment designated at fair value through other comprehensive income	—	—	5,293	5,293
Total	—	10,000	5,293	15,293

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Equity investment designated at fair value through other comprehensive income	—	—	7,315	7,315

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Liabilities measured at fair value

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors — convertible redeemable preferred shares	—	—	643,113	643,113

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors — convertible redeemable preferred shares	—	—	696,781	696,781
Financial instruments issued to investors — convertible loans	—	—	183,389	183,389
Total	—	—	880,170	880,170

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors — convertible redeemable preferred shares	—	—	1,245,888	1,245,888

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

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Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Equity investment designated at fair value through other comprehensive income	Financial instruments issued to investors
	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at 1 January 2023	3,200	622,202
Net gain from a fair value adjustment recognised in fair value through profit or loss.	—	10,274
Net gain from a fair value adjustment recognised in fair value through other comprehensive income	406	—
Effect of foreign exchange rate changes.	—	10,637
Carrying amount at 31 December 2023 and 1 January 2024	3,606	643,113
Additions.	—	177,595
Net gain from a fair value adjustment recognised in fair value through profit or loss.	—	47,398
Net gain from a fair value adjustment recognised in fair value through other comprehensive income	1,687	—
Effect of foreign exchange rate changes.	—	12,064
Carrying amount at 31 December 2024 and 1 January 2025	5,293	880,170
Net gain from a fair value adjustment recognised in fair value through profit or loss.	—	238,244
Repurchase of financial instruments issued to investors.	—	(225,332)
Issuance of financial instruments issued to investors.	—	538,015
Repurchase of financial instruments issued to investors settled by issuance of ordinary shares	—	(93,708)
Effect of preferred share term modifications.	—	(69,741)
Net gain from a fair value adjustment recognised in fair value through other comprehensive income	2,162	—
Effect of foreign exchange rate changes.	(140)	(21,760)
Carrying amount at 31 December 2025	7,315	1,245,888

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and bank balances, short term deposits, lease liabilities, and interest-bearing bank loans. The main purpose of these financial instruments is to support the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing these risks and they are summarised below. The Group’s accounting policies in relation to derivatives are set out in note 2.3 to the Historical Financial Information.

(a) Interest rate risk

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

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The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group’s profit or loss before tax (through the impact on floating rate loans) and the Group’s equity.

	<u>Increase in basis points</u>	<u>Increase in profit/(loss) before tax</u>	<u>Increase in equity</u>
		<i>RMB’000</i>	<i>RMB’000</i>
Year ended 31 December 2023	50	7	5
Year ended 31 December 2024	50	6,347	4,760
Year ended 31 December 2025	50	5,813	4,360

(b) Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group’s financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group’s profit or loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group’s equity.

	<u>Increase/ (decrease)in USD/HKD/EUR rate</u>	<u>Increase/ (decrease) in (loss)/profit before tax</u>	<u>Increase/(decrease) in equity</u>
	<i>%</i>	<i>RMB’000</i>	<i>RMB’000</i>
Year ended 31 December 2023			
If the USD weakens against the RMB	5	115	162
If the USD strengthens against the RMB	(5)	(115)	(162)
If the HKD weakens against the RMB	5	27	26
If the HKD strengthens against the RMB	(5)	(27)	(26)
If the EUR weakens against the RMB	5	3,224	2,701
If the EUR strengthens against the RMB	(5)	(3,224)	(2,701)
Year ended 31 December 2024			
If the USD weakens against the RMB	5	13,219	12,258
If the USD strengthens against the RMB	(5)	(13,219)	(12,258)
If the HKD weakens against the RMB	5	38	36
If the HKD strengthens against the RMB	(5)	(38)	(36)
If the EUR weakens against the RMB	5	1,390	1,162
If the EUR strengthens against the RMB	(5)	(1,390)	(1,162)
Year ended 31 December 2025			
If the USD weakens against the RMB	5	339	320
If the USD strengthens against the RMB	(5)	(339)	(320)
If the HKD weakens against the RMB	5	48	48
If the HKD strengthens against the RMB	(5)	(48)	(48)
If the EUR weakens against the RMB	5	1,233	1,031
If the EUR strengthens against the RMB	(5)	(1,233)	(1,031)

(c) Credit risk

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

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ACCOUNTANTS’ REPORT

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2023, 2024 and 2025.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

	12-month ECLs	Lifetime ECLs			
As at 31 December 2023	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables.	—	—	—	138,418	138,418
Financial assets included in other non-current assets					
— Normal*.	34,319	—	—	—	34,319
Financial assets included in prepayments, other receivables and other assets					
— Normal*.	6,014	—	—	—	6,014
Cash and cash equivalents					
— Not yet past due.	175,245	—	—	—	175,245
Total.	215,578	—	—	138,418	353,996
	12-month ECLs	Lifetime ECLs			
As at 31 December 2024	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables.	—	—	—	192,402	192,402
Financial assets included in other non-current assets					
— Normal*.	7,872	—	—	—	7,872
Financial assets included in prepayments, other receivables and other assets					
— Normal*.	52,136	—	—	—	52,136
Cash and cash equivalents					
— Not yet past due.	288,319	—	—	—	288,319
Total.	348,327	—	—	192,402	540,729

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ACCOUNTANTS’ REPORT

As at 31 December 2025	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables.	—	—	—	232,851	232,851
Financial assets included in other non-current assets					
— Normal*.	7,699	—	—	—	7,699
Financial assets included in prepayments, other receivables and other assets					
— Normal*.	32,497	—	—	—	32,497
Cash and cash equivalents					
— Not yet past due.	608,047	—	—	—	608,047
Total.	648,243	—	—	232,851	881,094

* The credit quality of the financial assets included in prepayments, other receivables and other assets and financial assets included in other non-current assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

The credit risk of the Group’s other financial assets, which comprise cash and cash equivalents and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade and bills receivables are disclosed in note 20 to the Historical Financial Information.

(d) Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Trade payables	36,738	—	—	36,738
Financial liabilities included in other payables and accruals	48,445	—	—	48,445
Interest-bearing bank loans	281,539	—	—	281,539
Lease liabilities	4,370	2,404	—	6,774
Financial instruments issued to investors.	795,857	—	—	795,857
Total	1,166,949	2,404	—	1,169,353

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ACCOUNTANTS’ REPORT

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2024				
Trade payables	67,049	—	—	67,049
Financial liabilities included in other payables and accruals	134,846	—	—	134,846
Interest-bearing bank loans	313,157	315,758	—	628,915
Lease liabilities	5,753	8,970	922	15,645
Financial instruments issued to investors	1,079,671	—	—	1,079,671
Total	<u>1,600,476</u>	<u>324,728</u>	<u>922</u>	<u>1,926,126</u>
As at 31 December 2025				
Trade payables	135,202	—	—	135,202
Financial liabilities included in other payables and accruals	129,411	—	—	129,411
Interest-bearing bank loans	418,646	242,398	—	661,044
Lease liabilities	8,303	8,462	—	16,765
Financial instruments issued to investors	—	1,295,499	—	1,295,499
Total	<u>691,562</u>	<u>1,546,359</u>	<u>—</u>	<u>2,237,921</u>

(e) Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes 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, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No change was made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors its capital structure on the basis of an adjusted debt-to-asset ratio. For this purpose, adjusted debt includes all components of debt except for convertible redeemable preferred shares. The adjusted debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities	1,268,933	1,921,241	2,328,793
Less: Convertible redeemable preferred shares	(643,113)	(696,781)	(1,245,888)
Adjusted debt	<u>625,820</u>	<u>1,224,460</u>	<u>1,082,905</u>
Total assets	<u>738,138</u>	<u>1,389,142</u>	<u>1,838,897</u>
Adjusted debt-to-asset ratio	<u>84.8%</u>	<u>88.1%</u>	<u>58.9%</u>

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ACCOUNTANTS’ REPORT

40. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events for which disclosures or adjustments are required after the end of the Relevant Periods.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA PHARMACEUTICAL CO., LTD. HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WINHEALTH INTERNATIONAL HOLDING GROUP COMPANY LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Kyowa Kirin China Pharmaceutical Co., Ltd. (the “**Company**”) set out on pages [I-[*]] to [I-[*]], which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for each of the years ended 31 December 2023 and the nine months ended 30 September 2024 (the “**Relevant Periods**”), and the statements of financial position of the Company and the statements of financial position of the Company as at 31 December 2023 and 30 September 2024 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages [I-[*]] to [I-[*]] forms an integral part of this report, which has been prepared for inclusion in the document of WinHealth International Holding Group Company Limited dated [date] (the “**Document**”) in connection with the [REDACTED] of the shares of the WinHealth International Holding Group Company Limited on the [REDACTED].

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Company as at 31 December 2023 and 30 September 2024 and of the financial performance and cash flows of the Company for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [•] have been made.

[•]
Certified Public Accountants
Hong Kong
[Date]

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The Historical Financial Information of the Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	Nine months ended 30 September
	<i>Notes</i>	2023	2024
		<i>RMB’000</i>	<i>RMB’000</i>
REVENUE	5	584,208	464,319
Cost of sales		(213,686)	(168,914)
Gross profit		370,522	295,405
Other income and gains	5	6,180	5,619
Selling and distribution expenses		(326,076)	(223,307)
Administrative expenses		(73,458)	(62,248)
Other expenses		(17,471)	(12,579)
Finance costs	7	(1,213)	(3,492)
PROFIT/(LOSS) BEFORE TAX	6	(41,516)	(602)
Income tax expense	8	(3,247)	(1,154)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		(44,763)	(1,756)

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

STATEMENTS OF FINANCIAL POSITION

		As at 31 December	As at 30 September
	Notes	2023	2024
		RMB’000	RMB’000
NON-CURRENT ASSETS			
Property, plant and equipment	10	120,902	112,856
Right-of-use assets	11	4,369	2,077
Other intangible assets	12	46,353	41,033
Other non-current assets	14	1,299	—
Deferred tax assets	13	25,306	27,605
Total non-current assets		198,229	183,571
CURRENT ASSETS			
Inventories	15	137,329	82,165
Trade receivables	16	91,202	62,592
Prepayments, other receivables and other assets	17	8,037	32,117
Income tax recoverable	18	—	—
Other current assets	19	21	1,286
Cash and cash equivalents	20	75,734	362,297
Total current assets		312,323	540,457
CURRENT LIABILITIES			
Trade payables	21	38,100	9,081
Other payables and accruals	22	143,503	392,696
Lease liabilities	11	2,588	1,148
Income tax payable		—	921
Total current liabilities		184,191	403,846
NET CURRENT LIABILITIES		128,132	136,611
TOTAL ASSETS LESS CURRENT LIABILITIES . .		326,361	320,182
NON-CURRENT LIABILITIES			
Long-term lease liabilities	11	1,602	910
Deferred income	23	34,237	30,506
Total non-current liabilities		35,839	31,416
Net assets		290,522	288,766
EQUITY			
Share capital	24	247,111	247,111
Reserves	25	43,411	41,655
Total equity		290,522	288,766

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve*	Statutory surplus reserve*	Retained profits/ (accumulated losses)*	Total equity
	<i>RMB'000</i> <i>(note 23)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023.	247,111	(205)	88,819	8,357	344,082
Loss and total comprehensive loss for the year.	—	—	—	(44,763)	(44,763)
Distribution to the owner.	—	—	—	(8,797)	(8,797)
At 31 December 2023	<u>247,111</u>	<u>(205)</u>	<u>88,819</u>	<u>(45,203)</u>	<u>290,522</u>

	Share capital	Capital reserve*	Statutory surplus reserve*	Accumulated losses*	Total equity
	<i>RMB'000</i> <i>(note 23)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i> <i>(note 24)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024.	247,111	(205)	88,819	(45,203)	290,522
Loss and total comprehensive loss for the period	—	—	—	(1,756)	(1,756)
At 30 September 2024.	<u>247,111</u>	<u>(205)</u>	<u>88,819</u>	<u>(46,959)</u>	<u>288,766</u>

These reserve accounts comprise the reserves of RMB43,411,000 and RMB41,655,000 as at 31 December 2023 and 30 September 2024, respectively, in the statements of financial position.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

STATEMENTS OF CASH FLOWS

		Year ended 31 December	Nine months ended 30 September
	Notes	2023	2024
		RMB’000	RMB’000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:		(41,516)	(602)
Adjustments for:			
Finance costs	7	1,213	3,492
Interest income.		(989)	(1,299)
Depreciation of property, plant and equipment	10	11,088	13,966
Depreciation of right-of-use assets.	11	2,502	1,155
Amortisation of other intangible assets.	12	6,924	5,386
Gain on disposal of items of property, plant and equipment.		(50)	(4)
Gain on disposal of right-of-use assets for early terminated leases.		—	(22)
Impairment/(reversal of impairment) of trade receivables	16	318	(14)
Write-down of inventories to net realisable value . . .		26,791	11,092
		6,281	33,150
(Increase)/decrease in inventories		(5,122)	44,071
(Increase)/decrease in trade receivables, prepayments, other receivables and other assets . .		(16,816)	3,281
(Decrease)/increase in trade payables, accruals and other payables.		(32,496)	56,113
Cash generated from operations.		(48,153)	136,615
Interest received.		989	1,299
Corporate income tax paid	8	9,141	(2,532)
Net cash flows from operating activities		(38,023)	135,382

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

		Year ended 31 December	Nine months ended 30 September
	Note	2023	2024
		RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment.		(62,270)	(5,983)
Proceeds from disposal of property, plant and equipment.		50	7
Decrease in loan receivables from the holding company.		40,043	—
Increase in loan receivables from the holding company.		—	—
Interest received.		3	—
Net cash flows used in investing activities.		(22,174)	(5,976)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in due to the holding company.		60,000	390,000
Decrease in due to the holding company.		—	(230,000)
Payment of lease liability.		(2,746)	(1,043)
Dividends paid.		(8,797)	—
Interest paid.		(1,077)	(1,913)
Net cash flows (used in)/from financing activities.		47,380	157,044
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS.		(12,817)	286,450
Cash and cash equivalents at beginning of year/period.		88,326	75,734
Effects of foreign exchange rate changes, net.		225	113
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD.	20	75,734	362,297
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents.	20	75,734	362,297
Cash and cash equivalents as stated in the statements of cash flows.	20	75,734	362,297

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is incorporated in Shanghai. The registered office address of the Company is located at No. 970, Longdong Avenue, China (Shanghai) Pilot Free Trade Zone.

The Company is a pharmaceutical products trading company. During the Relevant Periods, the Company was primarily involved in the trading of pharmaceutical products.

In the opinion of the directors, the Company’s ultimate holding company is Kyowa Kirin Co., Ltd. during the Relevant Periods.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Company has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Company intends to adopt them, if applicable, when they become effective:

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Company is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. The application of IFRS 18 will have no impact on the consolidated statements of financial position of the Company, but will have impact on the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows.

Except for IFRS 18, so far, the Company considers that the other new and revised IFRS Accounting Standards are unlikely to have a significant impact on the Company’s results of operations and financial position.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and investment properties), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company;
- or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4%–20%
Furniture, fixtures and equipment	10%–50%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual value, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Other intangible assets

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Other intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for other intangible assets with finite useful lives are reviewed at least at each financial year end.

Other intangible assets are amortised on the straight-line basis over the following useful economic lives:

Category	Estimated useful life	Estimated residual value
Software (i)	3–5 years	0%
Distribution and promotion rights (ii)	15 years	0%

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- (i) Software has an amortization period of three to five years based on the estimated useful lives.
- (ii) Distribution and promotion rights have an amortization period of fifteen years based on the period covered by their licenses.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis as follows:

Land-use right <i>(i)</i>	25 years
Office premises	2 to 3 years

- (i) Land-use right has an amortization period of twenty-five years based on the period as stipulated in the contracts.

If ownership of the leased asset transfers to the Company by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for termination of a lease, if the lease term reflects the Company exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

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(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office, motor vehicles, equipment and green plants (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and potted plants that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient of not adjusting the effect of a significant financing component, the Company initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

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Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Company had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company’s combined statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has not increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Company applies the practical expedient of not adjusting the effect of a significant financing component, the Company applies the simplified approach in calculating ECLs. Under the simplified approach, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade payables, other payables and accruals and interest-bearing bank borrowings.

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Subsequent measurement

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories comprise medicines and medical instruments and are stated at the lower of cost and net realisable value. Cost is determined on a weighted average cost basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Company’s cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statements of profit or loss.

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Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Company has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from investment property operating leases

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Company 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 the Company will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. When the contract contains a financing component which provides the Company with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

(b) Rendering of promotion service-at the point in time

Rendering of promotion service is recognised when the Company satisfies its promise to arrange for the pharmaceutical products to be provided by supplier to the customer.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

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Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other employee benefits

Pension scheme

The employees of the Company in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Company is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 9 to the Historical Financial Information.

Foreign currencies

These financial statements are presented in RMB. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Company are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Company’s net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of the advance consideration.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Company’s accounting policies, management has made the following judgements apart from those involving estimations which have the most significant effect on the amounts recognised in the financial statements:

Income taxes

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Company carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 13 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Useful lives of intangible assets

The Company’s management determines the estimated useful lives and the related amortisation charge for the Company’s intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. Management will increase the amortisation charge where useful lives are less than previously estimated lives, or will write off or write down technically obsolete or non-strategic assets. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in amortisable lives and, therefore, amortisation charge in the future periods.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Company has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of services, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Company with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed as at the end of each of the reporting period. Further details of the property, plant and equipment are set out in note 10 to the financial statements.

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Provision for expected credit losses on trade receivables

The Company uses a provision matrix to calculate ECLs for trade 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 the Company’s historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Company’s trade receivables and contract assets is disclosed in note 16 the financial statements, respectively.

Leases — Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Company assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customer taste or competitor actions. Management reassesses these estimates at each reporting period.

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Impairment of non-financial assets (other than goodwill)

The Company assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for expected credit losses on trade receivables

The Company uses a provision matrix to calculate ECLs for trade 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 the Company’s historical observed default rates. The Company 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 Track Record Period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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. The Company’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 the Company’s trade receivables is disclosed in note 15 to the financial statements.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. During the Relevant Periods, the Company was principally engaged in the sale and promotion of pharmaceutical products. Management reviews the operating results of the Company’s business as one operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

Geographical information

Since approximately all of the Company’s non-current assets were located in Chinese Mainland, no geographical segment information is presented in accordance with IFRS 8 *Operating Segments*.

Information about a major customer

Revenue from continuing operations of approximately RMB75,673,000 and RMB119,916,000 was derived from sales to a single customer, relating to the nine months ended 30 September 2024, the year ended 31 December 2023 respectively, including sales to a group of entities which are known to be under common control with that customer.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Revenue from contracts with customers	584,208	464,319

(a) Disaggregated revenue information

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Types of goods or services		
Sales of pharmaceutical products	567,056	453,942
Rendering of consulting service	12,178	6,647
Deferred licensed distribution revenue	4,974	3,730
	584,208	464,319
Timing of revenue recognition		
Goods transferred at a point in time	567,056	453,942
Services transferred over time	17,152	10,377
	584,208	464,319

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of pharmaceutical products	211	106

(b) Performance obligations

Information about the Company’s performance obligations is summarised below:

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the products and the payment is generally due within 35 to 140 days from the date of billing.

Rendering of consulting service

The performance obligation is satisfied over time as services are rendered and service contracts are for periods of one month or more, and are billed based on the time incurred.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

Deferred licensed distribution revenue

The performance obligation is satisfied over time as distribution license agreements are structured for terms of either 5 or 12 years.

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Other income and gains		
Government grants*	5,098	4,295
Interest income	1,032	1,299
Others	50	25
	<u>6,180</u>	<u>5,619</u>

* There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT/(LOSS) BEFORE TAX

The Company’s profit/(loss) before tax is arrived at after charging/(crediting):

		Year ended 31 December	Nine months ended 30 September
		2023	2024
		RMB’000	RMB’000
Cost of inventories sold*		202,040	161,858
Cost of service		11,646	7,056
Depreciation of property, plant and equipment	10	11,088	13,966
Depreciation of right-of-use assets	11	2,502	1,155
Amortisation of other intangible assets	12	6,924	5,386
Impairment/(reversal of impairment) of trade receivables	16	318	(14)
Write-down of inventories to net realisable value . . .		26,791	11,092
Employee benefit expense:			
— Wages, salaries and bonuses		145,567	129,491
— Pension scheme contributions		31,478	25,024
Subtotal		177,045	154,515
Foreign exchange differences, net		225	113
Donation expenditure		16,849	12,107

* Cost of inventories sold include expenses relating to depreciation of property, plant and equipment, which are also included in the total amounts disclosed in the depreciation of property, plant and equipment above. Cost of inventories sold include impairment of inventories, which are also disclosed in impairment loss of inventories above.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Interest on borrowings from the holding company	1,077	3,422
Interest on lease liabilities (note 11)	136	70
	<u>1,213</u>	<u>3,492</u>

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

8. INCOME TAX

The provision for Chinese Mainland corporate income tax has been provided at the applicable tax rate of 25% during the Relevant Periods on the assessable profits of the Company in Chinese Mainland.

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Current		
Current income tax charge	—	3,453
Deferred		
Relating to origination and reversal of temporary differences . .	3,247	(2,299)
Total tax /charge for the year/period	3,247	1,154

A reconciliation of the tax expense applicable to the operating results at the statutory rate for Chinese Mainland in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Profit/(loss) before tax	(41,516)	(602)
Tax at the statutory tax rate of 25%	(10,379)	(151)
Expenses not deductible for tax purposes	4,061	453
Temporary differences not recognised	9,565	852
Total tax charge for the year/period	3,247	1,154

9. DIVIDENDS

According to the approval of the board of directors in 2023, the Company distributed cash profits totaling RMB8,797,000 to shareholders of the Company in 2023.

No dividends have been paid or declared by the Company during the nine months ended 30 September 2024.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Furniture, fixtures and equipment	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023:				
Cost	55,813	145,133	45,822	246,768
Accumulated depreciation	(43,658)	(121,708)	—	(165,366)
Net carrying amount	<u>12,155</u>	<u>23,425</u>	<u>45,822</u>	<u>81,402</u>
At 1 January 2023, net of accumulated depreciation	12,155	23,425	45,822	81,402
Additions	—	825	54,353	55,178
Transfer from/(to) construction in progress/fixed assets	68,848	9,016	(77,864)	—
Transfer to intangible assets	—	—	(4,590)	(4,590)
Depreciation provided during the year	(3,687)	(7,401)	—	(11,088)
At 31 December 2023, net of accumulated depreciation	<u>77,316</u>	<u>25,865</u>	<u>17,721</u>	<u>120,902</u>
At 31 December 2023:				
Cost	124,661	154,974	17,721	297,356
Accumulated depreciation	(47,345)	(129,109)	—	(176,454)
Net carrying amount	<u>77,316</u>	<u>25,865</u>	<u>17,721</u>	<u>120,902</u>
	Buildings	Furniture, fixtures and equipment	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024:				
Cost	124,661	154,974	17,721	297,356
Accumulated depreciation	(47,345)	(129,109)	—	(176,454)
Net carrying amount	<u>77,316</u>	<u>25,865</u>	<u>17,721</u>	<u>120,902</u>
At 1 January 2024, net of accumulated depreciation	77,316	25,865	17,721	120,902
Additions	—	249	5,740	5,989
Transfer from/(to) construction in progress/fixed assets	1,117	22,278	(23,395)	—
Transfer to intangible assets	—	—	(66)	(66)
Disposals	—	(3)	—	(3)
Depreciation provided during the period	(6,094)	(7,872)	—	(13,966)
At 30 September 2024, net of accumulated depreciation	<u>72,339</u>	<u>40,517</u>	<u>—</u>	<u>112,856</u>
At 30 September 2024:				
Cost	125,778	177,498	—	303,276
Accumulated depreciation	(53,439)	(136,981)	—	(190,420)
Net carrying amount	<u>72,339</u>	<u>40,517</u>	<u>—</u>	<u>112,856</u>

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

11. LEASES

The Company as lessee

The Company has lease contracts for various items of buildings used in its operations. Buildings generally have lease terms of 2 to 3 years.

(a) Right-of-use assets

The carrying amount of the Company’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Right-of-use assets
	Office premises
	RMB’000
As at 1 January 2023	1,910
Addition.	4,961
Depreciation charge	(2,502)
As at 31 December 2023 and 1 January 2024.	4,369
Termination of right-of-use assets	(1,137)
Depreciation charge	(1,155)
As at 30 September 2024	2,077

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Carrying amount at the beginning of year/period	1,839	4,190
New leases.	4,961	—
Accretion of interest recognised during the year.	136	70
Termination of leases	—	(1,159)
Payments	(2,746)	(1,043)
Carrying amount at end of year/period.	4,190	2,058
Analysed into:		
Current portion	2,588	1,148
Non-current portion.	1,602	910

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	RMB’000	RMB’000
Gain on lease termination	—	22
Interest on lease liabilities.	136	70
Depreciation charge of right-of-use assets	2,502	1,155
Total amount recognised in profit or loss	2,638	1,247

The total cash outflow for leases is disclosed in note 25(b).

12. OTHER INTANGIBLE ASSETS

	Software	Distribution and promotion rights	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2023				
Cost at 1 January 2023, net of accumulated amortisation.	15,442	33,245	—	48,687
Transfer from construction in progress	4,590	—	—	4,590
Amortisation provided during the year	(3,362)	(3,562)	—	(6,924)
At 31 December 2023.	16,670	29,683	—	46,353
At 31 December 2023 and 1 January 2024				
Cost	36,392	53,429	—	89,821
Accumulated amortisation	(19,722)	(23,746)	—	(43,468)
Net carrying amount	16,670	29,683	—	46,353
30 September 2024				
Cost at 1 January 2024, net of accumulated amortisation.	16,670	29,683	—	46,353
Transfer from construction in progress	66	—	—	66
Amortisation provided during the period	(2,714)	(2,672)	—	(5,386)
At 30 September 2024	14,022	27,011	—	41,033
At 30 September 2024				
Cost	36,458	53,429	—	89,887
Accumulated amortisation	(22,436)	(26,418)	—	(48,854)
Net carrying amount	14,022	27,011	—	41,033

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

13. DEFERRED TAX

The movements in deferred tax assets and deferred tax liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment provision for assets	Leases liabilities	Deferred income	Sales rebate	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Gross deferred tax assets						
1 January 2023.	14,460	460	9,803	2,135	2,173	29,031
Deferred tax (charged)/credited to profit or loss.	(3,358)	588	(1,244)	191	1,190	(2,633)
Gross deferred tax assets at 31 December 2023 and 1 January 2024 . . .	11,102	1,048	8,559	2,326	3,363	26,398
Deferred tax (charged)/credited to profit or loss	2,773	(534)	(933)	605	(185)	1,726
Gross deferred tax assets at 30 September 2024. .	13,875	514	7,626	2,931	3,178	28,124

Deferred tax liabilities

	Right of use assets	Total
	RMB'000	RMB'000
At 1 January 2023	478	478
Deferred tax credited to profit or loss	614	614
At 31 December 2023 and 1 January 2024.	1,092	1,092
Deferred tax charged to profit or loss	(573)	(573)
At 30 September 2024	519	519

The above tax losses arose in Chinese Mainland, which were available for offsetting against future taxable profits in one to five years. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Net deferred tax assets recognised in the statements of financial position	25,306	27,605

The Company also has unused tax losses arising in Chinese Mainland of approximately RMB25,651,000 and Nil as at the end of each of the Relevant Periods that will expire in one to five years for offsetting against future taxable profits.

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Deferred tax assets have not been recognized in respect of these unused tax losses as the Company has been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilized in the foreseeable future.

14. OTHER NON-CURRENT ASSETS

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Construction prepayment	1,299	—

15. INVENTORIES

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Finished goods	137,329	82,165

16. TRADE RECEIVABLES

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Trade receivables	92,172	63,548
Impairment	(970)	(956)
Net carrying amount	91,202	62,592

An ageing analysis of the trade receivables of the Company as at the end of each of the Relevant Periods, based on the billing date and net of loss allowance, is as follows:

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Within 1 year	91,202	62,592

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
At beginning of year/period	(652)	(970)
impairment losses, net	(318)	14
At end of year/period	(970)	(956)

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Set out below is the information about the credit risk exposure on the Company’s trade receivables using a provision matrix:

	As at 31 December	As at 30 September
	2023	2024
Expected credit loss rate	1.05%	1.50%
Gross carrying amount (<i>RMB’000</i>)	92,172	63,548
Expected credit losses (<i>RMB’000</i>)	(970)	(956)

17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December	As at 30 September
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Loan receivable from the holding company* (<i>note 26(b)</i>)	—	—
Other receivables from the holding company (<i>note 26(b)</i>)	4,738	15,944
Other receivables	1,068	11,092
Prepayments	2,231	5,081
Total	8,037	32,117

* Loan receivable from the holding company comprises both principal and the accrued interest, bearing an annual interest rate of 1.35%, it was unsecured, non-trade related and repayable within one year.

The financial assets in the above balances are receivables with no recent default history or overdue amounts.

18. INCOME TAX RECOVERABLE

	As at 31 December	As at 30 September
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Prepaid income tax	—	—

19. OTHER CURRENT ASSETS

	As at 31 December	As at 30 September
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Unverified VAT	21	1,286

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20. CASH AND CASH EQUIVALENTS

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Cash and cash equivalents	75,734	362,297
Denominated in:		
RMB	74,949	361,523
USD	754	746
JPY	31	28
	75,734	362,297

The RMB is not freely convertible into other currencies. However, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

21. TRADE PAYABLES

An aging analysis of the trade payables, based on the invoice date, is as follows:

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Within one year	38,100	9,081
Over one year	—	—
	38,100	9,081

The trade payables are non-interest-bearing and are normally settled on 90 days after customs clearance.

22. OTHER PAYABLES AND ACCRUALS

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Loan payables to the holding company* (note 26(b))	60,145	220,064
Severance Pay**, ...	—	92,583
Other payables	65,324	43,025
Staff cost payables	8,621	24,996
Estimated sales allowances	9,307	11,985
Contract liabilities	106	43
	143,503	392,696

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* The loan payables to the holding company consist of loans and interest payables.

On 1 June 2023, the Company obtained an unsecured loan from the holding company amounting to RMB60,000,000 at 2.9% per annum and due for repayment in 6 months. The loan was renewed for a further 6-month term on 1 December 2023, maintaining the same interest rate. An early repayment of RMB 60 million was made on 27 March 2024, prior to the renewed maturity date.

On 1 February 2024, the Company obtained an unsecured loan from the holding company amounting to RMB170,000,000 at 2.7% per annum. Partial repayments of RMB70,000,000 and RMB100,000,000 were settled on 1 July 2024, and 1 September 2024, respectively.

On 26 September 2024, the Company obtained an unsecured loan from the holding company of RMB220,000,000 with a 3-month tenor and an interest rate of 2.6% per annum.

** Severance pay refers to the compensation paid to employees following the acquisition of the Company.

23. DEFERRED INCOME

		Year ended 31 December	Nine months ended 30 September
	Notes	2023	2024
CONIEL licensed distribution fee	(1)	30,683	27,922
NESP licensed distribution fee	(2)	3,554	2,584
		<u>34,237</u>	<u>30,506</u>

(1) In 2017, the company transferred the distribution rights of CONIEL licensed by the company, to Zhejiang Medical Technology Development Co., Ltd., with a transfer period of 15 years. The company recognizes the relevant income obtained as deferred income and continues to amortize it over the 2017 and the remaining transfer period.

(2) In 2021, the company transferred the distribution rights of NESP licensed by the company to Zhejiang Medical Technology Development Co., Ltd., with a transfer period of 5 years. The company recognizes the relevant income obtained as deferred income and continues to amortize it over the 2021 and the remaining transfer period.

24. SHARE CAPITAL

	As at 31 December	As at 30 September
	2023	2024
	RMB'000	RMB'000
Issued and fully paid	<u>247,111</u>	<u>247,111</u>

25. RESERVES

The amounts of the Company’s reserves and the movements therein for the reporting periods are presented in the statements of changes in equity of the financial statements.

Capital reserve

The capital reserve represents share premium of the Company. Details of the movement in capital reserve are set out in the statements of changes in equity of the financial statements.

Statutory reserve funds

In accordance with the Company Law of the People’s Republic of China, the company in the Chinese Mainland are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the company registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the company. The statutory reserve is not available for dividend distribution to Shareholders of the PRC subsidiaries.

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26. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Company had non-cash additions to right-of-use assets and lease liabilities of RMB4,961,000 and Nil respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Other payables
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	1,839	—
Changes from financing cash flows:.	(2,746)	58,923
— Principal portion of lease payments	(2,610)	—
— Interest paid	(136)	(1,077)
— Increase in due to the holding company	—	60,000
New leases	4,961	—
Interest expense	136	1,222
At 31 December 2023	<u>4,190</u>	<u>60,145</u>
At 1 January 2024	4,190	60,145
Changes from financing cash flows:.	(1,043)	158,087
— Cash received from the holding company	—	390,000
— Cash paid to the holding company	—	(230,000)
— Principal portion of lease payments	(973)	—
— Interest paid	(70)	(1,913)
Interest expense	70	1,977
Termination of leases	(1,159)	—
At 30 September 2024	<u>2,058</u>	<u>220,209</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December	Nine months ended 30 September
	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within financing activities.	<u>(2,746)</u>	<u>(1,043)</u>

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

27. RELATED PARTY TRANSACTIONS

(a) The Company had the following transactions with related parties during the year/period:

		As at 31 December	As at 30 September
		2023	2024
		RMB’000	RMB’000
The holding company:			
Provide labor services		17,173	11,746
Interest income		46	—
Recover loans from related parties	(ii)	40,000	—
Obtain loans from related parties	(ii)	60,000	390,000
Purchase goods	(i)	(140,100)	(67,787)
Accept labor services		(3,968)	(2,346)
Provide related party loans	(ii)	—	—
Repay the loans from related parties	(ii)	—	(230,000)
Interest expense		(1,077)	(1,913)
Software license Fee		(1,532)	—

(i) The purchases were made from Kyowa Kirin Asia Pacific Pte. Ltd., and were mainly consisted of pharmaceutical products at a mutually agreed price.

(ii) The loans were related to Kyowa Kirin Co, Ltd. on a voluntary basis from both sides.

(b) The gross carrying amounts for outstanding balances with related parties are as follows:

	As at 31 December	As at 30 September
	2023	2024
	RMB’000	RMB’000
Prepayments, other receivables and other assets		
Loan receivable from the holding company	—	—
Other receivables from the holding company	4,738	15,944
Trade payables		
Pharmaceutical purchases	38,100	8,529
Other payables and accruals		
Loan payables to the holding company	60,145	220,064

Amounts due from related parties were unsecured, interest-free and repayable on demand, and amounts due to related parties were unsecured, repayable within 30 days and had interest from 0.9% to 1.8%.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company’s principal financial instruments comprise cash and cash equivalents, lease liabilities, and amounts due to/from related party. The main purpose of these financial instruments is to raise finance for the Company’s operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

The main risks arising from the Company’s financial instruments are foreign currency risk and credit risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

Since the Company does not hold any floating-rate interest-bearing financial instruments, its exposure to interest rate risk is negligible.

(b) Foreign currency risk

The Company has transactional currency exposures. Such exposures arise from purchases by operating units in currencies other than the units’ functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD-RMB and JPY-RMB exchange rate, with all other variables held constant, of the Company’s profit or loss before tax (due to changes in the fair values of monetary assets and liabilities) and the Company’s equity.

	Increase/ (decrease)in USD/HKD rate	Increase/ (decrease) in profit/(loss) before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
2023			
If the RMB weakens against the USD	5%	38	28
If the RMB strengthens against the USD	5%	(38)	(28)
If the RMB weakens against the JPY	5%	2	1
If the RMB strengthens against the JPY	5%	(2)	(1)
As at 30 September 2024			
If the RMB weakens against the USD	5%	37	28
If the RMB strengthens against the USD	5%	(37)	(28)
If the RMB weakens against the JPY	5%	1	1
If the RMB strengthens against the JPY	5%	(1)	(1)

(c) Credit risk

The Company has no concentration of credit risk. The Company’s cash and cash equivalents are mainly deposited with state-owned banks in Chinese Mainland. The carrying amounts of the trade receivables, other receivables, restricted cash, cash and cash equivalents included in the statement of financial position represent the Company’s maximum exposure to credit risk in relation to its financial assets. The Company has no other financial assets which carry significant exposure to credit risk.

The Company expects the credit risk associated with trade receivables and other receivables due from related parties to be low, since the related parties have strong capacity to meet contractual cash flow obligations in the near term.

The Company trades only with recognised and credit worthy third parties. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk within the Company as the customer bases of the Company’s trade receivables and other receivables are widely dispersed. In addition, receivable balances are monitored on an ongoing basis.

(d) Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

APPENDIX IA ACCOUNTANTS’ REPORT ON KYOWA KIRIN CHINA

The Company’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, lease liabilities and other interest-bearing loans.

The maturity profile of the Company’s financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	Less than 1 year	Over 1 year	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
31 December 2023			
Trade payables	38,100	—	38,100
Other payables and accruals	97,027	—	97,027
Lease liabilities	2,820	1,747	4,567
	<u>137,947</u>	<u>1,747</u>	<u>139,694</u>
30 September 2024			
Trade payables	9,081	—	9,081
Other payables and accruals	234,098	—	234,098
Lease liabilities	1,283	963	2,246
	<u>244,462</u>	<u>963</u>	<u>245,425</u>

(e) Capital management

The primary objectives of the Company’s capital management are to safeguard the Company’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise owners’ value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to owners, return capital to owners or [REDACTED] new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

29. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events for which disclosures or adjustments are required after the end of the Relevant Periods.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

This Appendix contains a summary of the Memorandum and Articles of Association and the BVI companies law. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors. A copy of the Memorandum and Articles of Association is available on display as referred to in the section headed “Documents delivered to the Registrar of Companies and documents on display” in Appendix V to this document.

SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of BVI company law.

The Company was incorporated in the BVI as a business company with limited liability on 13 March 2015 under the BVI Business Companies Act. The Memorandum and Articles of Association comprise its constitution.

The Articles were approved for adoption by our Shareholders on [•] and will be filed with the BVI Registrar of Corporate Affairs (the “**Registrar**”) prior to the [REDACTED] to render them effective. The following is a summary of certain provisions of the Articles:

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, *inter alia*, that subject to the BVI Companies Act and any other BVI legislation, our Company has, irrespective of corporate benefit:
 - a. full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - b. for the purposes of paragraph (a), full rights, powers and privileges.
- (b) The Memorandum states, *inter alia*, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the shares of our Company respectively held by them.
- (c) The Company is authorized by the Memorandum to issue a maximum of [•] ordinary shares of a single class of a par value of HK\$[0.001] each.

2. ARTICLES OF ASSOCIATION

(a) Shares

(i) *Classes of shares*

The authorized shares of the Company consists of one class of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the BVI Companies Act, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three fourths in nominal value or of the total number of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (including at an adjourned meeting) shall be two

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

persons holding or representing by proxy not less than one third in nominal value or of the total number of the issued shares of that class (excluding treasury shares). Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) *Alteration of authorized shares*

The Company may from time to time by ordinary resolution amend the Memorandum to increase or reduce the maximum number of shares that the Company is authorized to issue, or to authorize the Company to issue an unlimited number of shares.

Subject to the Memorandum and the Articles, the Company may by ordinary resolution:

- (a) combine its shares, including issued shares, into a smaller number of shares; or
- (b) sub-divide its shares, or any of them, into a greater number of shares,

provided that, where shares are divided or combined, the aggregate par value (if any) of the new shares must be equal to the aggregate par value (if any) of the original shares, and the Company shall not divide its shares if it would cause the maximum number of shares that the Company is authorized to issue to be exceeded.

The Company may by an amendment to the Memorandum divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions as may be determined by the Company provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

(iv) *Transfer of shares*

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Stock Exchange or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are [REDACTED] on the Stock Exchange, titles to such [REDACTED] shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such [REDACTED] shares. The register of members in respect of its [REDACTED] shares (whether the principal register or a branch register) may be kept by recording the particulars required by section 41 of the BVI Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such [REDACTED] shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share to more than four (4) joint holders or a transfer of any share issued for a promissory note or other binding obligation to contribute money or property or a contribution thereof to the Company on which the Company has a lien.

The board may decline to recognize any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the directors is paid to the Company, the instrument of transfer is in respect of only one class of share, the instrument of transfer is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do) or, if applicable, the instrument of transfer is duly and properly stamped.

The registration of transfers may be suspended and the register closed on giving notice by announcement or by electronic communication or by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

(v) Power of the Company to purchase its own shares

Subject to the BVI Companies Act, the Memorandum and the Articles and where applicable, the rules of the Stock Exchange and/or the rules and regulations of any competent regulatory authority, the Company shall have all the powers conferred upon it by the BVI Companies Act to purchase or otherwise acquire its own shares and such power shall be exercisable by the board in such manner, upon such terms and subject to such conditions as it thinks fit, including but not limited to, the purchase of shares at a price less than fair value.

Shares that the Company purchases, redeems or otherwise acquires pursuant to the Articles may be canceled or held as treasury shares provided that the number of shares purchased, redeemed or otherwise acquired when aggregated with shares already held as treasury shares may not exceed 50% of the shares of that class previously issued (excluding shares that have been canceled).

The board may accept the surrender for no consideration of any fully paid share.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

Where a share is not fully paid for on issue, the directors may, subject to the terms on which the share was issued, at any time serve upon the member a written notice of call specifying a date for payment to be made. Where a notice complying with the provisions of the Articles has been issued and the requirements of the notice have not been complied with, the directors by resolution of directors may, at any time before tender of payment forfeit and cancel the share to which the notice relates.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such notice.

The board may accept the surrender of any share liable to be forfeited and, in such case, references in the Articles to forfeiture will include surrender.

A declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, notice of the declaration shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make any such entry.

Notwithstanding any such forfeiture as aforesaid, the board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting one-third of the directors for the time being (or, if their number is not a multiple of three (3), then the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years. The directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. Neither a director nor an alternate director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Any director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

A director (including a managing or other executive director) may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than two. There is no maximum number of directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such director or directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the BVI Companies Act and the Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by an amendment to the Memorandum determine. Subject to the BVI Companies Act, the Memorandum and the Articles, any share may be issued on terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the BVI Companies Act and the Articles, where applicable, the rules of the Stock Exchange, and any direction that may be given by the Company in general meeting and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that where the Company has shares that carry a par value, no shares shall be issued at a discount.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

The directors may sell, transfer, secure, exchange or otherwise dispose of the assets of the Company without authorization by the members. The directors may also exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the BVI Companies Act to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the BVI Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office.

The directors are also entitled to be prepaid or repaid all traveling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as directors.

Any director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a director. An executive director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any director or past director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

The board may resolve to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund (including a profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any director or past director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company.

Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the BVI Companies Act and the Articles, no director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realized by any such contract or arrangement by reason of such director holding that office or the fiduciary relationship thereby established. A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

A director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) the giving of any security or indemnity either:

(aaa) to the director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(bbb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his close associate(s) has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(bb) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(cc) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:

(aaa) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his close associate(s) may benefit; or

(bbb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the directors, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;

(dd) any contract or arrangement in which the director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum (save for an amendment for purposes of (i) increasing or reducing the maximum number of shares that the Company is authorized to issue or (ii) combining or subdividing it shares, which shall require an ordinary resolution only), to amend the Articles or to change the name of the Company. Under BVI law, an amendment to the Memorandum or Articles has effect from the date that the notice of amendment or restated memorandum or articles of association incorporating the amendment is registered by the Registrar.

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

(e) Meetings of members

(i) *Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) *Voting rights and right to demand a poll*

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting, a resolution put to the vote of the meeting is to be decided by way of a poll save that [in the case of a physical meeting,] the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the directors or the chairman of the meeting may determine.

Any corporation which is a member may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member and such corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting if a person so authorized is present thereat.

If a authorized clearing house (or its nominee(s)) is a member of the Company, it may authorize such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same powers on behalf of the authorized clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, the right to speak and to vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

All members have the right to speak and vote at a general meeting except where a member is required, by the rules of the Stock Exchange, to abstain from voting to approve the matter under consideration.

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Where the Company has any knowledge that any member is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company for each financial year and such general meeting must be held within six (6) months after the end of the Company's financial year unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings, on a one vote per share basis. Such requisition shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may convene a physical meeting at only one location which will be the Principal Meeting Place (as defined below), and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the board shall be reimbursed to the requisitionist(s) by the Company.

Save as otherwise provided in the Articles any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days. All other general meetings must be called by notice of at least fourteen (14) clear days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to the Articles, the principal place of the meeting (the "**Principal Meeting Place**"), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be given or issued by the following means:

- (aa) by serving it personally on the relevant person;
- (bb) by sending it through the post to such member's registered address;
- (cc) by delivering or leaving it at such member's registered address;
- (dd) by placing an advertisement in newspapers or other publication and where applicable, in accordance with the requirements of the Stock Exchange;

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- (ee) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under the Articles without the need for any additional consent or notification;
- (ff) by publishing it on the Company's website or the website of the designated stock exchange without the need for any additional consent or notification; or
- (gg) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with BVI law and other applicable laws, rules and regulations.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (c) the election of directors whether by rotation or otherwise in the place of those retiring;
- (d) appointment of auditors (where special notice of the intention for such appointment is not required by the BVI Companies Act) and other officers; and
- (e) the fixing of the remuneration of the auditors, and the voting of remuneration or extra remuneration to the directors.

(v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman. The quorum for a general meeting shall be two members present in person or (in the case of a member being a corporation by its duly authorized representative) or by proxy, or for quorum purposes only, two persons appointed by the clearing house as authorized representative or proxy, and entitled to vote. In respect of a separate class meeting (including an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one third in nominal value or of the total number of the issued shares of that class (excluding treasury shares).

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

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(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the BVI Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office of the Company or, at such other place or places as the board decides and shall always be open to inspection by any director. No member (other than a director) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorized by the board or the Company in general meeting.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarized financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarized financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed and approved by the Company by an ordinary resolution passed at a general meeting or in such manner as the members may by ordinary resolution determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the BVI. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

Subject to the BVI Companies Act, the Company in general meeting may from time to time declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board. The board may recommend and pay to all members a dividend or a distribution at such time and of such an amount as they think fit if it appears to the board to be justified by the profits of the Company. No dividends or distributions may be recommended, declared, made or paid unless the directors are satisfied, on reasonable grounds, that immediately after the payment of the dividend or distribution, the value of the Company's assets exceeds its liabilities and the Company is able to pay its debts as they fall due. The resolution of directors shall include a statement to that effect.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and (ii) all dividends shall be apportioned and paid pro

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rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the shares of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members maintained in Hong Kong shall be open to inspection for at least two (2) hours during business hours by members without charge or by any other person, upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office of the Company or such other place at which the register is kept in accordance with the BVI Companies Act or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under the BVI law, as summarized in paragraph 3(f) of this Appendix.

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(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the BVI Companies Act divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

3. BRITISH VIRGIN ISLANDS COMPANY LAW

The Company is incorporated in the BVI subject to the BVI Companies Act and, therefore, operates subject to BVI law. Set out below is a summary of certain provisions of BVI company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of BVI company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As a business company, the Company has irrespective of corporate benefit, full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and for the purposes of the foregoing, full rights, powers and privileges.

The Company must have at all times a registered agent in the BVI. Registered agents must be licensed under either the Company Management Act 1990 or the Banks and Trust Companies Act 1990. A register of licensed registered agents is maintained by the Registrar.

(b) Share capital

The BVI Companies Act provides that, subject to the memorandum and articles of association of a company, a share may be issued with or without a par value. Where a company issues shares with par value, the consideration for a share shall not be less than the par value of the share. A share may be issued for consideration in any form, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how) services rendered or a contract for future services.

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Subject to the memorandum and articles of association of a company, its directors have the power to issue shares of the company from time to time. The memorandum of association of a business company limited by shares must set out (i) either the maximum number of shares the company is authorized to issue or state that the company is authorized to issue an unlimited number of shares, and (ii) the classes of shares that the company is authorized to issue, and if the company is authorized to issue two or more classes, the rights, privileges, restrictions and conditions attaching to each class of shares. Subject to the BVI Companies Act and to the company's memorandum or articles, shares may be issued, and options to acquire shares in a company granted, at such times, to such persons, for such consideration and on such terms as the directors may determine.

The issue by a company of a share that (i) increases a liability of a person, or (ii) imposes a new liability on a person to the company, is void if that person, or an authorized agent of that person, does not agree in writing to becoming the holder of that share. A share is deemed issued when the name of the shareholder is entered in the company's register of members.

A company may, subject to its memorandum and articles of association, (a) divide its shares, including issued shares, into a larger number of shares; or (b) combine its shares, including issued shares, into a smaller number of shares. A division or combination of shares, including issued shares, of a class or series shall be for a larger or smaller number, as the case may be, of shares in the same class or series. Where shares are divided or combined, the aggregate par value of the new shares must be equal to the aggregate par value of the original shares. A company shall not divide its shares if it would cause the maximum number of shares that the company is authorized to issue by its memorandum to be exceeded.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the BVI on the provision of financial assistance by a BVI business company limited by shares to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a BVI business company limited by shares may provide financial assistance in connection with the purchase of its own or its holding company's shares if the directors of the company consider that such assistance can properly be given. In making such determination, the directors shall exercise their powers as directors for a proper purpose and shall not act, or agree to the company acting, in a manner that contravenes the BVI Companies Act or the memorandum or articles of association of the company.

(d) Purchase of shares and warrants by a company and its subsidiaries

A BVI business company may, purchase, redeem or otherwise acquire its own shares in accordance with the provisions of the BVI Companies Act or such other provisions for the purchase, redemption or acquisition as may be specified in the memorandum or articles of association of the company.

A company may not purchase, redeem or otherwise acquire its own shares without the consent of the member whose shares are to be purchased, redeemed or otherwise acquired, unless the company is permitted by the BVI Companies Act or any provision of its memorandum or articles of association to purchase, redeem or otherwise acquire the shares without that consent.

No purchase, redemption or other acquisition may be made unless the directors are satisfied on reasonable grounds, that the company will, immediately after the purchase, redemption or acquisition, satisfy the solvency test. A company satisfies the solvency test if (i) the value of the company's assets exceeds its liability, and (ii) the company is able to pay its debts as they fall due. The BVI Companies Act provides for certain situations where this solvency test is not mandatory prior to purchase, redemption or acquisition. These are where: (a) the company redeems the shares under and in accordance with section 62 of the BVI Companies Act; (b) the company redeems the shares pursuant to a right of a shareholder to have his shares redeemed or to have his shares exchanged for money or other property of the company; (c) the company purchases, redeems or otherwise acquires the share or shares

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by virtue of the provisions of section 179 of the BVI Companies Act in relation to the rights of dissenters under a redemption of minority shareholders, merger, consolidation, a disposition of assets, a compulsory redemption or an arrangement; or (d) the company acquires its own fully paid shares pursuant to a surrender of such shares by the person holding the shares.

Shares that are purchased, redeemed or otherwise acquired may be canceled or held as treasury shares. A company may hold shares that have been purchased, redeemed or otherwise acquired as treasury shares if (i) the memorandum or articles of association of the company do not prohibit it from holding treasury shares, (ii) the directors resolve that shares to be purchased, redeemed or otherwise acquired shall be held as treasury shares, and (iii) the number of shares purchased, redeemed or otherwise acquired, when aggregated with shares of the same class already held by the company as treasury shares, does not exceed 50% of the shares of that class previously issued by the company, excluding shares that have been canceled. All the rights and obligations attaching to a treasury share are suspended and shall not be exercised by or against the company while it holds the share as a treasury share.

Under BVI law, a subsidiary may acquire and hold shares in its holding company.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under BVI law that a company's memorandum of association or its articles of association contain a specific provision enabling such purchases.

(e) Dividends and distributions

Subject to the BVI Companies Act and its memorandum and articles of association, the directors of the company may by resolution, authorize a distribution or dividend by the company to its members if the directors are satisfied, on reasonable grounds, that immediately after the distribution or dividend (a) the company will be able to pay its debts as they fall due, and (b) the value of the company's assets exceeds its liabilities.

A distribution or dividend made to a member at a time when the company did not, immediately after the distribution, satisfy the aforesaid solvency test may be recovered by the company from the member unless (a) the member received the distribution in good faith and without knowledge of the company's failure to satisfy the solvency test, (b) the member has altered his position in reliance on the validity of the distribution, and (c) it would be unfair to require repayment in full or at all.

If, after a distribution or dividend is authorized and before it is made, the directors cease to be satisfied on reasonable grounds that the company will, immediately after the distribution is made, satisfy the solvency test, any distribution or dividend made by the company is deemed not to have been authorized. A director who (a) ceased, after authorization but before the making of the distribution, to be satisfied on reasonable grounds for believing that the company would satisfy the solvency test immediately after the distribution is made and (b) failed to take reasonable steps to prevent the distribution being made, is personally liable to the company to repay to the company so much of the distribution as is not able to be recovered from members.

(f) Protection of minorities and shareholders' suits

The BVI Companies Act contains various mechanism to protect minority shareholders, including:

- (i) **Restraining or Compliance Orders:** if a company or a director of a company engages in, proposes to engage in or has engaged in, conduct that contravenes the BVI Companies Act or the company's memorandum and articles of association, the court may, on the application of a member or a director of the company, make an order directing the company or its

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director to comply with, or restraining the company or director from engaging in conduct that contravenes, the BVI Companies Act or the company’s memorandum and articles of association;

- (ii) **Derivative Actions:** the court may, on the application of a member of a company, grant leave to that member to:
 - (aa) bring proceedings in the name and on behalf of that company; or
 - (bb) intervene in proceedings to which the company is a party for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company; and
- (iii) **Unfair Prejudice Remedies:** a member of a company who considers that the affairs of the company have been, are being or are likely to be, conducted in a manner that is, or any acts of the company have been, or are, likely to be oppressive, unfairly discriminatory, or unfairly prejudicial to him, may apply to the court for an order and, if the court considers that it is just and equitable to do so, it may make such order as it thinks fit, including, without limitation, one or more of the following orders:
 - (aa) in the case of a shareholder, requiring the company or any other person to acquire the shareholder’s shares;
 - (bb) requiring the company or any other person to pay compensation to the member;
 - (cc) regulating the future conduct of the company’s affairs;
 - (dd) amending the memorandum or articles of association of the company;
 - (ee) appointing a receiver of the company;
 - (ff) appointing a liquidator of the company under section 159(1) of the Insolvency Act;
 - (gg) directing the rectification of the records of the company; and
 - (hh) setting aside any decision made or action taken by the company or its directors in breach of the BVI Companies Act or the company’s memorandum and articles of association.
- (iv) **Personal and Representative Actions:** a member is able to bring an action against the company for a breach of a duty owed by the company to member in his capacity as a member. Where a member brings such an action and other members have the same (or substantially the same) action against the company, the court may appoint the first member to represent all or some of the members having the same interest and may make an order:
 - (aa) as to the control and conduct of the proceedings;
 - (bb) as to the costs of the proceedings; and
 - (cc) directing the distribution of any amount ordered to be paid by a defendant in the proceedings among the members represented.

The BVI Companies Act provides that any member of a company is entitled to payment of the fair value of his shares upon dissenting from any of the following:

- (i) a merger, if the company is a constituent company, unless the company is the surviving company and the member continues to hold the same or similar shares;
- (ii) a consolidation, if the company is a constituent company;

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- (iii) any sale, transfer, lease, exchange or other disposition of more than 50% of the assets or business of the company if not made in the usual or regular course of the business carried on by the company but not including:
 - (aa) a disposition pursuant to an order of the court having jurisdiction in the matter;
 - (bb) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the members in accordance with their respective interests within one (1) year after the date of disposition; or
 - (cc) a transfer pursuant to the power of the directors to transfer assets for the protection thereof;
- (iv) a redemption of 10% or less of the issued shares of the company required by the holders of 90% or more of the shares of the company pursuant to the terms of the BVI Companies Act; and
- (v) an arrangement, if permitted by the court.

Generally any other claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the BVI or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The BVI Companies Act provides that, subject the memorandum or articles of association of a company, any sale, transfer, lease, exchange or other disposition, other than a mortgage, charge or other encumbrance or the enforcement thereof, of more than 50 percent in value of the assets of the company (other than a transfer pursuant to a power described in section 28(3) of the BVI Companies Act), if not made in the usual or regular course of the business carried on by the company, must be approved by a resolution of members and in the manner provided in section 175 of the BVI Companies Act. The BVI Companies Act contains no other specific restrictions on the power of directors to dispose of assets of a company.

(h) Accounting and auditing requirements

A BVI business company is required to keep records that (a) are sufficient to show and explain the company's transactions; and (b) will, at any time, enable the financial position of the company to be determined with reasonable accuracy and shall otherwise comply with the requirements under the BVI Companies Act and the Mutual Legal Assistance (Tax Matters) Act, 2003 (as amended).

Business companies are required to file annual financial returns which must be filed with and retained by their registered agents for a period of at least 5 years from the date it ceases to act as their registered agent. The return must be filed within 9 months after the end of the year to which the return relates. However, this requirement does not apply to listed or regulated companies. Accordingly, for so long as the Company is [REDACTED] on the Stock Exchange, it is not required to file an annual financial return with its registered agent.

There are no provisions in the BVI Companies Act for either an annual audit or for the appointment of auditors. There are also no provisions in the BVI Companies Act requiring a business company to set a date as its financial year end.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the BVI.

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(j) Taxation

A company incorporated under the BVI Companies Act is exempt from all provisions of the Income Tax Act (as amended) of the BVI (including with respect to all dividends, interests, rents, royalties, compensation and other amounts payable by the company to persons who are not persons resident in the BVI).

Capital gains realized with respect to any shares, debt obligations or other securities of a company by persons who are not persons resident in the BVI are also exempt from all provisions of the Income Tax Act of the BVI. The Payroll Taxes Act, 2004 does not apply to a BVI business company except to the extent that the company has employees (and deemed employees) rendering services to the company wholly or mainly in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the BVI with respect to any shares, debt obligations or other securities of the company.

(k) Stamp duty on transfers

No stamp duty is payable in the BVI on a transfer of shares, debt obligations or other securities in a BVI business company which is not a land owning company. A company is a land owning company if it, or any of its subsidiaries, has an interest in any land in the BVI.

(l) Loans to directors

There is no express provision in the BVI Companies Act prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the general public, on a payment of a nominal fee, can inspect the public records of a company available at the office of the Registrar which will include, *inter alia*, the company's certificate of incorporation, its memorandum and articles of association (with any amendments), the name of the current directors (including alternate directors) and the records of license fees paid to date.

A director may, on giving reasonable notice, inspect (and make copies of) the documents and records of a company without charge and at a reasonable time specified by the director.

A member of a company may, on giving written notice to a company, inspect the company's memorandum and articles of association, the register of members, the register of directors and the minutes of meetings and resolutions of members and of those classes of members of which he is a member.

Subject to any provision to the contrary in the company's memorandum and articles of association, the directors may, if they are satisfied that it would be contrary to the company's interests to allow a member to inspect any document, or part of a document, refuse to permit the member to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records. The directors shall, as soon as reasonably practicable, notify a member of any exercise of such powers. Where a company fails or refuses to permit a member to inspect a document or permits a member to inspect a document subject to limitations, that member may apply to the BVI court for an order that he should be permitted to inspect the document or to inspect the document without limitation.

A company shall keep minutes of all meetings of directors, members, committees of directors and committees of members and copies of all resolutions consented to by directors, members, committees of directors and committees of members. The books, records and minutes required by the BVI Companies Act shall be kept at the office of the BVI registered agent of the company or at such other place as the

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directors determine. The registered agent must be provided with a written record of the physical address of the place or places where the records are kept, where they are kept at a place other than at the office of the registered agent, and must be notified within fourteen (14) days if the locations are changed.

(n) Register of members

A company is required to keep a register of members containing, *inter alia*, the names and addresses of the persons who hold registered shares in the company, the number of each class and series of registered shares held by each shareholder, the date on which the name of each member was entered in the register of members and the date on which any person ceased to be a member. The register of members may be in any form as the directors may approve but, if it is in magnetic, electronic or other data storage form, the company must be able to produce legible evidence of its contents and a copy of the share register commencing from the date of registration of the company shall be kept at the registered office of the company. The entry of the name of a person in the register of members as a holder of a share in a company is *prima facie* evidence that legal title in the shares vests in that person.

Where a company keeps a copy of the register of members at its registered office, it shall within 15 days of any change in the register, notify the BVI registered agent of the company, in writing, of the change, and provide the BVI registered agent of the company with a written record of the physical address of the place or places at which the original register of members is kept.

A company is also required to file a copy of its register of members with the Registrar within 30 days after the date of incorporation or, in the case of a continuation, within 30 days after the date of continuation. Changes to the register of members are required to be filed with the Registrar within 30 days of any changes occurring. Listed companies and companies that are private, professional, public or private investment funds or incubator or approved funds are exempt from registration. As such, for so long the Company is [REDACTED] on the Stock Exchange, it will be exempted from this filing requirement.

(o) Register of Directors and Officers

A company is required to keep a register to be known as a register of directors containing, *inter alia*, the names and addresses of the persons who are directors (including alternate directors) and the date on which each person whose name is entered on the register was appointed and ceased to be a director. The register of directors may be in such form as the directors approve, but if it is in magnetic, electronic or other data storage form, the company must be able to produce legible evidence of its contents. A copy of the register of directors must be kept at the registered office and the register is *prima facie* evidence of any matters directed or authorized by the BVI Companies Act to be contained therein.

A company shall file for registration by the Registrar a copy of its register of directors, and shall file any changes occurring in the register of directors by filing a copy of the register containing the changes. Pursuant to the BVI Companies Act, the Registrar shall:

- (a) make a copy of a company's register of directors available to:
 - (i) the company or its registered agent;
 - (ii) a competent authority
 - (aa) acting in the lawful exercise of its powers under an enactment; or
 - (bb) for the purposes of dealing with a matter for which it has authority under an enactment, including pursuant to its obligations to a mutual legal assistance request received or made or to be made by it; and
 - (iii) a law enforcement agency in the lawful performance of its investigative functions or in relation to the lawful exercise of its investigative powers; and

APPENDIX III SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND THE BVI COMPANY LAW

- (b) make available to any other person, upon request, a list of directors contained in a company's register of directors filed with the Registrar.

(p) Winding up

The court has authority under the Insolvency Act of the BVI to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

A company may enter into voluntary liquidation under the BVI Companies Act if it has no liabilities or is able to pay its debts as they fall due and the value of its assets equals or exceeds its liabilities. Where it is proposed to appoint a voluntary liquidator, the directors of the company must:

- (i) make a declaration of solvency in the approved form stating that, in their opinion, the company is and will continue to be able to discharge, pay or provide for its debts as they fall due; and the value of the company's assets equals or exceeds its liabilities; and
- (ii) approve a liquidation plan specifying:
 - (aa) the reasons for the liquidation of the company;
 - (bb) their estimate of the time required to liquidate the company;
 - (cc) whether the liquidator is authorized to carry on the business of the company if he determines that to do so would be necessary or in the best interests of the creditors or members of the company;
 - (dd) the name and address of each individual to be appointed as liquidator and the remuneration proposed to be paid to each liquidator; and
 - (ee) whether the liquidator is required to send to all members a statement of account prepared or caused to be prepared by the liquidator in respect of his actions or transactions.

Subject to certain exceptions in the BVI Companies Act, a declaration of solvency is insufficient for the purposes of voluntary liquidation unless:

- (aa) it is made on a date no more than four weeks earlier than the date of the resolution to appoint a voluntary liquidator; and
- (bb) it has attached to it a statement of the company's assets and liabilities as at the latest practical date before the making of the declaration.

To be effective, a liquidation plan must be approved by the directors no more than six weeks prior to the date of the resolution to appoint a voluntary liquidator.

A director making a declaration of solvency without having reasonable grounds for the opinion that the company is and will continue to be able to discharge, pay or provide for its debts in full as they fall due, commits an offense and is liable on summary conviction to a fine of up to \$50,000.

Subject to the provisions of the BVI Companies Act, a voluntary liquidator or two or more joint voluntary liquidators may be appointed in respect of a company:

- (i) by a resolution of the directors; or
- (ii) by a resolution of the members.

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(q) Reconstructions

There are statutory provisions which facilitate arrangements which involve a plan of arrangement being approved by a resolution of directors of the company and application being made to the court for approval of the proposed arrangement. Upon approval by the court, the directors of the company are required to approve the plan of arrangement as approved by the court whether or not the court has directed any amendments to be made thereto and give notice to the persons whom the court requires notice to be given or submit the plan of arrangement to those person for such approval, if any, as the court order requires.

(r) Compulsory acquisition

Subject to the memorandum or articles of association of a company, members of the company holding 90 per cent of the votes of the outstanding shares entitled to vote, and members of the company holding 90 per cent of the votes of the outstanding shares of each class of shares entitled to vote as a class, may give a written instruction to the company directing the company to redeem the shares held by the remaining members. Upon receipt of the written instruction, the company shall redeem the shares specified in the written instruction irrespective of whether or not the shares are by their terms redeemable. The company shall give written notice to each member whose shares are to be redeemed stating the redemption price and the manner in which the redemption is to be effected.

(s) Indemnification

BVI law does not limit the extent to which a company’s articles of association may provide for indemnification of directors, officers and any other person, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime) provided that the indemnified person acted honestly and in good faith and in what he believed to be in the best interests of the company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

(t) Economic Substance Requirements

Pursuant to the Economic Substance (Companies and Limited Partnerships) Act 2018 (the “**ES Act**”), a “legal entity” carrying on a “relevant activity” during a “financial period” is required to satisfy the economic substance test set out in the ES Act. A business company incorporated in the BVI (as is the Company) is a “legal entity” unless (a) it is resident for tax purposes in a jurisdiction outside of the BVI and (b) that jurisdiction is not on Annex 1 to the EU list of non-cooperative jurisdictions for tax purposes, the “EU blacklist”. Accordingly, for so long as the Company is a tax resident outside the BVI and that jurisdiction is not on the EU blacklist, it is not required to satisfy the economic substance test set out in the ES Act.

4. GENERAL

Conyers Dill & Pearman, the Company’s special legal counsel on BVI law, have sent to the Company a letter of advice summarizing certain aspects of BVI company law. This letter, together with a copy of the BVI Companies Act, is available for inspection as referred to in the paragraph headed “B. Documents on display” in Appendix V. Any person wishing to have a detailed summary of BVI company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was incorporated as a BVI business company with limited liability under the laws of the BVI on March 13, 2015. Our Company has established its principal place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on October 20, 2025. Ms. Ho Wing Nga (何詠雅) has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the BVI, we are subject to the BVI Companies Act, the Memorandum and Articles of Association and the applicable laws of the BVI. A summary of certain provisions of the Memorandum and Articles of Association and relevant aspects of the BVI Companies Act is set out in Appendix III to this document.

2. Changes in the authorized and issued shares of our Company

The following sets forth the changes in the authorized and issued shares of our Company during the two years immediately preceding the date of this document:

- (a) On August 11, 2025, the maximum number of our authorized shares increased to 15,000,000 shares of which (i) 12,919,814 shares were re-designated as ordinary shares; (ii) 1,012,082 were designated as Series A Preferred Shares; and (iii) 1,068,104 shares were designated as Series B Preferred Shares;
- (b) On August 13, 2025, our Company repurchased 71,003 Series A-4 Preferred Shares from Gongshu Technology, a Pre-[REDACTED] Investor;
- (c) On August 13, 2025, our Company allotted and issued 222,522 Series B Preferred Shares to CMS Ventures as part of the Pre-[REDACTED] Investments;
- (d) On August 22, 2025, our Company allotted and issued 270,764 Series B Preferred Shares to Hangzhou Gongshu as part of the Pre-[REDACTED] Investments;
- (e) On August 29, 2025, our Company allotted and issued the following number of Series B Preferred Shares to the following Pre-[REDACTED] Investors as part of the Pre-[REDACTED] Investments:

Allottee	Number of Series B Preferred Shares
Hangzhou Taikun	62,677
YD Capital.	133,513

- (f) On October 10, 2025, our Company allotted and issued 44,504 Series B Preferred Shares to TG Sino-Dragon as part of the Pre-[REDACTED] Investments;
- (g) On October 10, 2025, our Company allotted and issued the following number of ordinary shares to the following Pre-[REDACTED] Investors as part of the Pre-[REDACTED] Investments:

Allottee	Number of ordinary Shares
LYFE Mount	85,448
LYFE Kings	63,511
Kaitai Minde	13,351
Kaitai Ruide	13,351
Ningbo Qimao	7,848

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- (h) On October 20, 2025, our Company repurchased the following Series A-4 Preferred Shares from the following Pre-[REDACTED] Investors at the following cash consideration:

Allottee	Number of Series A-4 Preferred Shares	Cash consideration
Gongqingcheng	17,751	US\$1,469,464
Qianhai Beizeng	11,834	US\$979,634

- (i) On October 20, 2025, our Company allotted and issued the following ordinary Shares to the following Pre-[REDACTED] Investors:

Allottee	Number of ordinary Shares
Gongqingcheng	11,772
Qianhai Beizeng	7,848

- (j) On October 20, 2025, our Company repurchased 28,000 Series A-1 Preferred Shares, 37,367 Series A-2 Preferred Shares and 37,793 Series A-3 Preferred Shares from LYFE Kings, a Pre-[REDACTED] Investor, for a total cash consideration of US\$7,928,274;

- (k) On October 20, 2025, our Company repurchased 128,850 Series A-4 Preferred Shares from LYFE Mount, a Pre-[REDACTED] Investor, for a total cash consideration of US\$10,666,667;

- (l) On October 28, 2025, our Company increased its authorized shares from 15,000,000 shares of par value of US\$0.00128 each (comprising of ordinary Shares of par value of US\$0.00128 each, Series A-1 Preferred Shares of par value of US\$0.00128 each, Series A-2 Preferred Shares of par value of US\$0.00128 each, Series A-3 Preferred Shares of par value of US\$0.00128 each, Series A-4 Preferred Shares of par value of US\$0.00128 each and Series B Preferred Shares of par value of US\$0.00128 each) (collectively, the “USD Shares”) to 30,000,000 shares by the creation of 15,000,000 shares of par value of HK\$0.001 each (comprising of ordinary Shares of par value HK\$0.001 each; Series A-1 Preferred Shares of par value HK\$0.001 each, Series A-2 Preferred Shares of par value HK\$0.001 each, Series A-3 Preferred Shares of par value HK\$0.001 each, Series A-4 Preferred Shares of par value HK\$0.001 each and Series B Preferred Shares of par value HK\$0.001 each) (collectively, the “HKD Shares”);

- (m) On October 28, 2025, our Company repurchased and canceled all the USD Shares held by our existing Shareholders and simultaneously allotted and issued to each existing Shareholder such number and class of HKD Shares as is equal to the number and in the equivalent class of USD Shares;

- (n) On October 30, 2025, our Company reduced its authorized shares from 30,000,000 (comprising the USD Shares and HKD Shares) to 15,000,000 shares of par value of HK\$0.001 each (comprising the HKD Shares); and

- (o) On November 20, 2025, our Company allotted and issued the following Series B Preferred Shares of par value HK\$0.001 each to the following Pre-[REDACTED] Investors as part of the Pre-[REDACTED] Investments:

Allottee	Number of Series B Preferred Shares
Hangzhou Investment	125,354
Qinzhi Capital	37,606

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Save as disclosed above and in “4. Written resolutions of our Shareholders passed on [•]” below, there was no alteration in the number of authorized shares and issued shares of our Company within the two years immediately preceding the issue of this document.

3. Particulars and changes in the share capital of our subsidiaries

Particulars of our subsidiaries are set forth in Note 1 of the Accountants’ Report, the text of which is set out in Appendix I to this document.

The following changes in the share capital of each of our subsidiaries took place within two years immediately preceding the date of this document:

Zhejiang Medical

On November 13, 2024, Zhejiang Medical increased its registered capital from RMB305,000,000 to RMB377,000,000.

On June 23, 2025, Zhejiang Medical increased its registered capital from RMB377,000,000 to RMB398,000,000.

On November 17, 2025, Zhejiang Medical increased its registered capital from RMB398,000,000 to RMB468,000,000.

WinHealth Qilin Pharmaceutical Technology (Shanghai) Co., Ltd. (維健騏霖醫藥科技(上海)有限公司) (“WinHealth Qilin”)

On August 16, 2024, WinHealth Qilin was established in the PRC with limited liability with an initial registered capital of RMB1,000,000 which shall be fully paid-up in accordance with its articles of association.

Save as disclosed above, there was no alteration in the capital of any members of our Group within the two years immediately preceding the issue of this document.

4. Written resolutions of our Shareholders passed on [•]

Pursuant to the written resolutions passed by our Shareholders on [•], among other matters:

- (a) our Company approved the re-classification and re-designation of all issued and unissued Series A Preferred Shares and Series B Preferred Shares into ordinary Shares on a one-to-one basis with effect from the date on which the Memorandum and the Articles of Association becomes effective;
- (b) our Company approved the increase of the maximum number of authorized shares and the adoption of the Memorandum and the Articles of Association and authorized their filing with the Registrar of Corporate Affairs in the BVI prior to the [REDACTED] to give effect to the same upon filing;
- (c) conditional on (aa) the Stock Exchange granting the approval for the [REDACTED] of, and permission to [REDACTED], the Shares in [REDACTED] and Shares to be [REDACTED] and [REDACTED] pursuant to the [REDACTED] and as mentioned in this document including the Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED]; (bb) the [REDACTED] having been duly determined; and (cc) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this document), in each case on or before the dates and times specified in the [REDACTED]:
 - (i) the [REDACTED] was approved and our Directors were authorized to [REDACTED] and [REDACTED] the [REDACTED] pursuant to the [REDACTED];

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- (ii) conditional on the [REDACTED] taking place, the Directors were authorized to [REDACTED] an amount of HK\$[REDACTED] from the amount standing to the credit of any reserve accounts of the Company and that the said sum be applied in paying up in full [REDACTED] Shares, such Shares to be [REDACTED] and [REDACTED], credit as fully paid to the Shareholders appearing on the register of members of the Company on the date of passing these resolutions (or such holders may direct) in proportion (as nearly as possible without fractions) to their then respective shareholdings in our Company and so that such Shares to be allotted and issued shall rank *pari passu* in all respects with the then existing issued shares;
- (iii) the [REDACTED] were approved and our Directors were authorized to [REDACTED] and [REDACTED] the Shares upon the exercise of the [REDACTED];
- (iv) a general unconditional mandate was given to our Directors to issue, allot and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to a specific authority granted by our Shareholders in general meeting, unissued Shares not exceeding the aggregate of [REDACTED]% of the number of issued Shares immediately following the completion of the [REDACTED] and the [REDACTED] (but taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED]), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first;
- (v) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the [REDACTED] or on any other approved stock exchange on which the [REDACTED] of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of issued Shares immediately following the completion of the [REDACTED] and the [REDACTED] (but taking no account of any Shares which may be [REDACTED] and [REDACTED] pursuant to the exercise of the [REDACTED]), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first; and
- (vi) the general unconditional mandate mentioned in paragraph (v) above was extended by the addition to the number of issued Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares bought back by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (v) above.

5. Repurchase by our Company of our own securities

This section includes information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of our own securities.

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(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders’ approval

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note that pursuant to the written resolutions passed by our Shareholders on [•], a general unconditional mandate (the “**Repurchase Mandate**”) was granted to our Directors authorizing the repurchase of Shares by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or the date on which such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Listing Rules and the applicable laws of Hong Kong. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of the BVI.

(iii) Core connected persons

The Listing Rules prohibit our Company from knowingly buying back the Shares on the Stock Exchange from a “core connected person”, which includes a director, chief executive or substantial shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell his/her Shares to our Company.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders as a whole for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our Company’s net asset value per Share and/or earnings per Share and will only be made when our Directors believe that such buybacks will benefit our Company and our Shareholders.

(c) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Listing Rules and the applicable laws of Hong Kong.

Under BVI laws, no purchase, redemption or other acquisition may be made unless the directors are satisfied on reasonable grounds, that the company will, immediately after the purchase, redemption or acquisition, satisfy the solvency test. A company satisfies, on reasonable grounds, the solvency test if (i) the value of the company’s assets exceeds its liability, and (ii) the company is able to pay its debts

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as they fall due. The BVI Companies Act provides for certain situations where this solvency test is not mandatory prior to purchase, redemption or acquisition. Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of the BVI. For details, please refer to the section headed “Summary of the Constitution of our Company and the BVI Company Law” in Appendix III to this document.

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Company, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might not have a material adverse effect on the working capital and/or the gearing position of our Group as compared to the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital and/or the gearing position of our Group which in the opinion of our Directors are from time to time appropriate for our Group.

(d) Share

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in [REDACTED] immediately after the [REDACTED] (but not taking into account our Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), would result in up to [REDACTED] Shares being bought back by our Company during the period until:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or
- (iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention if the Repurchase Mandate is exercised to sell any Share(s) to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of Hong Kong Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeovers Code**”). Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of our Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate. Our Directors have no present intention to exercise the power to repurchase Shares to such extent.

If the Repurchase Mandate is fully exercised immediately following completion of the [REDACTED] (but not taking into account our Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), the total number of Shares which will be repurchased pursuant to the Repurchase Mandate will be [REDACTED] Shares, being 10% of the total number of Shares based on the aforesaid assumptions. The aggregate percentage shareholding of our Controlling Shareholders will be increased to approximately [REDACTED]% of the issued shares of our Company immediately following the full exercise of the Repurchase Mandate. Any repurchase of Shares which

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results in the number of Shares held by the public being reduced to less than the prescribed percentage of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the [REDACTED] under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient [REDACTED] as prescribed under the Listing Rules.

No core connected person of our Company has notified our Group that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) a series B preferred share purchase agreement dated August 14, 2025 entered into among WinHealth International Company Limited, Hongkong WinHealth Pharma Group Co. Limited, Zhejiang Medical Technology Development Co., Ltd., Weijian (Hainan) Investment Holdings Co., Ltd., Hangzhou Hainuo Network Technology Co., Ltd., Weijian Business Consulting (Hangzhou) Co., Ltd., Hainan Weiyi Pharmaceutical Co., Ltd., Hainan Lecheng Weijian Rare Disease Clinical Medical Center Co., Ltd., Kyowa Kirin China Pharmaceutical Co., Ltd., Wei Wang (王威), Qing Hu (胡青), CMS Medical Venture Investment (HK) Limited, 杭州拱墅產業基金有限公司 and 杭州泰鯤股權投資基金合夥企業(有限合夥), pursuant to which CMS Medical Venture Investment (HK) Limited, 杭州拱墅產業基金有限公司 and 杭州泰鯤股權投資基金合夥企業(有限合夥) have agreed to subscribe for an aggregate of 555,963 Series B Preferred Shares at an aggregate consideration of RMB276,000,000 and by way of cancellation of a certain promissory note dated February 2, 2024;
- (b) a deed of adherence dated August 14, 2025 entered into between WinHealth International Company Limited and YD Capital I L.P., pursuant to which YD Capital I L.P. agreed to subscribe for 133,513 Series B Preferred Shares at an aggregate consideration of RMB106,509,000;
- (c) a deed of adherence dated August 14, 2025 entered into between WinHealth International Holding Group Company Limited and TG Sino-Dragon Fund II L.P., pursuant to which TG Sino-Dragon Fund II L.P. agreed to subscribe for 44,504 Series B Preferred Shares at an aggregate consideration of US\$5,000,000;
- (d) a deed of adherence dated October 30, 2025 entered into between WinHealth International Holding Group Company Limited and 杭州勤智健原創業投資合夥企業(有限合夥), pursuant to which 杭州勤智健原創業投資合夥企業(有限合夥) agreed to subscribe for 37,606 Series B Preferred Shares at an aggregate consideration of RMB30,000,000;
- (e) a convertible loan agreement (可轉債投資協議) dated October 30, 2025 entered into between 杭州產業投資有限公司, Kyowa Kirin China Pharmaceutical Co., Ltd., WinHealth International Holding Group Company Limited, WinHealth Enterprise Limited, WinHealth Investment (Overseas) Limited, WINHEALTH PHARMA ASIA PACIFIC PTE. LTD., Hongkong WinHealth Pharma Group Co. Limited, 浙江醫學科技開發有限公司, 維健(海南)投資控股有限公司, 杭州海曙網絡科技有限公司, 維健商務諮詢(杭州)有限公司, 海南維熠醫藥有限公司, 海南樂城維健罕見病臨床醫學中心有限公司, Supra Brilliant Investment Limited, Acme Gain Holdings Limited, 王威 and 胡青;

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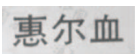
(f) a warrant instrument dated October 30, 2025 signed by WinHealth International Holding Group Company Limited and accepted by 杭州產業投資有限公司 setting out the terms and conditions of the Series B warrants of WinHealth International Holding Group Company Limited; and

(g) [REDACTED].

2. Intellectual property rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Company was the registered proprietor of the following trademarks which, in the opinion of our Directors, are material to our business:

No.	Trademark	Registration Number	Class	Place of Registration	Registered proprietor	Date of Registration	Date of expiry
1.		12527487	35	China	Zhejiang Medical	October 7, 2014	October 6, 2034
2.		1668539	5	China	WinHealth China	November 21, 2001	November 20, 2031
3.	盖优平	37771454	5	China	WinHealth China	December 14, 2019	December 13, 2029
4.	惠尔凝	14587970	5	China	WinHealth China	July 14, 2015	July 13, 2035
5.		767007	5	China	WinHealth China	September 21, 1995	September 20, 2035
6.	可力洛	3146692	5	China	WinHealth China	June 14, 2003	June 13, 2033
7.	WINHEALTH	62661011	1	China	WinHealth HK	November 14, 2022	November 13, 2032
8.	WINHEALTH	60338780	1	China	WinHealth HK	July 7, 2022	July 6, 2032
9.	WINHEALTH	60343917	5	China	WinHealth HK	January 14, 2024	January 13, 2034
10.	WINHEALTH	60339395	10	China	WinHealth HK	October 14, 2023	October 13, 2033
11.	WINHEALTH	60340889	16	China	WinHealth HK	July 7, 2022	July 6, 2032
12.	WINHEALTH	62679322	16	China	WinHealth HK	February 21, 2023	February 20, 2033
13.	WINHEALTH	60343921	35	China	WinHealth HK	October 14, 2023	October 13, 2033
14.	WINHEALTH	62659468	41	China	WinHealth HK	November 7, 2022	November 6, 2032
15.	WINHEALTH	60336933	41	China	WinHealth HK	July 7, 2022	July 6, 2032

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No.	Trademark	Registration Number	Class	Place of Registration	Registered proprietor	Date of Registration	Date of expiry
16.	WINHEALTH	69999197	41	China	WinHealth HK	September 7, 2024	September 6, 2034
17.	WINHEALTH	64843706	44	China	WinHealth HK	March 21, 2023	March 20, 2033
18.	WINHEALTH	60350198	44	China	WinHealth HK	October 14, 2023	October 13, 2033
19.	维健医药	61610397	5	China	WinHealth HK	September 28, 2022	September 27, 2032
20.	维健医药	65459020	5	China	WinHealth HK	July 14, 2023	July 13, 2033
21.	维健医药	74524180	5	China	WinHealth HK	July 7, 2024	July 6, 2034
22.	维健医药	60317398	35	China	WinHealth HK	October 14, 2023	October 13, 2033
23.	维健医药	60335466	35	China	WinHealth HK	July 7, 2022	July 6, 2032
24.		73384820	5	China	WinHealth HK	February 21, 2025	February 20, 2035
25.		80565348	5	China	WinHealth HK	September 7, 2025	September 6, 2035
26.		25943075	35	China	WinHealth HK	November 28, 2018	November 27, 2028
27.		82309135	41	China	WinHealth HK	May 28, 2025	May 27, 2035
28.		25936744	42	China	WinHealth HK	September 7, 2018	September 6, 2028
29.		25948603	44	China	WinHealth HK	November 28, 2018	November 27, 2028
30.		82330652	44	China	WinHealth HK	May 28, 2025	May 27, 2035
31.		61681753	35	China	WinHealth HK	August 28, 2022	August 27, 2032
32.		63663090	35	China	WinHealth HK	November 14, 2023	November 13, 2033

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No.	Trademark	Registration Number	Class	Place of Registration	Registered proprietor	Date of Registration	Date of expiry
33.		66374756	44	China	WinHealth HK	May 7, 2024	May 6, 2034
34.		68011595	44	China	WinHealth HK	June 7, 2024	June 6, 2034
35.		63659724	44	China	WinHealth HK	November 28, 2022	November 27, 2032
36.		61673345	44	China	WinHealth HK	August 21, 2022	August 20, 2032
37.	维健医药	87131691	41	China	WinHealth HK	March 7, 2026	March 6, 2036
38.		304248757	5, 10, 35, 39	Hong Kong	WinHealth HK	August 22, 2017	August 21, 2027
39.		304248766	5, 10, 35, 39	Hong Kong	WinHealth HK	August 22, 2017	August 21, 2027
40.	WINHEALTH PHARMA	216900	5	Macao	WinHealth HK	April 11, 2024	April 11, 2031
41.	WINHEALTH PHARMA	216901	35	Macao	WinHealth HK	April 11, 2024	April 11, 2031

(b) Domain names

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain names, which in the opinion of our Directors, are material to our business:

No.	Domain name	Name of registered proprietor	Date of registration	Date of expiry
1.	winhealthkylin.com.cn . . .	WinHealth China	August 29, 2024	August 29, 2027
2.	kylinpharma.com	WinHealth China	August 13, 2024	August 13, 2029
3.	kylinpharma.net	WinHealth China	August 13, 2024	August 13, 2027
4.	wtpharma.com	Zhejiang Medical	October 18, 2012	October 18, 2027
5.	winhealth.asia	Zhejiang Medical	June 26, 2024	June 26, 2027
6.	kken-portal.com	WinHealth China	February 7, 2025	February 7, 2027
7.	kylinpharma.cn	WinHealth China	August 13, 2024	August 13, 2027

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No.	Domain name	Name of registered proprietor	Date of registration	Date of expiry
8.	healnet.net.	Hangzhou Hainuo	November 18, 2019	November 18, 2027
9.	kylinpharma.com.cn.	WinHealth China	August 13, 2024	August 13, 2027
10.	winhealthkylin.com	WinHealth China	August 29, 2024	August 29, 2027
11.	boaordmc.com	Hainan Lecheng Weijian Rare Disease Clinical Medical Center Co., Ltd	December 17, 2020	December 17, 2027
12.	kyowakirin.com.cn.	WinHealth China	July 28, 2008	July 28, 2027
13.	winhealthkylin.net	WinHealth China	August 29, 2024	August 29, 2027
14.	hkwinhealth.com	Zhejiang Medical	June 12, 2024	June 12, 2027
15.	winhealthgroups.com	Zhejiang Medical	July 20, 2021	July 20, 2027
16.	kyowa-kirin.com.cn	WinHealth China	July 28, 2008	July 28, 2027
17.	winhealthkylin.cn	WinHealth China	August 29, 2024	August 29, 2027
18.	winhealth.hk	Zhejiang Medical	May 8, 2017	May 8, 2030
19.	winhealthpharma.hk	WinHealth China	December 17, 2025	December 17, 2027
20.	winhealthpharma.cn	WinHealth China	December 17, 2025	December 17, 2027
21.	winhealthpharma.com.cn	WinHealth China	December 17, 2025	December 17, 2027

Note:

* We do not expect any material legal impediment to renew these domain names upon their expiration.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) *Disclosure of Interests — Interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations*

Immediately following completion of the [REDACTED] and the [REDACTED] and assuming that the [REDACTED] is not exercised, the interests or short positions of our Directors or chief executives of our Company in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be

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entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once our Shares are [REDACTED] will be as follows:

(i) *Interest in our Company*

Name of Director	Name of Interest	Number of Shares interested ⁽¹⁾	Approximate percentage of interest
Mr. Wang	Interest in controlled corporation ⁽²⁾	[REDACTED] Shares (L)	[REDACTED]%
	Beneficial owner ⁽³⁾	[REDACTED] Shares (L)	[REDACTED]%
Ms. Hu	Interest in controlled corporation ⁽²⁾⁽⁴⁾	[REDACTED] Shares (L)	[REDACTED]%
Ms. Shen Huacheng . . .	Beneficial owner ⁽⁵⁾	[REDACTED] Shares (L)	[REDACTED]%
Ms. Lin Jing	Beneficial owner ⁽⁶⁾	[REDACTED] Shares (L)	[REDACTED]%

Notes:

- (1) The letter “L” denotes the person’s long position in our Shares.
- (2) Pursuant to the Acting in Concert Deed, our Ultimate Controlling Shareholders have agreed and confirmed that from the date when they became the registered owners and/or beneficial owners of the equity interests in our Group until after [REDACTED] and to the date when any one of them cease to be our Controlling Shareholders: (a) they had been and would continue to be parties acting in concert and they have agreed to consult with each other and reach an unanimous consensus among themselves before the decision, implementation and agreement on all material management affairs, votings and/or commercial decisions, including but not limited to financial and operational matters, of any member of our Group; (b) they had cast and would continue to cast their votes as directors and/or shareholders (as appropriate) unanimously for or against all resolutions in all board and shareholders’ meetings and discussions of any member of our Group; and (c) they had cooperated and would continue to cooperate with one another to acquire, maintain and consolidate the control and management of our Group. See “History, Development and Corporate Structure — Acting in Concert Deed.” By virtue of the SFO, each of our Ultimate Controlling Shareholders together with their respective investment holding companies (being Hangzhou Rongshun and Hangzhou Qingyun) are all deemed to be interested in the total Shares directly held by Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology and Qingyun Technology. Therefore, each of Mr. Wang and Ms. Hu is deemed to be interested in the Shares held by Supra Brilliant, Acme Gain, Great Reputation, Rongshun Technology and Qingyun Technology for the purpose of Part XV of the SFO.
- (3) Mr. Wang is interested in [REDACTED] unvested Shares underlying the awards granted to Mr. Wang under the Pre-[REDACTED] Share Incentive Plan. For more information, see “— D. Pre-[REDACTED] Share Incentive Plan” below.
- (4) Ms. Hu is deemed to be interested in [REDACTED] Shares held by Great Reputation. See “Relationship with Our Controlling Shareholders” in this document for details.
- (5) Ms. Shen Huacheng is interested in [REDACTED] unvested Shares underlying the awards granted to Ms. Shen under the Pre-[REDACTED] Share Incentive Plan. For more information, see “— D. Pre-[REDACTED] Share Incentive Plan” below.
- (6) Ms. Lin Jing is interested in [REDACTED] unvested Shares underlying the awards granted to Ms. Lin under the Pre-[REDACTED] Share Incentive Plan. For more information, see “— D. Pre-[REDACTED] Share Incentive Plan” below.

(b) *Particulars of service agreements and letters of appointment*

Each of our executive Directors [has] entered into a service agreement with our Company for a term of three years commencing from the date of appointment or re-designation as an executive Director, which may be terminated by not less than three months’ notice in writing served by either party on the other.

Each of our non-executive Directors and independent non-executive Directors [has] entered into a letter of appointment with our Company for a term of three years commencing from the date of appointment, which may be terminated by not less than three months’ notice in writing served by either party on the other.

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(c) Directors’ remuneration

The aggregate remuneration (including fees, salaries, allowances, performance-related bonuses, share-based payments, benefits in kind and pension scheme contributions) paid to our Directors for the three years ended December 31, 2023, 2024 and 2025 was approximately RMB15.7 million, RMB12.1 million and RMB15.1 million, respectively. For details, please refer to Note 8 of the Accountants’ Report set out in Appendix I to this document.

Each of our executive Directors, being Mr. Wang, Ms. Hu, Ms. Shen Huacheng and Ms. Lin Jing, and each of our non-executive Directors, being Ms. Chen Muyu, Dr. Jiang Fei and Mr. Chen Long, is not expected to receive any remuneration for holding their office as executive Director and non-executive Director, respectively.

We intend to pay a director’s fee of JPY10,000,000 per annum to Dr. Toshifumi Mikayama, RMB480,000 per annum to Prof. Ma Jun and RMB300,000 per annum to each of Dr. Peng Tao and Mr. Liu Kai Yu Kenneth. Save for directors’ fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as independent non-executive Directors.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, allowances, performance-related bonuses, share-based payments, benefits in kind and pension scheme contributions) of our Directors for the year ending December 31, 2026 is estimated to be no more than approximately RMB18.0 million.

2. Substantial shareholders

(a) Interest of substantial shareholders in our Company

Save as disclosed in “substantial shareholders”, so far as our Directors are aware, immediately following the completion of the [REDACTED] and the [REDACTED] assuming that the [REDACTED] is not exercised, no person (other than our Directors and chief executives of our Company) will have or be deemed or taken to have an interest and/or short position in our Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO), or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(b) Interest of substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons (other than our Directors or chief executives of our Company) who would be entitled to exercise, or control the exercise of, 10% or more of the issued voting shares at any general meeting of other members of our Group.

3. Agency fees or commissions received

Save as disclosed in this document, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

4. Disclaimers

- (a) save as disclosed under “— 1. Directors” above in this section, none of our Directors or chief executive of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to

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section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors Of Listed Issuers once our Shares are [REDACTED];

- (b) none of our Directors or experts referred to under “— E. Other information — 8. Qualifications and consents of experts” below has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (d) save as disclosed under “— 1. Directors — (b) Particulars of service agreements and letters of appointment” above in this section, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED] and [REDACTED], have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group; and
- (f) so far as is known to our Directors, as of the Latest Practicable Date, save as disclosed in “Business — Suppliers” and “Business — Customers” of this document, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the total number of issued Shares has any interests in the five largest customers or the five largest suppliers of our Group.

D. [REDACTED] SHARE INCENTIVE PLAN

The following is a summary of the principal terms of the [REDACTED] Share Incentive Plan approved and adopted by our Company on October 13, 2021 and as amended and restated on October 30, 2025. The [REDACTED] Share Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules and is funded by existing Shares which are held by Great Reputation, a company incorporated in BVI and wholly-owned by Ms. Hu, and involves no issue of new Shares or granting of awards for any new securities of our Company after the [REDACTED]. Given the underlying Shares under the [REDACTED] Share Incentive Plan had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the [REDACTED] Share Incentive Plan.

(a) Purpose

The purpose of the [REDACTED] Share Incentive Plan is to promote the success and enhance the value of our Company by linking the interests of grantees with those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders.

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(b) Administration

The [REDACTED] Share Incentive Plan is subject to the administration of our Board or a committee of one or more members of the Board (the “Committee”), to whom our Board shall delegate the authority to grant or amend awards to participants other than any of the committee members, independent directors and executive officers of our Company.

For the purpose of administering the [REDACTED] Share Incentive Plan, our Board [has] established the Committee, which will exercise such powers as delegated by our Board. The Committee’s interpretation of the [REDACTED] Share Incentive Plan, any awards granted pursuant to the [REDACTED] Share Incentive Plan, any award agreement and all decisions and determinations by the Committee with respect to the [REDACTED] Share Incentive Plan are final, binding, and conclusive on all parties who may be affected thereby.

(c) Eligible participants

Persons eligible to participate in the [REDACTED] Share Incentive Plan include any director, consultant or advisor, employee or officer employed by any member of our Group as selected by the Committee, in their absolute discretion.

(d) Term

Unless terminated earlier in accordance with the rules of [REDACTED] Share Incentive Plan, the [REDACTED] Share Incentive Plan will be valid and effective for a period commencing from the date of adoption and expiring on the earlier of (i) the [REDACTED]; and (ii) the tenth anniversary thereof. Any awards that are outstanding on the expiration of the [REDACTED] Share Incentive Plan shall remain in force according to the terms of the plan and the applicable award agreement.

(e) Vesting schedule and conditions

Subject to the terms of the [REDACTED] Share Incentive Plan, the Committee shall determine the vesting schedule for the awards granted under the [REDACTED] Share Incentive Plan. No award shall be vested until the second anniversary of the [REDACTED], unless otherwise provided in the [REDACTED] Share Incentive Plan or determined by the Committee.

(f) Source of award Shares

The awarded Shares under the [REDACTED] Share Incentive Plan will be granted from the Shares held by Great Reputation.

(g) Rights and restrictions attached to Awards

An award made pursuant to the [REDACTED] Share Incentive Plan is not transferrable.

No grantee shall be entitled to exercise any voting rights in respect of the Shares (whether or not the awards in respect thereof have been vested) unless and until the relevant Shares have been registered in the name of such participant in accordance with the [REDACTED] Share Incentive Plan and the applicable laws.

Grantees do not have any contingent interest in any Shares underlying the awards unless and until such Shares are actually transferred to the grantees. The underlying Shares rank *pari passu* with the fully paid Shares in issue. Further, the grantee shall be deemed to unconditionally appoint Great Reputation as proxy to exercise any voting power to which such grantee may otherwise be entitled.

(h) Exercise of award

The exercise price of award payable under an award shall be such price as determined by the Committee and set forth in the award agreement made by our Company to the grantee.

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Unless otherwise provided in the [REDACTED] Share Incentive Plan or otherwise determined by the Committee, vested awards may be exercised in whole or in part at any time by giving written notice of exercise to our Company specifying the number of Shares to be purchased, accompanied by payment in full of the aggregate exercise price of the award. The Committee may provide that an award shall become exercisable upon the achievement of applicable performance targets and any approval deemed necessary from any other regulatory entity.

(i) Maximum entitlement of each eligible participant and maximum number of Shares

The [REDACTED] Share Incentive Plan does not specify maximum entitlement of each eligible participant. The maximum number of Shares in respect of which awards may be granted under the [REDACTED] Share Incentive Plan is [REDACTED] Shares, representing approximately [REDACTED]% of the issued shares of our Company immediately upon completion of the [REDACTED] and the [REDACTED] (without taking into account any exercise of the [REDACTED]).

(j) Awards granted and outstanding awards

All the underlying Shares under the [REDACTED] Share Incentive Plan have been issued to and are held by Great Reputation as holding company of the [REDACTED] Share Incentive Plan. As of the Latest Practicable Date, all the Shares in respect of which awards may be granted under the [REDACTED] Share Incentive Plan had been granted to 12 eligible participants and none of which had been vested. No consideration was paid for the grant of the awards. The below table sets forth the details of the outstanding awards, representing [REDACTED]% of the total issued Shares of our Company immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]). As all the underlying Shares have been issued and outstanding, there will be no dilution on the shareholding of our Shareholders immediately following the completion of the [REDACTED] and the [REDACTED] as a result of the exercise of any awards under the [REDACTED] Share Incentive Plan.

Participants	Position	Number of Shares under the awards granted	Approximate percentage of issued Shares immediately after completion of the [REDACTED] and the [REDACTED]
Directors			
Mr. Wang	Chairman, executive Director and chief executive officer	[REDACTED]	[REDACTED]%
Ms. Shen Huacheng . . .	Executive Director and vice president	[REDACTED]	[REDACTED]%
Ms. Lin Jing	Executive Director and vice president	[REDACTED]	[REDACTED]%
Senior Management			
Mr. Wang Xingyao . . .	Vice president	[REDACTED]	[REDACTED]%
Mr. Wang Fengqiang . .	Head of the specialty pharmaceuticals department	[REDACTED]	[REDACTED]%
Mr. Wang Baolong . . .	Head of the nephrology and hematology department	[REDACTED]	[REDACTED]%
Mr. Zhou Laiming . . .	Head of the mature pharmaceuticals department	[REDACTED]	[REDACTED]%
Other Award Eligible Participants		[REDACTED]	[REDACTED]%
Subtotal		[REDACTED]	[REDACTED]%

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E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of US\$1,000,000 for acting as the sponsor for the [REDACTED], of which US\$200,000 has been paid and US\$800,000 remains payable as of the Latest Practicable Date.

The Sole Sponsor has made an application on our Company’s behalf to the Stock Exchange for the approval for the [REDACTED] of, and permission to [REDACTED], all the Shares in issue and to be issued as mentioned in this document (including any Shares which may be issued pursuant to the [REDACTED]). All necessary arrangements have been made for the Shares to be admitted into [REDACTED].

4. Preliminary expenses

We did not incur any material preliminary expenses relating to the incorporation of our Company.

5. No material adverse change

Save as disclosed in this document, our Directors confirm that there has been no material adverse change in our Group’s financial or trading position since December 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared).

6. Promoter

Our Company has no promoter. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

7. Taxation of holders of Shares

(a) BVI

No stamp duty is payable in the BVI on a transfer of shares, debt obligations or other securities in a BVI business company which is not a land owning company. A company is a land owning company if it, or any of its subsidiaries, has an interest in any land in the BVI.

(b) Hong Kong

The sale, purchase and transfer of Shares registered with our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.10% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

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(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in doubt as to the taxation implications of holding or disposing of or [REDACTED] in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the [REDACTED] will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their holding or disposal of or [REDACTED] in Shares or exercise of any rights attaching to them.

8. Qualifications and consents of experts

The following are the qualifications of the experts who have given opinions or advice in this document:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) of regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants; Public Interest Entity Auditor registered in accordance with Accounting and Financial Reporting Council Ordinance
Jingtian & Gongcheng	Legal advisors to our Company as to PRC law
Conyers Dill & Pearman	Legal advisors to our Company as to BVI law
China Insights Industry Consultancy Limited	Industry Consultant

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, opinions, summaries of opinions and/or references to its names included herein in the form and context in which they respectively appear.

9. Interests of experts in our Company

None of the persons named in “— E. Other information — 8. Qualifications and consents of experts” above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

10. Binding effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Miscellaneous

(a) Within the two years immediately preceding the date of this document:

- (i) save as disclosed in “History, Development and Corporate Structure” in this document, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
- (iii) no commission has been paid or payable for subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in our Company or any of our subsidiaries;
- (b) no founder, management or deferred Shares nor any debenture in our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (d) the Hong Kong branch register of members of our Company will be maintained in Hong Kong by [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company’s share register in Hong Kong. All necessary arrangements have been made to enable the Shares to be admitted to [REDACTED];
- (e) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) our Company has no outstanding convertible debt securities or debentures; and
- (h) there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

12. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

In case of any discrepancies between the English language version and Chinese language version of this document, the English language version shall prevail.

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Statutory and General Information — E. Other information — 8. Qualifications and consents of experts” in Appendix IV to this document; and
- (b) a copy of each of the material contracts referred to in “Statutory and General Information — B. Further information about our Business — 1. Summary of material contracts” in Appendix IV to this document.

B. DOCUMENTS ON DISPLAY

The following documents will be published on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at www.winhealth.hk up to and including the date which is 14 days from the date of this document:

- (a) the Memorandum and Articles of Association;
- (b) the Accountants’ Report from Ernst & Young, the text of which is set out in Appendix I to this document;
- (c) the Accountants’ Report on Kyowa Kirin China from Ernst & Young, the text of which is set out in Appendix IA to this document;
- (d) the report from Ernst & Young in respect of the [REDACTED] financial information, the text of which is set out in Appendix II to this document;
- (e) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025;
- (f) the legal opinion issued by Jingtian & Gongcheng, our legal advisors as to PRC law, in respect of our Group’s business operations in the PRC;
- (g) the letter of advice from Conyers Dill & Pearman, our legal advisor as to the law of the BVI, summarizing certain aspects of the BVI company law referred to in Appendix III to this document;
- (h) the CIC Report;
- (i) the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of material contracts” in Appendix IV to this document;
- (j) the service contracts and letters of appointment referred to in “Statutory and General Information — C. Further information about our Directors and substantial shareholders — 1. Directors — (b) Particulars of service agreements and letters of appointment” in Appendix IV to this document;
- (k) the written consents referred to “Statutory and General Information — E. Other information — 8. Qualifications and consents of experts” in Appendix IV to this document; and
- (l) the BVI Companies Act.