OVERVIEW

We are a clinical value-oriented specialty pharmaceutical platform with sizable revenue and scalable growth, dedicated to neurology, pain management and allergy in China, with a differentiated operating model that combines originator drug products and innovative pipeline candidates, selective business development opportunities and integrated R&D, manufacturing and commercialization capabilities.

Since our acquisition of UCB's China neurology and allergy business and related assets, we have established what we believe is a first-of-its-kind, fully integrated platform in these therapeutic areas in China, anchored by a portfolio of recognized originator products led by Keppra, Vimpat, Zyrtec and the recently-approved AJOVY, supported by a growing pipeline spanning neurology, pain management and allergy. We believe our positioning is especially compelling because we operate in therapeutic areas characterized by meaningful unmet medical needs, relatively high barriers to entry and durable product differentiation, where product quality, physician confidence, supply reliability and commercialization execution are critical to long-term success. The following chart sets forth approved products and innovative pipeline products and their respective stages of development.

Therapeutic Area	Drug name / Program	Target	Formulation	Indication	Pre-clinical	IND	Ph1	Ph2	Ph3	NDA/ BLA	Marketed	Territory
Neurology	Keppra®	Synaptic Vesicle Protein 2A	Tablet, Oral Solution, Intravenous Solution	Epilepsy								
			Sustained Released Granule	Epilepsy								
				Glioblastoma								
	Vimpat®	Voltage-gated Sodium Channels	Tablet, Oral Solution	Focal-onset Seizures								
	Neupro®	Dopamine Receptors	Patch	Parkinson's Disease								
	NG1807	Dopamine D2 Receptor; Serotonin 5- HT1A/5-HT2A Receptors	Oral Soluble Film	Schizophrenia								
				Alzheimer's Disease Agitation								
	AJOVY®	Calcitonin Gene-related Peptide Ligand	Solution for Subcutaneous Injection	Migraine Prophylaxis								
Pain Management	NG1806	COX-2 + Voltage-gated Sodium Channels	Sterile Gel	Postoperative Pain (hard tissue)								
				Postoperative Pain (soft tissue)								
	NG1706	COX-1/2+ α2δ Calcium Channel	Tablet	Perioperative Pain								
				Cancer Induced Bone Pain								
Allergy	Zyrtec®	Histamine H1 Receptor	Tablet, Oral Drops	Allergic Rhinitis, Allergic Conjunctivitis, Pruritus & Urticaria								
	Xyzal®	Histamine H1 Receptor	Tablet	Allergic Rhinitis, Chronic Idiopathic Urticaria								

Our business is built on a differentiated commercial foundation. We market a portfolio of products with established clinical profiles, strong physician recognition and, in several cases, differentiated profiles with indication-specific switching barriers. In particular, our epilepsy drugs provide us with a strong presence in a core central nervous system ("**CNS**") disease area where treatment continuity, prescribing confidence and product consistency are especially important. Keppra, a globally recognized broad-spectrum anti-seizure medicine ("**ASM**") together with Vimpat, a third-generation anti-seizure product with a differentiated mechanism of action, forms the cornerstone of our epilepsy business. Beyond epilepsy, our portfolio also include Zyrtec, a widely recognized allergy product with established pediatric use, broad pharmacy distribution and strong retail market presence. In June 2026, AJOVY, the world's first-and-only FDA approved CGRP-targeted antagonist for both pediatric episodic migraine and adult migraine, which we in-licensed from Teva in April 2026, received its BLA from the NMPA. We believe this diversified yet focused portfolio provides us with durable commercial cash flow, resilience across channels and therapeutic settings, and a strong base from which to expand. In addition, we believe demand remains significant for clinically trusted, physician-recognized products like ours in our target therapeutic areas.

Beyond our commercial portfolio, we are building a pipeline designed to support medium- to long-term growth through a combination of lifecycle management and synergistic innovation expansion. Our pipeline strategy is centered on clinically meaningful and commercially attractive assets in neurology,

pain management and allergy where we believe our clinical execution capabilities and commercialization platform can create value. Our growth-stage assets include NG1807, a patent-protected brexpiprazole oral soluble film ("**OSF**"). In the meantime, we are expanding our pipeline into pain management area. We view pain management as a highly synergistic extension of our neurology portfolio, as both therapeutic areas frequently share underlying pathophysiological mechanisms, and overlapping patient populations, and related clinical care settings. Our pain management drug candidates primarily include innovative non-opioid pain therapies, namely NG1706 and NG1806, which reflect our efforts to expand into pain management with differentiated, opioid-sparing candidates that address unmet clinical needs. We are also advancing lifecycle management and formulation innovation within our existing pipeline, including a sustained-release granule formulation of Keppra.

Our existing portfolio and future growth is supported by an integrated platform spanning commercialization, manufacturing, R&D, and business development. We have designed our commercialization model with a neurology focus not only to support hospital access and initial prescription generation, but also to convert those prescriptions into durable refill demand across retail pharmacies, e-commerce platforms and lower-tiered healthcare institutions. This is particularly important in neurology diseases requiring years of treatment cycle, such as epilepsy. We believe our established commercialization infrastructure, together with our launch experience, gives us a replicable operating model for onboarding and scaling additional assets.

Our integrated platform is further reinforced by self-controlled manufacturing and disciplined internal capabilities in R&D. Our Zhuhai facility gives us manufacturing control, quality assurance and supply security across key dosage forms, supporting consistent product quality and readiness for future launches. In parallel, we are building an internal R&D organization and a clinical-needs-driven business development engine to identify, evaluate and integrate synergistic assets in a disciplined manner. We believe that combining in-house operational capabilities with selective external expansion enhances our ability to capture value across the product lifecycle, improve execution efficiency and strengthen the long-term scalability of our business.

Our leadership team brings substantial experience across multinational pharmaceutical companies, biotechnology enterprises and specialty pharmaceutical markets, with expertise spanning commercialization, R&D, business development, finance, manufacturing and operations. We believe this breadth of experience is important in light of our strategy, which requires disciplined execution across multiple functions, including portfolio selection, launch excellence, regulatory advancement, supply management and capital allocation. We are also supported by a governance and shareholder framework that we believe is aligned with strategic continuity, prudent growth and long-term value creation.

Looking ahead, we intend to continue deepening our leadership in our core therapeutic areas and driving organic growth from our commercialized products. In the meantime, we will accelerate the commercialization of newly-approved, advance our late-stage pipeline and broaden the indication scope of our products. We also plan to expand our innovative pipeline through in-house development and selective partnership and acquisition, enhancement of our operating platforms and talent recruitment and cultivation. Through these efforts, we aim to build a leading specialty pharmaceutical platform with durable commercial foundations, sustained pipeline productivity and long-term growth potential in neurology, pain management and allergy.

OUR STRENGTHS

China's first-of-its-kind, fully integrated platform focused on neurology, pain management and allergy, purpose-built to address significant unmet needs and unlock substantial market potential

We are a clinical value-oriented specialty pharmaceutical platform with sizable revenue and scalable growth, dedicated to neurology, pain management and allergy in China, with a differentiated operating model that combines originator drug products and innovative pipeline candidates, selective business development opportunities and integrated R&D, manufacturing and commercialization capabilities. Since our acquisition of UCB's China neurology and allergy business and related assets, we have established a

differentiated operating foundation anchored by six approved products, led by Keppra, Vimpat, AJOVY and Zyrtec. These products are positioned as high-reliability therapies with strong physician recognition and patient trust, particularly among physicians and patients who place a premium on product quality, consistency and established clinical use. In particular, Keppra held the number one retail market share for ASM in terms of sales revenue in China in 2025, providing us with a strong commercial base and meaningful market presence. This robust retail performance underscores Keppra's market resilience and strong defensive characteristics. Notably, despite not securing a winning bid in earlier rounds of the VBP scheme, the product has successfully maintained long-term positive growth in in-market sales. This sustained commercial trajectory highlights the inelastic demand for proven ASMs and demonstrates our ability to drive sustainable revenue growth independent of centralized hospital procurement channels.

We believe our focus on neurology is strategically compelling because this therapeutic area is characterized by high barriers to entry and durable differentiation. CNS programs typically require substantial investment, long development timelines and carry relatively high clinical development risks. In addition, many CNS therapies involve narrow therapeutic windows-relatively small pharmacokinetic deviations may lead to significant risks, such as seizure attack. These challenges are further compounded by blood-brain barrier penetration requirements and the need for consistent drug delivery and exposure. As a result, CNS products generally require precise formulation, stable manufacturing processes and rigorous end-to-end quality control, which together raise the capital, technical and operation thresholds for new entrants.

These industry characteristics position us well to compete in our target therapeutic areas where safety, consistency and physician confidence are especially important in prescribing decisions. As China's middle class continues to expand and willingness to pay for premium therapies increases, we believe we are well positioned to capture demand for high-quality products in neurology, pain management and allergy. At the same time, the policy environment has become increasingly market-oriented. Recent volume-based procurement implementation trends are generally viewed as more measured, and non-winning products may in practice continue to be listed and sold in hospitals subject to local access and clinical need. We believe this preserves meaningful room for originator products with clear clinical value to retain market share.

Building on this foundation, we have developed an operating model that combines commercialization of originator products with disciplined pipeline expansion through lifecycle management, business development and strategic acquisitions. Our existing portfolio, anchored by Keppra, Vimpat and Zyrtec, benefits from strong physician trust and meaningful differentiation against generics, supported by continuity in key manufacturing inputs and processes. We achieved a 23.2% year-on-year increase in the overall revenue of NeuroGen Zhuhai in 2025 compared to 2024, driven by our focus on targeting quality-seeking patients and enhancing omni-channel penetration.

A highly differentiated portfolio with a policy-resilient profile, powering durable growth and long-term profitability

Our commercial portfolio comprises differentiated products with strong clinical positioning, established physician recognition and, in several cases, differentiated profiles with indication-specific switching barriers. **Keppra** is a globally recognized broad-spectrum ASM. It is guideline-recommended as a first-line therapy for epilepsy across age groups and is particularly favored among children and females due to its favorable safety profile. Its resilience is further supported by the nature of narrow therapeutic window in epilepsy. We are also extending this flagship product through its newly-approved sustained-release granule formulation, and through exploration of pediatric and additional indications.

Vimpat is a third-generation anti-seizure product with a differentiated mechanism of action through selective enhancement of slow sodium channel inactivation. It has established efficacy in focal-onset seizures and a favorable neuropsychiatric tolerability profile. We believe Vimpat is well positioned to increase its penetration, particularly among epilepsy specialists and pediatric neurologists, and to capture a greater share of first-line treatment in focal seizure populations as awareness and accessibility continue to improve.

Outside epilepsy, Zyrtec, AJOVY and Neupro provide additional breadth and resilience to our portfolio. **Zyrtec** is a widely recognized second-generation antihistamine available in oral tablet and oral drops formulations, addressing patients' needs across pediatrics, ENT, dermatology and immunology departments. Its omni-channel presence across hospitals, retail pharmacies and major e-commerce platforms helps accelerate market penetration and generate stable revenue, while its over-the-counter ("**OTC**") profile for tablets and strong brand equity reduce the likelihood of material VBP-related disruption. In 2026, we in-licensed **AJOVY**, a CGRP-targeted biologic for migraine treatment, for which we received its BLA approval from the NMPA in June 2026 with a planned age expansion application for adolescent patients targeted for the second half of 2026. AJOVY boasts a proven commercial track record with strong sales growth following its approvals in the United States (2018) and Europe (2019). AJOVY offers a highly competitive clinical profile characterized by unique monthly and quarterly dosing regimens, favorable tolerability, and the convenience of subcutaneous self-administration. Given the large, underserved urban migraine population in China and the currently underdeveloped domestic treatment paradigm, we believe AJOVY is strategically positioned to capture significant market share and drive a meaningful shift in clinical practice and patient management. **Neupro** is China's first transdermal dopamine agonist patch for Parkinson's disease. Its once daily, non-oral delivery profile helps minimize the wearing-off phenomenon commonly associated with oral therapies, including swallowing difficulty and gastrointestinal variability thereby reshaping the existing treatment paradigm.

A clinical-need- and value-driven pipeline to sustain growth, underpinned by disciplined in-house R&D capabilities

Our pipeline strategy is centered on high-value opportunities in neurology, pain management and allergy, where we believe our commercial capabilities, medical expertise and development judgment can be most effectively leveraged. Our R&D team is led by Dr. ZHU Shunwei (諸舜偉), who brings approximately 20 years of full-cycle pharmaceutical R&D experience, deep expertise in neuroscience, and a distinguished track record of advancing multiple therapeutic candidates from early discovery to new drug application/biologics license application ("**NDA/BLA**") approval. We seek to translate identifiable clinical needs into products with meaningful market potential, while maintaining a balance between near-term development visibility and longer-term growth optionality.

Among our growth-stage assets, **NG1706** is an innovative oral, dual-mechanism, non-opioid analgesic designed to address both inflammatory and neuropathic pain through cyclooxygenase ("**CoX**") inhibition and peripheral α2δ calcium-channel modulation. In a completed U.S. phase 2b bunionectomy study, NG1706 demonstrated statistically significant and clinically meaningful reductions in 48-hour pain intensity compared with placebo. Additionally, 43% of patients in the high-dose group required no rescue medication within 72 hours following surgery. We believe this profile supports its potential as a differentiated non-opioid alternative in post-operative pain and, more broadly, as a product aligned with increasing clinical and policy emphasis on opioid stewardship. We are discussing with the Center for Drug Evaluation ("**CDE**") on the regulatory pathway for NG1706 for both perioperative and cancer pain.

NG1806 is a long-acting, dual-mechanism, non-opioid analgesic for post-operative pain management that is designed to provide 72 hours of pain relief. We believe it has the potential to become the first dual-mechanism, long-acting analgesic of its kind in China. Its clinical value proposition potentially includes reducing opioid exposure, shortening hospital stays and supporting improved post-operative recovery. We are currently discussing with the CDE with respect to the future clinical development plan for NG1806, with pivotal phase 3 clinical trials anticipated to be initiated in 2026.

NG1807 is a patent-protected brexpiprazole OSF, for which the NDA application has been submitted to and is currently under review by the NMPA. Brexpiprazole is a novel serotonin-dopamine activity modulator (SDAM) that precisely fine-tunes brain receptors with lower intrinsic dopamine activity than its predecessors, providing effective symptom relief while significantly minimizing disruptive side effects like akathisia. It demonstrates efficacy across both positive symptoms (e.g., hallucinations or delusions) and negative symptoms (e.g., social withdrawal or apathy) of schizophrenia, alongside a comparatively favorable metabolic profile. Furthermore, the OSF formulation provides practical advantages, including ease of administration and enhancing patient adherence. Following approval in schizophrenia, we plan to pursue agitation associated with Alzheimer's disease, each of which has already been approved in the United States, thereby supporting a potentially more de-risked China development strategy.

An integrated platform with end-to-end capabilities, supported by strong commercialization execution and globally compliant manufacturing

We have built an integrated platform spanning commercialization, manufacturing, R&D, and business development, which we believe enables us to identify, acquire, launch and expand high-value products efficiently. Our commercialization capabilities are a key differentiator. We have an established neurology-focused commercial organization, including, according to F&S, one of China's largest neurology-focused sales and marketing team of 384 personnel. Leveraging our distribution network, we maintained an extensive coverage of over 18,000 hospitals and 11,000 healthcare professionals, complemented by a distribution model that extend our reach into approximately 100,000 pharmacies, establishing a crucial distribution network for the neurology market, where extensive outpatient accessibility is vital for patient adherence and commercial success. This commercial network supports deep engagement with key neurology departments while also enabling broader penetration into downstream treatment and refill demand.

Our commercialization model is designed not only to secure initial prescriptions in leading hospitals, but also to convert those prescriptions into durable refill demand across retail pharmacies, primary healthcare institutions and e-commerce platforms. This is particularly important in chronic diseases such as epilepsy, where long-term adherence and patient convenience are critical. At the same time, our growing downstream network helps maintain patient access outside flagship centers and supports share gains in under-served markets. We believe our proven track record of six approved products can provide us with launch experience and market insights, which can be leveraged in future product launches.

By leveraging our manufacturing platform, we maintain strict operational control, ensure high standards of quality assurance, and safeguard our supply security. Our manufacturing operation is led by Ms. QU Junhua, our Vice President of Supply Chain, who brings over 30 years of extensive experience in pharmaceutical manufacturing, supply chain, and quality management to oversee our entire production lifecycle and ensure the compliance, stability, and efficiency of our operations. Our Zhuhai facility can support the manufacturing of multiple formulations, including tablet, oral solution, and are operated in compliance with good manufacturing practice ("**GMP**") requirements. We are also proactively building manufacturing capabilities to support local manufacturing and anticipated launches of new products.

A leadership team with deep industry experience and a governance structure that supports long-term value creation

Our leadership team combines substantial experience across multinational pharmaceutical companies, biotechnology enterprises and specialty pharmaceutical markets, with expertise spanning commercialization, R&D, business development, finance and operations. We believe this breadth of experience is important to our strategy, as our business requires disciplined execution across product selection, commercialization, supply, compliance and capital allocation. Our management team has led market expansion initiatives, strategic partnerships and commercialization programs, which we believe positions us well to navigate the next phase of our growth.

Our key executives include Dr. CHEN Peng-Hsuan, our Chief Executive Officer, a physician-executive with over 20 years of leadership experience across multinational pharmaceutical and biotechnology companies, including senior roles in R&D, business development, commercialization and general management. Our Chief Financial Officer, Mr. ZHANG Jiong, brings over 25 years of experience in financial management, tax planning, investment and M&A, corporate financing and restructuring. Mr. Fan Hu, our Vice President, Channel and Distribution, has over 20 years of experience in pharmaceutical commercial channel management, out-of-hospital marketing and multi-channel innovation, while Mr. Zecheng Yang, our Vice President, Sales and Marketing, has over 20 years of experience in pharmaceutical marketing management across a range of therapeutic areas. We believe this combination of leadership capabilities provides strong support for both current execution and future platform expansion.

We also benefit from a governance and shareholder framework that supports long-term development. The complementary strengths of our key shareholders, namely CBC's healthcare investment expertise and industry network and Mubadala's global investment capabilities and long-term capital support, contribute to a governance structure that we believe is aligned with sustained value creation and prudent business building.

OUR STRATEGIES

Deepen leadership in our core therapeutic areas and drive continued organic growth of our commercialized products

We will concentrate resources on our core therapeutic areas, where our commercial, medical and operational advantages are most pronounced. Building on our established epilepsy portfolio and broader commercialized portfolio, we intend to drive sustained organic growth through disciplined execution, focused resource allocation and deepened market penetration. We also intend to pursue additional indications and combination opportunities for our commercialized and late-stage assets, capturing growing product-level synergies and operating leverage across our platform.

We plan to deepen product penetration through intensified academic promotion. These initiatives are designed to reinforce prescription continuity, strengthen physician confidence and broaden coverage across target hospitals and downstream channels, while generating stable cash flow to fund pipeline development and platform expansion.

We will further consolidate our leadership in neurology by extending regional and channel coverage and continuing to strengthen our sales force, contributing to the advancement of treatment standards in China and positioning us as a trusted partner to healthcare professionals and patients.

Accelerate the commercialization of newly approved and near-approval products

We will accelerate the commercialization of our recently approved products, such as the sustained release formulation of Keppra, by stepping up commercial investment to drive rapid uptake and pursuing the National Reimbursement Drug List for Basic Medical Insurance, Work 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》) (the "**NRDL**") inclusion where appropriate to improve patient affordability, expand access and accelerate sales ramp-up.

For our NDA-stage product candidate, NG1807, and recently-approved AJOVY, we are running coordinated pre-launch preparation in parallel, enabling a rapid transition from approval to commercialization through our established market access, medical affairs supply chain management, and hospital coverage capabilities.

To support portfolio expansion, we will continue to build out our sales force, medical affairs and commercialization teams, deepen academic engagement with core experts and the broader physician community, and broaden hospital coverage in neurology, pain and allergy. We also plan to continue broadening and deepening our sales and marketing channels in a targeted manner. In particular, we will refine our academic promotion strategy and tailor our market development efforts to the needs of our core therapeutic areas, including neurology and pain, to support more effective launches and faster post-launch uptake. We believe that more targeted channel management, together with stronger market access and physician engagement, will improve our ability to translate product approvals into commercial success.

Advance the clinical development of our pipeline assets

We will advance our pipeline assets through disciplined clinical execution and proactive regulatory engagement, optimizing the registration pathway for each asset to translate clinical progress into commercial opportunity efficiently. In 2026, we plan to advance multiple clinical trials, including NG1806's phase 3 clinical trials in China. These programs are designed to strengthen our competitive position, deliver multiple value inflection points and sustain a steady cadence of pipeline progress.

Leveraging our experienced regulatory and clinical development teams, we will continue to optimize trial design and development strategy in line with regulatory requirements and evolving clinical practice, accelerating our pipeline assets toward commercialization while addressing significant unmet medical needs.

Continue to expand innovative pipeline and actively pursue strategic integration and synergistic opportunities

We will continue expanding our pipeline in neurology, pain management and allergy. Our business development efforts target clinically meaningful and commercially attractive assets that address clear unmet needs and can be integrated efficiently into our platform and can create meaningful synergy with our existing portfolio and infrastructure. We will systematically evaluate product candidates based on (i) differentiated clinical profiles that address unmet medical needs, (ii) favorable intellectual property positions, (iii) alignment with our therapeutic focus areas of neurology, pain management, and allergy, and (iv) clear regulatory pathways with demonstrable probability of near-term commercialization. This approach reduces investment risk by targeting assets with high druggability and a realistic prospect of commercial launch within five years. We maintain a therapeutic focus centered on neurology, pain management and allergy. This focused therapeutic positioning enables us to leverage our existing commercial infrastructure, key opinion leader relationships, and regulatory expertise when integrating newly acquired assets.

By combining acquired or in-licensed assets with our commercialization platform and operating infrastructure, we aim to accelerate value creation, improve resource allocation and enhance our market position, resilience and long-term growth prospects. We will also continue to foster an open and collaborative innovation ecosystem through partnerships with leading domestic and international research institutions and industry participants.

Enhance our in-house manufacturing capabilities and complex formulation expertise

We will continue enhancing our manufacturing capabilities, including expansion of our Zhuhai manufacturing base, to support future launches, strengthen supply security and maintain rigorous quality control across different formulations. For pipeline products approaching approval, we will undertake pre-launch production readiness activities, including capacity planning, process transfer, validation and launch inventory build-up, enabling a rapid response to market demand following reimbursement inclusion or broader physician adoption.

We will continue investing in complex formulations and advanced pharmaceutical manufacturing, deploying high-precision automated equipment and refining process controls to address the technical challenges. We will further enhance our GMP quality systems and incorporate digital monitoring and lean manufacturing tools across our operations, supporting consistent, reliable, high-quality product supply.

OUR DRUG PORTFOLIO

We are a clinical value-oriented specialty pharmaceutical platform with sizable revenue and scalable growth, dedicated to neurology, pain management and allergy in China, with a differentiated operating model that combines originator drug products and innovative pipeline candidates, selective business development opportunities and integrated R&D, manufacturing and commercialization capabilities. Since our acquisition of UCB's China neurology and allergy business and related assets, we have established what we believe is a first-of-its-kind, fully integrated platform in these therapeutic areas in China, anchored by a portfolio of recognized brand-name products led by Keppra, Vimpat and Zyrtec, supported by a growing pipeline spanning neurology, pain management and allergy. The following table sets forth a breakdown of the revenue of NeuroGen Zhuhai and our Group in absolute amounts and as a percentage of the total revenue for the periods indicated:

	NeuroGen Zhuhai						Our Group			
	For the year ended December 31,						For the Period from June 11, 2024 to December 31, 2024		For the year ended December 31, 2025	
	2023		2024		2025					
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sales of pharmaceutical products	**921,335**	**98.5**	**920,414**	**98.4**	**1,151,646**	**100.0**	**12,145**	**100.0**	**1,319,184**	**100.0**
Keppra	769,795	82.3	741,407	79.3	935,063	81.2	902	7.4	948,749	71.9
Vimpat	136,977	14.6	152,777	16.3	201,530	17.5	212	1.7	217,897	16.5
Zyrtec	—	—	—	—	—	—	7,883	64.9	131,047	9.9
Others[(1)]	14,563	1.6	26,230	2.8	15,053	1.3	3,148	26.0	21,491	1.7
Service income[(2)]	**14,308**	**1.5**	**14,528**	**1.6**	**—**	**—**	**—**	**—**	**327**	**0.0**
Total	**935,643**	**100.0**	**934,942**	**100.0**	**1,151,646**	**100.0**	**12,145**	**100.0**	**1,319,511**	**100.0**

Notes:

(1) Others primarily represent revenue generated from other pharmaceutical products, including Neupro and Xyzal.

(2) Service income of the Group represents revenue generated from the sales of Keppra SR prior to the transfer of its marketing authorizations from Anbison to us. For details, see "Business — Collaboration and BD Arrangements — Transfer of Keppra Sustained Release."

Approved Drugs

Keppra (levetiracetam)

Keppra is a globally recognized, broad-spectrum ASM drug in China. It was originally developed by UCB Pharma S.A. ("**UCB S.A.**") and first received regulatory approval from the NMPA in November 2006, making it one of the first second-generation ASMs available in the Chinese market. Levetiracetam is indicated for partial-onset seizures, myoclonic seizures, and primary generalized tonic-clonic seizures. Supported by a comprehensive portfolio of formulations including oral tablets, oral solution, intravenous solution and sustained release granules, Keppra delivers high clinical flexibility to accommodate diverse treatment scenarios and patient groups. Widely recommended by clinical guidelines as a first-line medication for epilepsy across all age groups, it is particularly preferred for women and children in light of its favorable safety profile.

Mechanism of Action

Keppra® (levetiracetam) features a novel mechanism of action that differentiates it from conventional ASMs. It exerts its anticonvulsant effects mainly via selective, high-affinity binding to synaptic vesicle protein 2A (SV2A) in the brain. As an essential integral membrane protein on synaptic vesicles, SV2A is critical for the regulation of neurotransmitter release. By modulating SV2A activity, Keppra® alleviates abnormal neuronal hyperexcitability and pathological neuronal synchronization,

thereby effectively controlling seizure episodes. This unique binding target sets Keppra® clearly apart rom classic ASMs, which generally act through sodium channel blockade, calcium channel modulation, or potentiation of GABAergic inhibition. This distinct pharmacological mechanism underpins its favorable safety and tolerability in routine clinical practice.

Key Advantages

We believe Keppra possesses several key competitive advantages that solidify its position as a cornerstone epilepsy treatment. Foremost, Keppra acts via a unique, differentiated mechanism of action through selective binding to synaptic vesicle protein 2A (SV2A), with no overlapping pharmacological pathways associated with conventional ASMs. In addition, Keppra exhibits a well-balanced pharmacokinetic profile, including nearly complete oral bioavailability, rapid absorption, and low protein binding. As it is not metabolized by the hepatic cytochrome P450 system, the risk of drug-drug interactions remains extremely low — a critical benefit for patients receiving multiple concomitant medications. Its predictable, linear pharmacokinetics also obviate lengthy dose titration, allowing fast therapeutic onset and straightforward dosing from treatment initiation. Clinically, Keppra delivers broad-spectrum efficacy against a wide range of seizure types, including focal seizures, myoclonic seizures, and primary generalized tonic-clonic seizures. Backed by decades of global clinical experience and UCB's long-standing legacy, Keppra has a well-established, fully documented safety profile and robust brand equity. It enjoys high recognition and trust among neurologists and patients alike, while continuing to generate steady, sustainable revenue for the company.

Sustained Release Formulation

We are exploring lifecycle management for Keppra. In May 2025, we acquired the sustained release formulation of levetiracetam ("**Keppra SR**") from Shanghai Anbison Lab Co., Ltd. ("**Anbison**"). The product is a sustained-release granule formulation of levetiracetam and was approved by the NMPA in January 2025 for adjunctive therapy for partial-onset seizures in epilepsy patients 12 years of age and older.

Keppra SR's sustained-release delivery allows the active ingredient to be absorbed gradually over 24 hours, enabling a shift from a twice-daily to a once-daily dosing regimen. For patients managing epilepsy — a chronic neurological disorder requiring strict, long-term medication adherence to prevent seizures — this simplified schedule significantly reduces pill burden, improves daily compliance, and maintains steadier blood plasma levels to potentially minimize side effects. We are also evaluating its development for the treatment of glioblastoma leverage potential investigator-initiated trials, currently targeted for initiation by year-end 2026.

Vimpat (lacosamide)

Vimpat is a globally recognized third-generation ASM. It was originally developed by UCB S.A. and first approved by the NMPA in November 2018. Indicated for both monotherapy and adjunctive treatment of focal seizures, Vimpat is approved for use in patients aged two years and older. Its well-balanced pharmacological and neuropsychiatric safety profile makes it a preferred choice for patients on long-term treatment.

Mechanism of Action

Vimpat® (Lacosamide) features a novel mechanism of action distinct from that of conventional ASMs. It exerts its anticonvulsant effects mainly via selective enhancement of the slow inactivation of voltage-gated sodium channels in the brain. This mechanism reduces neuronal hyperexcitability while preserving normal neuronal function, as the slow inactivation state is preferentially induced in neurons that are depolarized or firing at high frequencies, which is the characteristic of seizure activity. This

unique pharmacological signature sets lacosamide clearly apart from traditional ASMs, which generally act through fast sodium channel blockade. This differentiated mode of action underpins its well-documented pharmacological, neuropsychiatric safety and minimal cognitive burden observed in clinical use.

Key Advantages

Vimpat boasts distinct competitive strengths that firmly establish it as a cornerstone treatment within our product portfolio. First and foremost, Vimpat acts via a unique, differentiated mechanism of action through selective enhancement of slow sodium channel inactivation. This unique pathway sets it apart from conventional ASMs and renders it highly suitable for combination therapy. In addition, Vimpat has a well-recognized favorable pharmacokinetic profile, including near-complete oral bioavailability, rapid absorption, and low protein binding. With minimal metabolism mediated by hepatic cytochrome P450 enzymes, the agent presents a very low risk of drug-drug interactions, offering clear benefits for patients on complex multi-drug regimens, including those receiving other anti-epileptic medications. Its predictable, linear pharmacokinetics also allow for simple dose titration and convenient dosing from treatment initiation., Vimpat delivers robust efficacy against focal-onset seizures alongside a superior neuropsychiatric safety profile. It is associated with limited cognitive impairment and a low rate of psychiatric adverse events, making it an optimal long-term treatment option.

Backed by long-standing legacy and widespread global clinical adoption, Vimpat maintains strong brand recognition and high credibility among neurologists. It also demonstrates outstanding market resilience amid volume-based procurement pressures, sustaining steady sales growth. This performance reflects enduring brand loyalty among patients and physicians who prioritize high-quality, originator therapies.

Neupro (rotigotine)

Neupro received NMPA regulatory approval in China in June 2018 for the treatment of early- to late-stage idiopathic Parkinson's disease. Neupro provides a unique once-daily, non-oral delivery option. This transdermal formulation circumvents gastrointestinal absorption variability and addresses unmet clinical needs related to swallowing difficulties and GI dysfunction, rendering it highly adaptable for multiple treatment scenarios — including early-stage monotherapy, add-on therapy for advanced disease, and tailored care for vulnerable groups such as elderly patients and those with dysphagia. Its well-established clinical value is supported by consistent efficacy and a favorable safety profile demonstrated in rigorous clinical trials and extensive real-world evidence. By improving treatment adherence and lowering long-term clinical management burdens, Neupro's innovative delivery route and differentiated patient experience establish a high barrier to substitution. This solidifies its long-term brand leadership potential within China's Parkinson's Disease treatment market.

Mechanism of Action

Neupro® (rotigotine transdermal patch) integrates a dopamine agonist with an advanced continuous-delivery patch technology. Its active ingredient, rotigotine, exerts therapeutic effects by directly binding to and stimulating cerebral dopamine D1, D2, D3, D4 and D5 receptors in the caudate-putamen. Such receptor activation compensates for the dopaminergic deficiency that characterizes Parkinson's disease. Crucially, the transdermal system itself is integral to the product's clinical efficacy. It enables continuous cutaneous drug delivery and sustains stable plasma drug concentrations over a 24-hour period. This steady-state delivery approach effectively eliminates the drug concentration fluctuations commonly observed with oral medications, delivers sustained symptom control, and reduces motor fluctuations in patients with Parkinson's disease.

Key Advantages

Neupro possesses distinct competitive advantages driven by its unique non-oral delivery system, distinguishing itself as China's first transdermal dopamine agonist patch. Offering once-daily administration, the patch effectively circumvents gastrointestinal variability and addresses the critical clinical challenge of poor GI absorption and swallowing difficulties. Moreover, this transdermal delivery

system maintains stable 24-hour plasma concentrations, providing continuous dopaminergic stimulation that may lower the risk of motor complications often linked to the pulsatile delivery of oral medications. Clinically, Neupro demonstrates broad therapeutic versatility throughout the disease course: it is indicated as monotherapy for early-stage Parkinson's disease and as add-on therapy for advanced stages. Its non-oral delivery mechanism renders the treatment particularly suitable for vulnerable populations, such as the elderly and patients with dysphagia, which is a common comorbidity in Parkinson's disease, thereby improving treatment adherence and reducing the burden of clinical follow-up and hospitalization. Ultimately, Neupro's innovative delivery mechanism and the resulting optimized patient experience establish a high substitution barrier, firmly positioning the asset for long-term brand leadership in the movement disorder market.

Zyrtec (cetirizine)

Zyrtec (cetirizine) is a widely recognized, second-generation H1 receptor antagonist (antihistamine) and a leading originator in the China allergy market. It was originally developed by UCB S.A. Cetirizine is approved for the treatment of seasonal and perennial allergic rhinitis, as well as chronic idiopathic urticaria. Zyrtec is available in highly versatile formulations — including oral tablets and oral drops — offering flexibility across a wide range of clinical settings and patient populations, including pediatric patients who may have difficulty swallowing tablets. The oral tablet formulation holds OTC status, providing exceptional policy resilience and enabling direct consumer access through retail and e-commerce channels.

Mechanism of Action

Cetirizine, the active compound in our established antihistamine treatment Zyrtec®, is a second-generation H1 receptor antagonist that exhibits a highly favorable clinical profile. The compound exerts its therapeutic effect primarily through selective blockade of peripheral H1 receptors, thereby inhibiting the effects of histamine on target tissues including the nasal mucosa, conjunctiva, and skin. Unlike first-generation antihistamines, cetirizine exhibits minimal penetration of the blood-brain barrier, resulting in significantly reduced sedation and cognitive impairment. This improved safety profile clearly differentiates cetirizine from conventional first-generation antihistamines — which are associated with significant CNS side effects including drowsiness and impaired psychomotor function — and is believed to be a key driver of its highly favorable tolerability profile in clinical practice. The drug provides rapid onset of action with sustained 24-hour symptom relief, making it suitable for once-daily dosing and enhancing patient adherence.

Key Advantages

We believe Zyrtec possesses several key competitive advantages that solidify its position as a cornerstone treatment in our commercial portfolio. Primarily, Zyrtec features an established brand that commands high trust among physicians and patients across multiple medical specialties, including pediatrics, ENT, dermatology, and allergy departments, reflecting decades of clinical use and brand recognition. Furthermore, the OTC status of Zyrtec tablets provides exceptional policy resilience, insulating the product from hospital-centric procurement policies and enabling direct consumer access through retail and e-commerce channels. Zyrtec demonstrates formulation versatility with both oral tablet and oral drop formulations, addressing the needs of diverse patient populations including pediatric patients who may have difficulty swallowing tablets. The franchise's commercial strategy is actively accelerating out-of-hospital and e-commerce expansion, leveraging comprehensive coverage across public hospitals, chain pharmacies, primary healthcare facilities, and online platforms. Supported by the strong legacy established by UCB and extensive clinical use worldwide, Zyrtec benefits from deep brand equity and high trust among prescribing physicians, while the established brand presence in the allergy segment provides a strong platform for ongoing lifecycle development into new allergy indications and expanded pediatric product lines.

AJOVY (CGRP-targeted biologic)

AJOVY is a CGRP-targeted biologic indicated for migraine. It was originally developed by Teva Pharmaceuticals International GmbH ("**Teva**") and was approved by the FDA and the EMA in 2018 and 2019, respectively. In April 2026, we entered into an in-licensing agreement with Teva, pursuant to which we were granted the exclusive right for the development, registration, and commercialization of AJOVY in the Chinese Mainland. In 2025, AJOVY achieved global sales of US$673 million, increasing at a CAGR of 38.3% from 2019 to 2025.

Mechanism of Action

AJOVY is fully humanized monoclonal antibody, namely fremanezumab, targeting calcitonin gene-related peptide (CGRP), a clinically validated and central mediator in migraine pathophysiology. The CGRP pathway is widely recognized as one of the most important signaling pathways involved in trigeminovascular activation, neurogenic inflammation, vasodilation, and pain transmission associated with migraine attacks, and has become a cornerstone target in modern migraine therapeutics.

Unlike receptor-targeting CGRP therapies that block the CGRP receptor, AJOVY selectively binds to the CGRP ligand itself, thereby preventing both α- and β-CGRP from interacting with CGRP receptors. Through direct ligand neutralization, AJOVY inhibits downstream CGRP signaling by preventing CGRP from interacting with and activating the CGRP receptor. This targeted blockade effectively halts the downstream cascade of neurogenic inflammation and pain sensitization, thereby reducing the frequency and severity of migraine attacks and providing long-term preventive relief for patients.

Key Advantages

We believe AJOVY has the following advantages.

- **Flexible Dosing Regimens to Maximize Patient Compliance**. AJOVY offers highly convenient subcutaneous administration with two distinct dosing options: a quarterly (675mg) injection and a monthly (225mg) injection. This flexibility allows healthcare providers to tailor treatment plans to individual patient lifestyles and preferences. By replacing daily oral medications with infrequent injections, AJOVY significantly reduces the treatment burden, thereby driving superior long-term medication adherence and sustained preventive efficacy.

- **Established Safety Profile and Global Regulatory Validation**. AJOVY benefits from a robust and well-documented track record of clinical efficacy and safety. This extensive, multi-year commercial and clinical footprint across major global markets provides strong validation of its therapeutic value and safety profile.

- **First-and-Only CGRP-Targeted Antagonist with Pediatric Approval**. Demonstrating its highly differentiated clinical profile, AJOVY received FDA approval in 2025 for the preventive treatment of episodic migraine in children and adolescents (aged 6 to 17 years, weighing 45 kg and above). This landmark expansion makes AJOVY the world's first and only CGRP-targeted antagonist approved for both pediatric and adult migraine prevention. This exclusive indication not only addresses a significant unmet medical need in younger patients but also substantially broadens the product's addressable market.

Next Steps

AJOVY was approved by the NMPA in June 2026. Following its approval, we plan to explore its age expansion into children and adolescents in the second half of 2026.

Xyzal (levocetirizine dihydrochloride)

Xyzal is a levocetirizine drug approved by the NMPA in October 2005. Levocetirizine delivers enhanced H1-receptor binding affinity, providing patients with onset of action and sustained 24-hour symptom relief at a lower milligram dose than its predecessor. The product features an optimized clinical profile characterized by limited penetration of the blood-brain barrier, resulting in a low incidence of sedative side effects and minimal impairment of daily functioning. This favorable tolerability profile supports patient adherence, establishing Xyzal as a widely utilized therapeutic option among specialists and general practitioners for the clinical management of chronic and seasonal allergies.

Pipeline Drug Candidates

While our established portfolio of commercialized products provides a stable revenue foundation and a proven operational footprint in the Chinese market, our long-term growth strategy is anchored in the advancement of our R&D pipeline.

Neurology Drugs

NG1807

NG1807 is an OSF formulation of brexpiprazole. We acquired NG1807 from Shanghai Sinopeak Pharmaceutical Co., Ltd. ("**Sinopeak**") in June 2026. It is currently under NDA review by the NMPA for the treatment of schizophrenia. NG1807 utilizes an OSF delivery system specifically designed to overcome critical compliance challenges prevalent in schizophrenia treatment. Because the film dissolves instantly upon contact with saliva, it effectively prevents patients from concealing or discarding their medication. This rapid-dissolve mechanism ensures reliable dosing, simplifies administration for caregivers, and ultimately drives superior long-term treatment adherence and clinical outcomes.

Mechanism of Action

Brexpiprazole is a novel serotonin-dopamine activity modulator designed to balance neurotransmitter signaling in the brain. Its mechanism of action is primarily driven by a combination of partial agonist activity at dopamine D2 and serotonin 5-HT1A receptors, alongside potent antagonist activity at serotonin 5-HT2A receptors. Unlike traditional antipsychotics, brexpiprazole's partial agonism enables it to modulate neurotransmitter activity in a more physiologically balanced manner — stimulating receptors when endogenous signaling is insufficient while attenuating excessive neurotransmission when receptor activity is overly elevated. This differentiated pharmacological profile is associated with clinically meaningful efficacy together with improved tolerability, including a comparatively lower incidence of extrapyramidal symptoms (EPS), akathisia, and excessive sedation relative to conventional antipsychotic therapies.

Key Advantages

- ***Differentiated Tolerability & Proven Commercial Validation:*** Brexpiprazole offers an improved safety profile with a lower incidence of extrapyramidal symptoms (EPS), akathisia, and excessive sedation compared to conventional therapies. Its clinical utility is globally validated, highlighted by its milestone 2023 U.S. FDA approval as the first and only treatment for Alzheimer's disease (AD) agitation, a 2024 tablet approval in China, and robust global sales reaching approximately US$2.2 billion in 2025.

- ***Optimized Drug Delivery & Enhanced Adherence:*** The OSF formulation utilizes a hydrophilic polymer matrix that rapidly hydrates and dissolves in saliva within seconds, requiring no water or chewing. This instantaneous dissolution effectively prevents medication concealment or "cheeking" — a critical challenge in psychiatric care — ensuring accurate dose delivery and improving long-term patient compliance.

Next Steps

The NDA of NG1807 for schizophrenia is currently under the NMPA's review. Subject to obtaining the initial regulatory approval for schizophrenia, we plan to expand the indications for NG1807 for agitation associated with Alzheimer's disease, which has already been approved for brexpiprazole in the United States. We are currently exploring its regulatory pathway in China and plan to submit its IND in the third quarter of 2026.

Pain Management Drugs

NG1706

NG1706 is a novel oral, non-opioid analgesic designed with a dual mechanism of action that concurrently inhibits CoX mediated inflammatory pain pathways and modulates peripheral a α2δ calcium channels associated with neuropathic pain signaling. By simultaneously targeting both nociceptive and neuropathic pain pathways, NG1706 is designed to provide broad-spectrum analgesic activity with an improved safety and tolerability profile compared with conventional analgesics. We have entered into in-license arrangements with Xgene Pharmaceutical Inc. for the development, registration, manufacturing and commercialization of NG1706 in the Chinese Mainland, Hong Kong and Macau. For details, see "— Collaboration and BD Arrangements — In-license of NG1706."

Mechanism of Action

NG1706 is a non-opioid, dual-targeting prodrug conjugate being developed to treat both nociceptive (inflammatory) and neuropathic pain by combining the actions of an NSAID (naproxen) and a gabapentinoid (pregabalin). Its mechanism of action is intended to work across two distinct pain pathways: it inhibits CoX enzymes to suppress inflammatory pain responses, while also modulating peripheral α2δ (alpha-2-delta) calcium channel subunits to regulate neuropathic pain signalling. By targeting pain signal transmission at these multiple levels, NG1706 is designed to provide multimodal analgesia that may address complex pain phenotypes without the use of opioids or the side effects that may be associated with long-term use of separate pain medications. In a completed U.S. phase 2b bunionectomy study, NG1706 demonstrated statistically significant and clinically meaningful reductions in 48-hour pain intensity compared with placebo. Additionally, 43% of patients in the high-dose group required no rescue medication within 72 hours following surgery. A phase 2 clinical trial for cancer-induced bone pain ("**CIBP**") is currently ongoing in China.

Key Advantages

We believe NG1706 has the following advantages.

- **Multimodal Analgesia via Dual-Pathway Inhibition.** Aligning with the current clinical paradigm of multimodal pain management, NG1706 is designed to target pain through both anti-inflammatory and neuropathic analgesic mechanisms. By addressing these distinct sources of pain simultaneously, we believe this dual-mechanism approach has the potential to provide broader and more effective inhibition of pain signal transmission for complex or mixed pain conditions compared to single-mechanism treatments, although there can be no assurance that this will be demonstrated in clinical trials.

- **Favorable PK Profile.** NG1706 is an innovative prodrug that integrates naproxen and pregabalin into a single molecule, overcoming their significantly different pharmacokinetic ("**PK**") properties to deliver an improved PK profile characterized by synchronized absorption and a simultaneous time to peak concentration (Tmax). By achieving a highly synergistic systemic exposure that is difficult to attain with traditional combination therapies, NG1706 maximizes clinical efficacy by simultaneously targeting both the inflammation and nerve sensitization pathways within the exact same critical time window. This dual mechanism provides stronger inhibition of pain signal initiation and amplification, significantly improving the certainty of early and overall pain control. Furthermore, positioning itself as a successful, non-addictive alternative for pain management, this single-molecule design lowers the maximum concentration (Cmax) of both active components. This reduction successfully

minimizes adverse events — such as naproxen-related gastrointestinal issues — while cleverly repurposing the drowsiness typically associated with pregabalin into a beneficial sleep aid for bedridden patients suffering from pain.

- **Non-Opioid Alternative.** As a non-opioid drug candidate, NG1706 is being developed as an alternative to opioid-based pain therapies. If successfully developed and commercialised, NG1706 may help reduce reliance on opioid therapies, which are associated with risks of addiction and dependence. However, there can be no assurance that NG1706 will be successfully developed, approved or commercialised.

Next Steps

We are discussing with the CDE on the regulatory pathway for NG1706 for both perioperative and cancer pain, with an aim to initiate its next phase clinical trial by the end of 2026.

NG1806

NG1806 is a long-acting, dual-mechanism non-opioid analgesic specifically developed for post-operative pain management, designed to deliver up to 72 hours of sustained pain relief post-surgery. In January 2026, we acquired NG1806 from Huzhou Hui Zhong Ji Shi Biotechnology Co., Ltd. ("**Hui Zhong Ji Shi**"). Anticipated to be the first dual-mechanism, long-acting analgesic of its kind in China, the product synergistically combines anti-inflammatory and analgesic pathways to offer superior pain control alongside critical opioid-sparing benefits.

Mechanism of Action

NG1806 is an extended-release, fixed-dose combination gel formulation of bupivacaine, an amide-type local anesthetic, and celecoxib, a selective COX-2 inhibitor designed for prolonged postoperative analgesia. The mechanism of action is primarily driven by the complementary pharmacological effects of its two active pharmaceutical ingredients. Bupivacaine, which exerts its analgesic effect by reversibly binding to the intracellular portion of voltage-gated sodium channels on the nerve cell membrane. This binding effectively blocks the influx of sodium ions, thereby preventing membrane depolarization and halting the generation and conduction of pain impulses to the CNS. In parallel, celecoxib inhibits COX-2 mediated prostaglandin synthesis at the site of tissue injury, thereby reducing local inflammatory responses and attenuating peripheral nociceptor sensitization, which contributes to sustained inflammatory pain. The formulation incorporates a specialized sustained-release gel matrix, which enables localized and controlled diffusion of both active ingredients directly at the surgical site. Following local administration, the matrix facilitates gradual and prolonged release of bupivacaine and celecoxib into surrounding tissues over an extended period of approximately 72 hours. This site-directed, dual-drug delivery system maintains therapeutic concentrations at the origin of pain while minimizing systemic exposure, thereby reducing the risk of systemic toxicity and decreasing the need for postoperative opioid analgesics during the recovery period. The combination of neuronal signal blockade and inflammatory pathway inhibition provides a multimodal and potentially synergistic analgesic effect for postoperative pain management.

Key Advantages

- **Multimodal, opioid-sparing analgesic mechanism aligned with unmet clinical needs**. NG1806 integrates a local anesthetic with a selective COX-2 inhibitor, enabling dual-pathway pain control through inhibition of nociceptive signal transmission and suppression of local inflammatory sensitization. This multimodal, non-opioid mechanism is designed to address the growing clinical demand for effective opioid-sparing postoperative pain management strategies, potentially reducing reliance on systemic opioids and their associated adverse events.

- **Sustained 72-hour local analgesia covering the peak postoperative pain window**. The proprietary sustained-release gel matrix enables localized, controlled release of both active ingredients at the surgical site over approximately 72 hours, which corresponds to the period of highest postoperative pain intensity. This extended duration of action may reduce the need for repeated dosing or rescue analgesics, supporting improved pain control consistency during early recovery.

- **Pre-closure intraoperative local administration enabling targeted site-specific delivery**. NG1806 is designed for direct application to the surgical site prior to wound closure, ensuring precise localization of drug delivery at the origin of pain. This administration approach enhances local tissue exposure while minimizing systemic absorption, which may improve safety, reduce systemic toxicity risk, and provide more efficient analgesia compared with conventional systemic or post-closure topical administration approaches.

Next Steps

We are currently discussing with the CDE with respect to the future clinical development plan for NG1806, with pivotal phase 3 clinical trials anticipated to be initiated in 2026.

COLLABORATION AND BD ARRANGEMENTS

Transfer of NG1806

On January 28, 2026, NeuroGen Shanghai, our wholly-owned PRC operating subsidiary, entered into a cooperation agreement (the "**Hui Zhong Ji Shi Cooperation Agreement**") with Hui Zhong Ji Shi for the development, registration, manufacturing and commercialization of NG1806, a bupivacaine and celecoxib combination sustained-release gel formulation in Chinese Mainland, Hong Kong, Macau and Taiwan (the "**NG1806 Cooperation Territory**").

Pursuant to the Hui Zhong Ji Shi Cooperation Agreement, we obtained the right to develop, register, manufacture and commercialize NG1806 in the NG1806 Cooperation Territory. Hui Zhong Ji Shi agreed to assign to us the intellectual property rights specifically relating to NG1806, granted us a license to use certain other relevant intellectual property rights, and agreed to transfer certain technical materials necessary for development and registration activities. We have the final decision-making authority with respect to development, registration, manufacturing and commercialization activities for NG1806 in the NG1806 Cooperation Territory.

The parties established a Joint Steering Committee to oversee the collaboration, with responsibilities including coordination of R&D matters, clinical trials, manufacturing, registration and commercialization activities. The Joint Steering Committee convenes at least quarterly, and a working group has been formed to handle day-to-day operational matters under the agreement.

Under the Hui Zhong Ji Shi Cooperation Agreement, we are responsible for bearing the costs of clinical trials, non-clinical studies, and other development activities conducted after the effective date of the agreement. In consideration for the rights and licenses granted under the Hui Zhong Ji Shi Cooperation Agreement, we agreed to pay Hui Zhong Ji Shi (i) upfront payment and development and registration milestone payments in the total amount of low-to-mid hundred million RMB (ii) tiered royalties ranging from high-single-digit to mid-teens percentages based on annual net sales of NG1806 in the NG1806 Cooperation Territory, prior to the inclusion of NG1806 in the NRDL, and (iii) a commercialization buyout payment of low-hundred million RMB, which becomes payable upon inclusion of NG1806 in the NRDL.

Transfer of NG1807

In June 2026, NeuroGen Shanghai, our wholly-owned PRC operating subsidiary, entered into a marketing authorization transfer agreement (the "**NG1807 Transfer Agreement**") with Shanghai Sinopeak Pharmaceutical Co., Ltd. ("**Sinopeak**") for the transfer of marketing authorization, patents, trade secrets and related intellectual property rights for NG1807 in Chinese Mainland, Hong Kong, Macau and Taiwan (the "**NG1807 Cooperation Territory**").

Pursuant to the NG1807 Transfer Agreement, Sinopeak agreed to transfer to us the marketing authorization for NG1807 in the NG1807 Cooperation Territory, together with its PRC patents, trade secrets and other intellectual property rights relating to brexpiprazole OSF. We obtained the right to develop, improve, register, manufacture, use, distribute and commercialize NG1807 in the NG1807 Cooperation Territory. Sinopeak granted us an exclusive, sublicensable, royalty-free and irrevocable license to use the relevant patents pending formal completion of patent assignment, and a permanent, non-exclusive, sublicensable, royalty-free and irrevocable license to use necessary background intellectual property rights for the development and commercialization of NG1807 in the NG1807 Cooperation Territory.

The parties established a working group to coordinate day-to-day matters under the NG1807 Transfer Agreement, including research and development, intellectual property transfer, marketing authorization transfer, production transfer and commercialization activities.

Under the NG1807 Transfer Agreement, Sinopeak is responsible for completing the marketing authorization application for brexpiprazole OSF in Chinese Mainland and obtaining the drug registration certificate and drug production license from the NMPA. We are responsible for registration and commercialization activities for NG1807 in Hong Kong, Macau and Taiwan, and for any additional development activities in Chinese Mainland following receipt of the marketing authorization. We agreed to pay Sinopeak technology transfer fees of up to a specified aggregate amount of up to a double-digit million RMB sum, payable in stages upon (i) effectiveness of the NG1807 Transfer Agreement; (ii) transfer of the marketing authorization holder status to us or our designated affiliate; and (iii) inclusion of NG1807 in the National Reimbursement Drug List following the 2026 NRDL negotiation as officially announced by the National Healthcare Security Administration or its authorized body.

Sinopeak shall be the exclusive manufacturer of NG1807 for the NG1807 Cooperation Territory and shall be responsible for the manufacture and supply of NG1807 throughout the term of this Agreement. Following the transfer of the marketing authorization to us, Sinopeak shall continue to manufacture NG1807 and supply the product to us under a contract manufacturing agreement, subject to mutually agreed pricing and supply mechanisms.

Transfer of Keppra Sustained Release

On May 6, 2025, NeuroGen (Zhuhai) Pharmaceutical Co., Ltd. ("**NeuroGen Zhuhai**"), our PRC operating subsidiary, entered into a marketing authorization transfer agreement (the "**Anbison Transfer Agreement**") with Anbison for the transfer of marketing authorization, patents, trade secrets and related intellectual property rights for the sustained release formulation of levetiracetam ("**Keppra SR**") in Chinese Mainland (the "**Keppra SR Cooperation Territory**").

Pursuant to the Anbison Transfer Agreement, Anbison agreed to transfer the marketing authorization for Keppra SR in the Keppra SR Cooperation Territory, together with the related patents, trade secrets and other intellectual property rights. We obtained the exclusive right to develop, improve, register, manufacture, use, distribute and commercialize Keppra SR in the Keppra SR Cooperation Territory. Anbison granted us a permanent, exclusive, sublicensable, royalty-free and irrevocable license to use the relevant trade secrets, pending patents and background intellectual property rights for the development and commercialization of Keppra SR in the Keppra SR Cooperation Territory.

Under the Anbison Transfer Agreement, Anbison is responsible for assisting us with the transfer of the marketing authorization holder status and the production site transfer. In consideration for the rights and licenses granted under the Anbison Transfer Agreement, we agreed to pay Anbison technology transfer fees of a specified aggregate amount of up to a double-digit million RMB sum in aggregate, payable in stages upon (i) execution of the agreement; (ii) completion of the marketing authorization holder transfer to our designated subsidiary; (iii) transfer of the relevant core intellectual property to our designated subsidiary; and (iv) completion of the production technology transfer or a specified anniversary of the agreement, whichever is earlier. We are also responsible for paying a monthly technical service fee during the transition period prior to the completion of the marketing authorization holder transfer.

We have the right to independently manufacture Keppra SR or engage third parties for manufacturing in the Keppra SR Cooperation Territory. Anbison has agreed to provide technology transfer support and assist us in completing the first production site transfer at no additional cost. Prior to the completion of production technology transfer, Anbison's affiliate Jiangsu Anbison will continue to manufacture Keppra SR and supply products to us under a contract manufacturing arrangement.

The Anbison Transfer Agreement also grants NeuroGen Zhuhai a right of first negotiation, right of first refusal and purchase option with respect to other collaboration products developed by Anbison or its affiliates that contain levetiracetam as an active pharmaceutical ingredient, including other dosage forms and combination products.

In-License of NG1706

On July 4, 2025, NeuroGen HK, our Hong Kong subsidiary, entered into a license and cooperation agreement (the "**Xgene Cooperation Agreement**") with Xgene Pharmaceutical Inc. ("**Xgene**") for the development, registration, manufacturing and commercialization of NG1706, a novel oral non-opioid analgesic, in Chinese Mainland, Hong Kong and Macau (the "**NG1706 Cooperation Territory**").

Pursuant to the Xgene Cooperation Agreement, Xgene granted us an exclusive license to use, develop, register, manufacture and commercialize NG1706 in the NG1706 Cooperation Territory. We obtained the exclusive right to develop, register, manufacture, use, distribute and commercialize NG1706 for the treatment of post-operative pain, cancer pain and osteoarthritis pain in the NG1706 Cooperation Territory.

The parties established a Joint Steering Committee to oversee the collaboration, with responsibilities including coordination of R&D matters, clinical trials, manufacturing, registration and commercialization activities. We are responsible for bearing the costs of development activities in the NG1706 Cooperation Territory, including IND filings, clinical trials and NDA submissions. Xgene is responsible for providing technical support, technology transfer and chemistry, manufacturing, and controls ("**CMC**")-related assistance.

In consideration for the rights and licenses granted under the Xgene Cooperation Agreement, we agreed to pay Xgene (i) an upfront payment; (ii) development and registration milestone payments, payable upon the achievement of specified clinical and regulatory milestones including IND acceptance, phase 3 initiation and NDA approval for each indication; (iii) sales milestone payments, payable upon the achievement of specified annual net sales thresholds in the NG1706 Cooperation Territory; and (iv) tiered royalties ranging from high single-digit to low double-digit percentages based on annual net sales of NG1706 in the NG1706 Cooperation Territory, calculated on a cumulative basis with increasing rates at specified net sales thresholds. The total aggregated value of (i), (ii) and (iii) are mid-to-high tens of millions USD; The royalty obligations will continue until the later of the expiration of the last valid patent claim covering NG1706 or 10 years from the first commercial sale.

We have the right to select and engage contract development and manufacturing organizations (CDMOs) for the manufacturing of NG1706 in the NG1706 Cooperation Territory. Xgene has agreed to provide technology transfer support and assist us in establishing local manufacturing capabilities.

In-License of AJOVY

On April 20, 2026, NeuroGen (Zhuhai) Pharmaceutical Co., Ltd. ("**NeuroGen Zhuhai**"), our PRC operating subsidiary, and NeuroGen HK, our Hong Kong subsidiary, entered into a license and supply agreement (the "**AJOVY License Agreement**") with Teva Pharmaceuticals International GmbH ("**Teva**") for the development, registration, and commercialization of AJOVY® (collectively, "**AJOVY**") (fremanezumab), a humanized monoclonal antibody targeting calcitonin gene-related peptide (CGRP) in Mainland China (the "**AJOVY Cooperation Territory").**

Pursuant to the AJOVY License Agreement, Teva granted us an exclusive license under Teva's patents, know-how and trademark rights to act as the marketing authorization holder deputy of AJOVY, and following completion of the marketing authorization transfer, to hold and maintain the marketing authorization and other regulatory approvals of AJOVY in the AJOVY Cooperation Territory. We also obtained an exclusive license to import and commercialize AJOVY in the AJOVY Cooperation Territory. We will directly purchase AJOVY from Teva for distribution in the AJOVY Cooperation Territory.

Under the AJOVY License Agreement, we have the right to commercialize AJOVY in the AJOVY Cooperation Territory, including developing and executing commercial go-to-market plan, marketing and promotion, booking sales and distribution, and customer support activities. We are also responsible for negotiating with applicable governmental authorities regarding NRDL listing and reimbursement status. We will bear all costs and expenses incurred in connection with such commercialization activities.

In consideration for the rights and licenses granted under the AJOVY License Agreement, we agreed to pay Teva (i) an upfront payment; (ii) regulatory milestone payments including marketing authorization approval, completion of certain transfer activities, and approval of pediatric indication extension. The total aggregated value of both (i) & (ii) are mid-tens of millions USD; (iii) sales milestone payments, payable upon the achievement of specified annual net sales thresholds in the AJOVY Cooperation Territory; and (iv) tiered royalties ranging from high single-digit to low double-digit percentages based on annual net sales of AJOVY in the AJOVY Cooperation Territory, calculated on a cumulative basis with decreasing rates at specified net sales thresholds.

The term of the AJOVY License Agreement continues until terminated in accordance with its terms. Either party may terminate the agreement for material breach by the other party (subject to cure periods), violation of anti-corruption laws, or insolvency. Upon termination, the licenses granted to us will terminate and regulatory materials and marketing authorizations will be transferred back to Teva.

RESEARCH AND DEVELOPMENT

During the Track Record Period, our R&D strategy has primarily focused on expanding our pipeline through the in-licensing and acquisition of clinically validated, mid- to late-stage drug candidates. Leveraging our clinical execution capabilities, we aim to efficiently advance these assets toward regulatory approval and commercialization. We also selectively evaluate promising early-stage opportunities to ensure continuous pipeline replenishment. Therapeutically, our efforts are concentrated on neurology, pain management, and allergy, where we believe new assets can achieve strong strategic synergies with our existing portfolio.

As of Latest Practicable Date, we had over 40 employees covering our R&D affairs in general, such as pipeline development, clinical operation and medical affairs. Core members of our leadership team have extensive backgrounds in pharmaceutical research, clinical medicine and strategic pipeline development, with prior experience at leading multinational pharmaceutical companies. Their background in related areas bring together experienced professionals with cross-functional expertise spanning clinical development, regulatory affairs, pharmacovigilance, pipeline development and lifecycle management.

Clinical Execution

Our clinical development activities are focused on advancing in-licensed or acquired product candidates through late-stage clinical trials and registration. For our pipeline assets, we design and execute clinical trials in collaboration with qualified CROs and clinical sites, while maintaining robust oversight of clinical operations, data management and regulatory interactions.

We maintain dedicated regulatory affairs capabilities to support product registration, lifecycle management and compliance with evolving regulatory requirements within the Chinese Mainland. They manage communications with the CDE and the NMPA, oversees clinical trial applications and NDA submissions, and, with the support of dedicated team, ensure compliance with pharmacovigilance obligations and post-marketing commitments.

R&D Collaborations

Our R&D model relies on strategic partnerships with external development partners and service providers to execute clinical programs efficiently. We have established joint steering committee governance structures with key development partners to oversee the advancement of our pipeline assets. These committees typically meet at least quarterly and are responsible for coordinating R&D matters, clinical trial execution, CMC activities, regulatory filings and commercialization planning. Working groups operate beneath these committees to manage day-to-day operational matters, ensuring efficient execution of development programs.

We engage qualified CROs to conduct clinical trials, manage clinical data, and support regulatory submissions. For acquired or in-licensed product candidates, we collaborate closely with our partners to facilitate technology transfer, leverage existing clinical data packages, and coordinate global development strategies where applicable. This partnership-based approach enables us to access specialized expertise while maintaining operational flexibility and capital efficiency. For details, see "— Collaboration and BD Arrangements."

The salient terms of our agreements that we typically enter into with our CROs are set forth below:

- **Services**: The CROs provide us with ancillary services in the course of our preclinical studies and clinical trials, such as implementing animal studies, providing clinical support, record keeping and report preparation.

- **Term**: The CROs are required to perform their services within the prescribed time limits set out in each work order, generally one or two years depending on the project and as specified on a project basis.

- **Payments**: We are required to make payments to the CROs in accordance with a payment schedule agreed by the parties.

- **Intellectual property rights**: We generally own all intellectual property rights arising from the projects conducted by the CROs within the stipulated work scope.

MANUFACTURING AND QUALITY CONTROL

We possess in-house production capabilities for tablets, capsules and oral solutions, supported by proprietary manufacturing processes, including dry granulation technology applied in the production of our localized levetiracetam tablets, our experienced manufacturing team, advanced manufacturing facilities, efficient manufacturing process, as well as stringent quality control system. During the Track Record Period, we primarily focused on the local manufacturing of Keppra tablets and oral solutions. In addition to in-house manufacturing, we commercialize certain products through manufacturing collaborations and supply arrangements. For commercialized products under supply arrangements, such as Vimpat and Neupro, we conduct both primary and secondary packaging for imported tablets and capsules, as well as secondary packaging for patches and oral solutions. To supplement our in-house manufacturing capacity, we have historically engaged and will continue to engage industry-recognized contract manufacturing organizations ("**CMOs**") to empower an optimized resource allocation and cost efficiency.

Manufacturing Process

We operate tailored manufacturing processes for our pharmaceutical products in a variety of dosage forms. The following steps illustrated the typical manufacturing process for the local manufacturing of our Keppra tablets:

- ***Weighing of starting materials.*** Starting materials are weighed individually according to the batch size and corresponding formulation requirements using calibrated weighing instruments. The weighed materials are then placed in designated containers and sealed.

- ***Mixing of ingredients.*** The weighted starting materials are loaded into a blender in accordance with the product's process requirements. The mixing operation is carried out at specified mixing speeds for designated durations to ensure homogeneity.

- ***Granulation and sieving.*** Granulation is performed under defined process parameters, followed by sieving of the granules through specified mesh screens. The integrity of the sieving screens is inspected before and after the granulation process.

- ***Tableting.*** The granules are compressed into tablets under predefined process parameters, including equipment speed, compression pressure, and tablet thickness. Sampling inspections are performed before, during, and after production to test tablet weight, weight variation, hardness, thickness, friability and disintegration.

- ***Film coating.*** Film coating is conducted in accordance with specified process parameters, such as equipment speed and heating temperature. Equipment release checks are performed prior to production, and sampling inspections are carried out upon completion of the coating process.

- ***Blister and carton packaging.*** Blister packaging is conducted under defined parameters, including equipment speed, heating temperature, and pressure. Blistered products are then packed into cartons, assigned traceability codes and boxed. Sampling inspections are performed before, during, and after on-line packaging, and finished products are transferred to the warehouse upon completion.

As of the Latest Practicable Date, our manufacturing process was backboned by a manufacturing team of 88 employees with an average industry experience of over 15 years, forming a solid foundation for our drug development and commercialization. During our daily operations, we provide training sessions to enhance our manufacturing team's understanding of our manufacturing process. We also appoint part-time safety officers in each production workshop to oversee routine inspections and trainings to ensure a safe operation condition.

Manufacturing Facilities

We manufacture our pharmaceutical products through our Zhuhai Production Base in Zhuhai, Guangdong Province. With a total GFA of approximately 13,000.0 sq.m., our Zhuhai Production Base houses two production lines for the local manufacturing of Keppra tablets and oral solutions. Our Zhuhai Production Base is also equipped with relevant facilities for the packaging and handling of other commercialized products. During the Track Record Period and up to the Latest Practicable Date, we obtained production licenses for all of our manufacturing facilities and marketing approvals for each of our commercialized products.

The following table sets forth our designed production capacity, actual production volume and utilization rate of our manufacturing facilities for the local manufacturing of Keppra by production lines for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Production Capacity *(000' units)*[2]			
Tablets	190,000	190,000	190,000
Oral solutions	–	–	1,133
Production Volume *(000' units)*			
Tablets	107,916	186,726	169,529
Oral solutions	–	–	183
Utilization Rate (%)[3]			
Tablets	56.8[4]	98.3	89.2
Oral solutions	–	–	16.1[4]

Notes:

(1) The production capacity, actual production volume and utilization rate represent, (i) prior to the Acquisition, the production capacity, actual production volume and utilization rate of NeuroGen Zhuhai's manufacturing facilities, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, the production capacity, actual production volume and utilization rate of our Group's manufacturing facilities.

(2) The production capacity refers to the total number of pharmaceutical products that our production lines are able to support within the indicated period, and is calculated based on a single-shift basis with an average of seven working hours per day and five working days per week of our employees.

(3) The utilization rate is calculated by dividing production volume by designed production capacity in the respective year.

(4) NeuroGen Zhuhai commenced the manufacturing of Keppra tablets in November 2022 and Keppra oral solution in May 2025. Due to the sales of existing inventory prior to production and a transition in our manufacturing model into local manufacturing, utilization rates for the manufacturing of Keppra tablets in 2023 and Keppra oral solutions in 2025 were low.

We strictly carry out maintenance and repair work in compliance with applicable requirements and we replace or upgrade our production equipment when necessary to enhance productivity. With comprehensive and advanced manufacturing system and facilities, we believe we can swiftly and seamlessly support the development and commercialization of our pharmaceutical products. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material interruptions to our production process due to machine or equipment failure.

Collaboration with CMOs

During the Track Record Period, as part of our lifecycle management initiatives for Keppra, we acquired Keppra SR from Anbison in May 2025. Following the execution of the marketing authorization transfer agreement for Keppra SR, we outsourced the manufacturing and supply of Keppra SR to Anbison and no finished products had been produced as of the Latest Practicable Date. For details, see "— Collaboration and BD Arrangements — Transfer of Keppra Sustained Release." We intend to continue such collaboration with CMO in the near term, as we believe outsourcing non-core manufacturing activities provides an optimal balance of cost-effectiveness and operational efficiency. When selecting CMOs, we consider a number of factors, including manufacturing capacity, qualifications, geographic, track record, and pricing competitiveness. We conduct quality assurance audit programs to monitor and evaluate the services of our CMOs. We generally enter into project-specific technical service agreements, under which each party's rights and obligations are stipulated.

Raw Materials and Supply Chain Management

In addition to the pharmaceutical products supplied by UCB, the raw materials we procured for the manufacturing of pharmaceutical products primarily consist of APIs, packaging materials and other ancillary materials used for our manufacturing activities. We have established standardized procurement processes and procurement management system to reduce costs while improving our procurement quality and efficiency. We only source raw materials from qualified suppliers approved by our quality

management department. We maintain and continuously update an approved list of qualified suppliers pursuant to our supplier management protocols, which detailed our criteria for supplier selection, evaluation and approval. Suppliers that fail to consistently meet our requirements will be removed from such list. We assess potential suppliers based on various factors, including their credentials, costs, delivery standards, industry reputation and compliance with relevant regulation. To ensure the legality and quality of our raw materials, we routinely review, assess, and rate our suppliers' performance and qualifications.

All raw materials procured are subject to inspections upon receipt according to our standard procedures. Our quality control personnel conduct batch-wise sampling inspections and issue the inspection reports accordingly. Our quality assurance personnel then review such reports alongside the acceptance and testing records to conduct a material audit assessment. Based on the assessment result, our quality assurance personnel determine the release approval for these raw materials and implement relevant actions for non-conforming materials identified during the inspections. We store the approved materials by category according to specified storage conditions and use such materials within their designated shelf lives. With instructions to control the issuance and receipt of raw materials, we are able to mitigate risks associated with our supply chain, ensuring precise oversights of raw material types and qualities.

Most of the raw materials used for our products are readily available in the market through multiple suppliers, and we believe we have alternative sources for such raw materials with comparable quality and prices. During the Track Record Period, we did not experience significant difficulties in maintaining stable sources of supplies, and we expect that we can continue to maintain adequate sources of qualified supplies in the future.

Quality Management

We are committed to providing patients with safe, effective, and high-quality pharmaceutical products through scientific and rigorous quality management throughout the entire product lifecycle. We have established a comprehensive quality management system adhering to NMPA's stringent quality standards. Our quality management system covers the full spectrum of our operations, from raw materials, excipients and packaging materials through to finished products, with clearly defined quality standards and testing procedures at each stage. As of the Latest Practicable Date, we had a dedicated quality management team of approximately 29 members. All the personnel in our quality management team are required to undergo continuous GMP-compliant, regulatory and operational trainings to be qualified prior to assuming their roles.

Our quality control laboratory is designed and operated with quality at its core, ensuring that all testing and inspections comply with applicable regulatory requirements. The laboratory is equipped with high-end analytical equipment from leading brands, supported by an experienced team of testing technicians to ensure accurate and reliable analytical results. Our testing capabilities cover a wide range of dosage forms, including tablets, capsules and oral solutions, as well as raw materials, excipients and packaging materials.

Inventory Management

Anchored in the core of safeguarding our manufacturing continuity, boosting inventory turnover while reducing capital occupancy, we have established an inventory management system that monitors each stage of our warehousing process. We closely monitor our inventory levels and keep appropriate levels of stock for different products based on their monthly usage, delivery time and inspection cycles through a comprehensive checklist. We manage our inventory through the Systems, Applications, and Products in Data Processing system, utilizing the Materials Management Quality Management and Warehouse Management modules. This integrated system enables comprehensive inventory management, including material coding, warehouse and bin location management, batch and quality status tracking and real-time updates linked to upstream and downstream orders such as procurement orders, production work orders, and sales orders.

SALES MARKETING AND DISTRIBUTION

As of the Latest Practicable Date, our sales and marketing team consisted of 384 employees. Leveraging our distribution network, we maintained an extensive coverage of over 18,000 hospitals and 11,000 healthcare professionals, complemented by a distribution model that extend our reach into approximately 100,000 pharmacies, establishing a crucial distribution network for the CNS market, where extensive outpatient accessibility is vital for patient adherence and commercial success. Our commercialization engine is defined by rigorous planning, data intelligence, and seamless cross-functional cooperation. We have established strategic partnerships with leading e-commerce platforms and a comprehensive omni-channel distribution network covering public hospitals, hospital-adjacent pharmacies, retail chain pharmacies, community healthcare facilities and e-commerce platforms. Capitalizing on our proven commercialization infrastructure, market access and execution excellence, we believe we are well positioned to sustain our leadership in CNS and allergy market.

Distributorships

During the Track Record Period and in line with the industry practice, we primarily sell our pharmaceutical products through distribution. We operate a seller-buyer model with our distributors, where our distributors take ownership of the drug products upon delivery, assuming all associated risks, including unsold stock, and are not entitled to return the sold products unless in cases of product defects. This definitive transfer of ownership is distinguishable from consignment or principal-agent models, as our distributors then independently distribute our products to hospitals, offline retail pharmacies and other end customers. We believe our distribution strategy helps extend our coverage in a cost-effective manner while allowing us to retain proper control over our distribution network and marketing activities.

To the best knowledge of our Directors, all our distributors during the Track Record Period and up to the Latest Practicable Date were Independent Third Parties. None of the distributors who transacted with us during the Track Record Period and up to the Latest Practicable Date were controlled by our former or current employees, uses our brand or name (except where expressly authorized by us for specific promotional activities), or has received any material advance or financial assistance from us.

Distribution Network

Our distribution network includes well-established pharmaceutical distributors and regional distributors with deep market penetration within specific geographic areas. As of December 31, 2025, our distribution network comprised over 80 distributors across vast majority of the provinces in the Chinese Mainland.

The following table sets forth the movements in the number of distributors for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year[2]	**66**	**52**	**81**
Addition of new distributors[3]	—	30	6
Termination of distributors	14	1	6
Net increase/(decrease) in distributors	(14)	29	—
Number of distributors at the end of the year[4]	**52**	**81**	**81**

Notes:

(1) The movements in the number of distributors represent, (i) prior to the Acquisition, the number of distributors engaged by NeuroGen Zhuhai, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, the number of distributors engaged by our Group.

(2) The numbers of distributors in this table are calculated on entity level, without combining distributors belonging to the same group.

(3) New distributors refer to distributors who (i) had at least one transaction with us in the relevant year; and (ii) did not have any transaction with us in the immediately preceding calendar year.

(4) Terminated distributors refer to distributors who (i) did not have any transaction with us in the relevant year; and (ii) had at least one transaction with us in the immediately preceding calendar year.

(5) The increase in the number of distributors in 2024 primarily reflected our development of the distribution network and market development efforts.

Distributor Management

We select our distributors based on their demonstrated capabilities, reputation, hospital and pharmacy coverage, financial stability, creditworthiness and operational scale. All distributors must hold the necessary licenses and permits for pharmaceutical sales and distribution. New distributors are subject to third-party due diligence assessment and an initial probationary period, during which payment is required on a prepayment basis. Following satisfactory completion of the probationary period, credit terms may be granted based on an assessment of financial statements, projected sales volume and creditworthiness. Existing distributors undergo periodic reassessment every two years. We regularly review distributor performance based on market coverage, sales growth, reputation, level of cooperation, compliance with the terms of our distribution agreements and overall credit profiles. For the engagement of sub-distributors, please see "— Sales Marketing and Distribution — Regulatory Compliance and Its Impact — Two-Invoice System" for details.

Terms of Distribution Agreement

We generally enter into framework distribution agreements with our distributors on our standard form. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. The following sets forth the salient terms of our framework distribution agreements:

- ***Term.*** The typical duration of distribution agreements is one year and is renewable annually.
- ***Designated distribution area.*** Distributors are generally not allowed to sell or distribute our pharmaceutical products outside of their designated distribution areas.
- ***Exclusivity.*** Distributors are granted the distributorship right for specified types of pharmaceutical products in their designated distribution areas, generally on a non-exclusive basis.
- ***Sales target and minimum purchase requirement.*** Our distribution agreements do not specify a mandatory annual sales target or minimum annual purchase amount.
- ***Pricing.*** Our selling prices to distributors are generally fixed during the term of the distribution agreements and are adjusted only when there is a change in the regulated retail price as a result of centralized procurement, medical insurance negotiations or other regulatory developments.
- ***Product return and exchange.*** Our distributors are required to inspect products upon delivery. Returns and exchanges are generally not allowed unless in cases of product defects.
- ***Credit terms.*** We generally grant our distributors a credit term of two months.
- ***Termination.*** We may terminate the distribution agreements upon the occurrence of any material breach of the agreements by our distributors, among other events.
- ***Compliance.*** Our distributors are required to comply with PRC laws and regulations, including anti-corruption and anti-bribery laws and regulations.

During the Track Record Period, we did not engage any sub-distributors. To the best of our knowledge, during the Track Record Period, all of our distributors were Independent Third Parties and none of our distributors were wholly-owned or majority controlled by our employees. During the Track Record Period and up to the Latest Practicable Date, we did not provide any advance or financial assistance to any of our distributors.

Prevention of Channel Stuffing

We have adopted various measures to prevent channel stuffing in our distribution network:

- ***Demand-driven ordering.*** We do not impose mandatory sales targets on our distributors, which encourages them to place orders based on actual market demand and sales forecasts.

- ***Ownership transfer and return restrictions.*** We adopt a sales model that transfers full ownership of goods at the time of delivery, with returns prohibited during the contract term except for product defects. This model shifts the responsibility and risk of unsold inventory to distributors, incentivizing them to order based on actual sales demand to minimize holding costs and obsolescence risk.

- ***Monitoring and review processes.*** Our distributors are connected to the Distributors Data Integration ("**DDI**") system, through which we review and manage the sales and inventory data from our distributors on a monthly basis. If any irregularities are identified, we will investigate the underlying causes of the irregularities accordingly. We consider purchase volumes, historical data, projected sales amount, regulatory changes and other market factors to monitor our distributors' inventory level and the sales of our pharmaceutical products.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any unusual procurements or sales activities that were inconsistent with distributors' past practices, nor did we notice any abnormally high inventory level of our distributors.

Prevention of Cannibalization

We manage cannibalization risk among our distributors through the enforcement of our distribution agreements, which specify the designated products and geographic regions for each distributor. Our distributors are prohibited from distributing our products to customers outside their specified regions. In addition, for each of our products, we generally only maintain one primary distributor for each hospital.

Our Directors are of the view that the above measures are sufficient to mitigate potential cannibalization and competition among our 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 areas.

Regulatory Compliance and Its Impact

Volume-based Procurement ("VBP")

In November 2018, the PRC government launched the centralized drug procurement pilot scheme for tendering a limited number of pharmaceutical products with large procurement quantities in 11 cities in China. Subsequently, it expanded the number of drugs and geographic coverage under this scheme. Under the currently applicable PRC regulations, in principle, only originator drugs or reference drugs for the Consistency of Quality and Efficacy Evaluation for Generic Drugs ("**GQCE**"), along with generic drugs that have passed the GQCE, are eligible to participate in the centralized drug procurement scheme. For details, see "Regulatory Overview — Laws and Regulations in Relation to Drug Research and Registration — Other Laws and Regulations in Relation to Medical Industry — Drug Price."

The VBP scheme only applies to drugs selected in the centralized drug procurement catalog (集採目錄). Typically, a bidding process is conducted for each category of drugs, and only the successful bidder in the process will be chosen for inclusion in the centralized drug procurement catalog. As advised by our PRC Legal Advisor, the manufacturers have the option to abstain from participating in the bidding process if they are unwilling to sell their drugs through the centralized drug procurement scheme.

Under the VBP regime, a drug procurement quota for each drug included in the centralized drug procurement catalog is determined each year on a per-hospital basis. In general, public hospitals are obligated to participate in the centralized drug procurement scheme and to meet the designated quota to the best of their capabilities. Once a hospital has met its drug procurement quota, if it has additional demand, the hospital is permitted to procure drugs not selected in the centralized drug procurement catalog from manufacturers who were not included in the centralized drug procurement scheme. According to

F&S, the inclusion of a particular type of drug in the centralized drug procurement scheme can have a significant impact on the competitive landscape within the same therapeutic area. This impact is observed through changes in the drug's sales volume and selling prices. Generally, the selling prices will experience a substantial reduction, whereas the total sales volume will significantly increase.

Two-Invoice System

Our finished drug products are subject to the "Two-Invoice System" in China, a pharmaceutical procurement policy designed and enforced by the PRC government to reduce drug prices by streamlining the supply chain. Under this system, only two invoices are allowed between manufacturers and hospitals or other medical institutions: one from the manufacturer to the distributor, and another from the distributor to the hospitals (or other medical institutions). This system — mandatory for public medical institutions but optional for private institutions — reduces potential markups by multiple layers of distributors, promoting pricing transparency and reducing costs for the public healthcare system. Manufacturers and distributors that violate the two-invoice system requirements may face disqualification from future public tenders, loss of hospital distribution rights, and inclusion on procurement blacklists. See also "Regulatory Overview — Laws and Regulations in Relation to Drug Research and Registration — Other Laws and Regulations in Relation to Medical Industry — Drug Distribution and Two-Invoice System."

In our agreements with distributors, we specify designated regions and types of end-customers for each distributor. We implement tailored compliance strategies based on end-customer requirements: (i) for sales to public hospitals, we strictly comply with Two-Invoice System requirements, requiring our distributors to sell directly to public hospitals without involving any sub-distributors; (ii) for sales to non-public end-customers such as retail pharmacies, clinics and private hospitals, where the Two-Invoice System is not mandatory, we do not prohibit our distributors from engaging sub-distributors to expand market coverage, accommodating the fragmented nature of healthcare procurement channels in China — a practice that aligns with industry norm, according to Frost & Sullivan. We do not have contractual relationships with sub-distributors engaged by our distributors, who hold primary supervisory responsibilities over their respective sub-distributors.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we (i) had not been deemed to have violated or circumvented any law, regulations, rules or policies in relation to the Two-Invoice System, (ii) had not been disqualified from participating in public tendering processes in any province, (iii) were not subject to any administrative fines or penalties by the competent authorities in relation to the Two-Invoice System, and (iv) had not received any warning or notice from any competent authorities in relation to the compliance of the Two-Invoice System.

NRDL

The NRDL forms the basis for medical insurance coverage and reimbursement standards under China's basic medical insurance, work-related injury insurance and maternity insurance programs. NRDL inclusion significantly influences market dynamics by determining patient access to insurance reimbursement for covered medications, thereby affecting both demand patterns and achievable pricing levels. The NHSA, in conjunction with other relevant government authorities, maintains authority over NRDL composition and updates the list through rigorous evaluation processes that assess clinical necessity, cost-effectiveness and budgetary impact. Products undergo comprehensive evaluation based on established selection criteria including clinical efficacy, safety profiles, therapeutic value compared to existing alternatives, and economic considerations.

As of December 31, 2025, four of our products were included in the NRDL, including Keppra, Vimpat, Zyrtec and Xyzal. These NRDL inclusions allow us to achieve enhanced market access and a commitment to pricing frameworks that support broad patient accessibility within China's healthcare insurance system. While NRDL inclusion provides substantial market advantages through enhanced patient accessibility and reduced out-of-pocket costs, it may also result in price adjustments through negotiated pricing mechanisms designed to balance patient access with healthcare system sustainability. For further details on the risks associated with the VBP scheme and other pricing regulations in China, as

well as the NRDL and other government-sponsored medical insurance programs, see "Risk Factors — Risks Related to Our Industry and Sales of Our Products — Certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs."

PRICING

We formulate and implement comprehensive and value-based pricing framework for our commercialized products to maintain competitiveness and profitability in the pharmaceutical market. Our pricing decisions adhere to a disciplined value-based approach, guided by comprehensive sensitivity analysis and overseen by our Market Access and Health Economics and Outcome Research Department. Our pricing decisions take into account multiple factors, including our R&D, production and marketing costs and expenses, regulatory framework, the perceived value of our products to patients and healthcare providers, our market position and the competitive landscape.

We are dedicated to closely monitoring new laws and regulations affecting the pricing of pharmaceuticals in China and making timely adjustments to our pricing strategies, and maintain our pricing resilience by leveraging product innovation, demonstrated clinical value, and a strong academic presence.

PRODUCT RETURNS AND COMPLAINTS

We have established a comprehensive internal control system to minimize the risks related to drug quality and safety to the greatest extent possible. During the Track Record Period and up to the Latest Practicable Date, we did not initiate any product recall due to quality issues.

We generally do not accept any product returns and exchanges, except for product defects. Our return and exchange procedures are managed by the respective business divisions with support from our finance department, quality management personnel, and warehouse operations. The return process is initiated through a formal return request submitted by the business manager of the relevant division. Following approval from the division head and our finance department, the business manager coordinates return logistics with our customers. Upon receipt, our warehouse personnel conduct initial inspection of returned goods, followed by comprehensive quality inspection and final review by our quality control personnel. For details on our return policy with our distributors, see "— Sales Marketing and Distribution — Distributorships — Distributor Management — Terms of Distribution Agreement."

During the Track Record Period and up to the Latest Practicable Date, we did not experience any product returns that had a material and adverse impact on our business, financial conditions and results of operations; and we did not experience any material customer complaints, product liability claims, or other disputes arising from alleged product quality defects or safety issues.

CUSTOMERS

During the Track Record Period, our customers primarily consisted of our distributors and we did not experience any material disputes with our customers. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from sales to our five largest customers in each year in aggregate amounted to RMB752.4 million, RMB752.3 million and RMB1,144.3 million, respectively, representing 80.3%, 79.9% and 86.6% of our total revenue in the corresponding years. For the same years, our revenue generated from sales to our largest customer amounted to RMB245.4 million, RMB313.5 million and RMB432.9 million, respectively, representing 26.2%, 33.3% and 32.8% of our total revenue in the corresponding years. For details on the salient terms of our standard agreements with customers during the Track Record Period, see "— Sales Marketing and Distribution — Distributorships — Distributor Management — Terms of Distribution Agreement."

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

Customer	Products Sold	Credit Term	Duration of Business Relationship[2]	Revenue	% of Total revenue
				(RMB in thousand)	*(%)*
For the year ended December 31, 2023					
Customer A	Pharmaceutical products	60 days	Over three years	245,407	26.2
Customer B	Pharmaceutical products	60 days	Over three years	203,201	21.7
Customer C	Pharmaceutical products	60 days	Over three years	150,953	16.1
Customer D	Pharmaceutical products	60 days	Over three years	83,223	8.9
Customer E	Pharmaceutical products	60 days	Over three years	69,643	7.4
Total				**752,427**	**80.3**
For the year ended December 31, 2024					
Customer B	Pharmaceutical products	60 days	Over three years	313,508	33.3
Customer A	Pharmaceutical products	60 days	Over three years	192,275	20.4
Customer D	Pharmaceutical products	60 days	Over three years	99,446	10.5
Customer E	Pharmaceutical products	60 days	Over three years	90,064	9.6
Customer C	Pharmaceutical products	60 days	Over three years	57,047	6.1
Total				**752,340**	**79.9**
For the year ended December 31, 2025					
Customer B	Pharmaceutical products	0-90 days	Over three years	432,945	32.8
Customer D	Pharmaceutical products	60 days	Over three years	239,437	18.1
Customer E	Pharmaceutical products	45-60 days	Over three years	224,928	17.0
Customer A	Pharmaceutical products	0-60 days	Over three years	200,715	15.2
Customer F	Pharmaceutical products	60 days	Over three years	46,319	3.5
Total				**1,144,344**	**86.6**

Notes:

(1) The five largest customers represent, (i) prior to the Acquisition, customers collaborated with NeuroGen Zhuhai, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, customers collaborated with our Group. For the year ended December 31, 2024, the percentage of revenue attributable to each customer is calculated by dividing the revenue derived from such customer by the combined total revenue generated by NeuroGen Zhuhai for the period prior to the Acquisition in 2024 and by our Group for the 2024 Period.

(2) Information relating to NeuroGen Zhuhai's business dealings with UCB prior to 2023 is not available to us and the duration of business relationship is therefore calculated from the beginning of the Track Record Period.

(3) Customer A is a public company listed on the Hong Kong Stock Exchange, headquartered in Shanghai, primarily engaged in sales and distribution of pharmaceutical products, medical devices and healthcare products, as well as provision of pharmaceutical supply chain services.

(4) Customer B, the same entity as Supplier D, is a state-owned pharmaceutical and healthcare group headquartered in Shanghai, China with global business operations, whose shares are listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange.

(5) Customer C is a state-owned pharmaceutical and healthcare group headquartered in Guangzhou, China, with global business operations.

(6) Customer D is a private company headquartered in Hangzhou, China, primarily engaged in R&D, manufacturing, and sales and distribution of pharmaceutical products and medical devices.

(7) Customer E, the same entity as Supplier F, is a state-owned pharmaceutical and healthcare group headquartered in Hong Kong with global business operations, whose shares are listed on the Stock Exchange of Hong Kong.

(8) Customer F is a state-owned pharmaceutical and healthcare group headquartered in Hangzhou, China, with global business operations.

None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest customers for each year during the Track Record Period.

SUPPLIERS

During the Track Record Period, in addition to the pharmaceutical products supplied by UCB, our suppliers primarily consisted of suppliers of raw materials and packaging materials. We have established a wide network of suppliers in the Chinese Mainland. During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes with our suppliers that would, individually or in the aggregate, have a material adverse impact on our results of operations, financial condition and growth prospects.

For the years ended December 31, 2023, 2024 and 2025, our purchases from our five largest suppliers in each year in aggregate amounted to RMB604.3 million, RMB680.8 million and RMB210.3 million, respectively, representing 92.2%, 84.6% and 41.7% of our total purchases in the corresponding years. For the same years, our purchases from our largest supplier amounted to RMB529.1 million, RMB616.5 million and RMB122.3 million, respectively, representing 80.8%, 76.6% and 24.3% of our total purchases in the corresponding years.

We set out below a summary of the salient terms of a typical agreement with our suppliers:

- **Term**: Our agreements with suppliers generally do not have a fixed term and are entered into on a per-order and by-batch basis.

- **Products and services**: The supplier provides us with products and/or services as specified in the master agreement or purchase order.

- **Price**: The price of the products and/or services shall be fixed as set forth in the agreement.

- **Payment**: We are required to make payments to the supplier according to the payment schedule agreed by the parties.

- **Credit term**: Our suppliers generally grant us a credit period of approximately up to 90 days from the date of billing.

- **Quality standards**: The quality of products and/or services is required to meet the agreed quality requirements and specifications. Acceptance is generally conducted within 30 days after delivery in accordance with our internal enterprise standards, and the product quality assurance period is typically either 12 months from acceptance or as specified in the supplier's certificate of analysis, where applicable.

- **Logistics**: The supplier is generally responsible for arranging appropriate transportation and packaging for the goods and shall bear the risk of loss or deterioration arising from improper transportation.

- **Warranty**: The warranty period varies across suppliers and is typically one year or two years, or aligned with the applicable product quality assurance period prescribed under relevant laws and regulations.

- **Termination**: The agreement may be terminated by us, in most cases, by giving prior written notice, while either party may terminate in accordance with applicable law in the event of a material breach or where performance becomes impossible due to force majeure.

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

Supplier	Supplies/Services Purchased	Credit Term	Duration of Business Relationship[2]	Purchase Amount	% of Total Purchases
				(RMB in thousand)	*(%)*
For the year ended December 31, 2023					
UCB	Pharmaceutical products, licensed use of intellectual property	75 days	Over three years	529,115	80.8
Supplier A	API	60 days	Over three years	57,927	8.8
Supplier B	Utility and shared administrative services	Monthly prepayment	Over three years	7,335	1.1
Supplier C	Utility and shared administrative services	Monthly prepayment	Over three years	6,641	1.0
Supplier D	Factoring services	30 days	Over three years	3,266	0.5
Total				**604,284**	**92.2**
For the year ended December 31, 2024					
UCB	Pharmaceutical products, licensed use of intellectual property	75 days	Over three years	616,496	76.6
Supplier A	API	60 days	Over three years	47,313	5.9
Supplier B	Utility and shared administrative services	Monthly prepayment	Over three years	7,374	0.9
Supplier C	Utility and shared administrative services	Monthly prepayment	Over three years	6,049	0.8
Supplier E	Printed packaging materials	90 days	Over three years	3,613	0.4
Total				**680,845**	**84.6**
For the year ended December 31, 2025					
UCB	Pharmaceutical products, licensed use of intellectual property	75 days	Over three years	122,271	24.3
Supplier A	API	60 days	Over three years	54,992	10.9
Supplier F	CSO service	60 days	One year	16,751	3.3
Supplier B	Utility and shared administrative services	Monthly prepayment	Over three years	9,653	1.9
Supplier D	CSO service	60 days	One year	6,658	1.3
Total				**210,325**	**41.7**

Notes:

(1) The five largest suppliers represent, (i) prior to the Acquisition, suppliers collaborated with NeuroGen Zhuhai, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, suppliers collaborated with our Group. For the year ended December 31, 2024, the percentage of purchases attributable to each supplier is calculated by dividing the purchase amount derived from such supplier by the combined total purchase amount incurred by NeuroGen Zhuhai for the period prior to the Acquisition in 2024 and by our Group for the 2024 Period.

(2) Information relating to NeuroGen Zhuhai's business dealings with UCB prior to 2023 is not available to us and the duration of business relationship is therefore calculated from the beginning of the Track Record Period.

(3) UCB is a multinational biopharmaceutical company whose shares are listed on the Brussels Stock Exchange.

(4) Supplier A is a public company listed on the Shanghai Stock Exchange, primarily engaged in R&D, sales and distribution of pharmaceutical products.

(5) Supplier B is a private company headquartered in Shanghai, China, primarily engaged in real estate management, property operation and related supporting services.

(6) Supplier C is a private company headquartered in Zhuhai, China, primarily engaged in R&D, manufacturing, and sales and distribution of biotech and medical diagnostic products.

(7) Supplier D, the same entity as Customer B, is a state-owned pharmaceutical and healthcare group headquartered in Shanghai, China with global business operations, whose shares are listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange.

(8) Supplier E is a private company headquartered in Zhuhai, China, primarily engaged in high-end printing, packaging and related customized service businesses.

(9) Supplier F, the same entity as Customer E, is a state-owned pharmaceutical and healthcare group headquartered in Hong Kong with global business operations, whose shares are listed on the Stock Exchange of Hong Kong.

None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers for each year during the Track Record Period.

OVERLAPPING OF OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers in each year of the Track Record Period were also our suppliers, and *vice versa*, resulting in an overlap between our customer and supplier relationships in certain case.

Customer A, one of our five largest customers in each year during the Track Record Period, was also one of our suppliers in 2025. Customer A is a public company listed on the Hong Kong Stock Exchange, headquartered in Shanghai and mainly engaged in the sales and distribution of pharmaceutical products, medical devices and healthcare products. Our purchases of CSO service from Customer A amounted to RMB3.9 million in 2025, representing 0.8% of our total purchases for the same year. Revenue generated from the sales of pharmaceutical products to Customer A amounted to RMB245.4 million, RMB192.3 million and RMB200.7 million in 2023, 2024 and 2025, respectively, representing 26.2%, 20.4% and 15.2% of our total revenue for the same years.

Customer B, one of our five largest customers in each year during the Track Record Period, was also one of our suppliers (Supplier D) in each year during the Track Record Period. Customer B is a state-owned group headquartered in Shanghai, focusing on the sales of pharmaceutical and healthcare products with global business operations. Our purchases of factoring service and CSO service from Customer B amounted to RMB3.3 million, RMB1.0 million and RMB6.7 million in 2023, 2024 and 2025, respectively, representing 0.5%, 0.1% and 1.3% of our total purchases for the same years. Revenue generated from the sales of pharmaceutical products to Customer B amounted to RMB203.2 million, RMB313.5 million and RMB432.9 million in 2023, 2024 and 2025, respectively, representing 21.7%, 33.3% and 32.8% of our total revenue for the same years.

Customer C, one of our five largest customers in 2023 and 2024, was also one of our suppliers in 2025. Customer C is a state-owned group headquartered in Guangzhou, focusing on the sales of pharmaceutical and healthcare products. Our purchases of CSO service from Customer C amounted to RMB1.9 million in 2025, representing 0.4% of our total purchases for the same year. Revenue generated from the sales of pharmaceutical products to Customer C amounted to RMB151.0 million, RMB57.0 million and RMB39.3 million in 2023, 2024 and 2025, respectively, representing 16.1%, 6.1% and 3.0% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

Customer E, one of our five largest customers in each year during the Track Record Period, was also one of our suppliers (Supplier F) in 2025. Customer E is a state-owned group headquartered in Hong Kong, focusing on the sales of pharmaceutical and healthcare products. Our purchases of CSO service from Customer E amounted to RMB16.8 million in 2025, representing 3.3% of our total purchases for the same year. Revenue generated from the sales of pharmaceutical products to Customer E amounted to RMB69.6 million, RMB90.1 million and RMB224.9 million in 2023, 2024 and 2025, respectively, representing 7.4%, 9.6% and 17.0% of our total revenue for the same years.

Customer F, one of our five largest customers in 2025, was also one of our suppliers in 2025. Customer F is a state-owned group headquartered in Hangzhou, focusing on the sales of pharmaceutical and healthcare products. Our purchases of CSO service from Customer F amounted to RMB5.6 million in 2025, representing 1.1 % of our total purchases for the same year. Revenue generated from the sales of pharmaceutical products to Customer F amounted to RMB24.6 million, RMB40.4 million and RMB46.3 million in 2023, 2024 and 2025, respectively, representing 2.6%, 4.3% and 3.5% of our total revenue for the same years.

Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis. As to the reasons for such overlapping customers and suppliers, while we sold pharmaceutical products to them, our purchases from Customer B in 2023 related to factoring services, whereas the other overlapping instances primarily arose from our purchases of CSO services. The sales and purchases were neither interconnected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from the overlapping customers and suppliers were conducted in the ordinary course of business, under normal commercial terms and on an arm's-length basis.

INTELLECTUAL PROPERTIES

We maintain a broad portfolio of intellectual properties related to our pharmaceutical products and pipeline candidates. We rely on a combination of patent, trademark, domain name, trade secret and other intellectual property and proprietary protection for commercially important technologies, inventions, know-how, confidentiality procedures and contractual provisions to protect our intellectual property rights.

As of the Latest Practicable Date, we had (i) four issued patents in the Chinese Mainland; (ii) exclusive licenses for eight issued patents in the Chinese Mainland and sole licenses for three issued patents in Taiwan; and (iii) licenses for 15 patent applications, including exclusive licenses for three patent applications in Hong Kong and nine patent applications in the Chinese Mainland, and sole licenses for one patent application in Taiwan and two patent applications in the Chinese Mainland. For details, see "Appendix V — Statutory and General Information — B. Further Information About our Business — 2. Intellectual Property Rights — (b) Patents."

As of the Latest Practicable Date, we owned 30 registered trademarks in the Chinese Mainland and had five additional Madrid trademarks in the process of transfer to us. As of the same date, we were also licensed to use 31 trademarks in the Chinese Mainland and two Madrid trademarks. For details, see "Appendix V — Statutory and General Information — B. Further Information About our Business — 2. Intellectual Property Rights — (a) Trademarks."

The actual protection afforded by a patent varies on a claim-by-claim and jurisdiction-by-jurisdiction basis. It depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular jurisdiction and the validity and enforceability of the patent. For details of risks related to our intellectual property, see "Risk Factors — Risks Related to Our Intellectual Property." During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of our intellectual property rights, and we had not received notice of any claims of infringement of any intellectual property rights that may be threatened or pending in which we may be a claimant or a respondent.

DATA PRIVACY AND PROTECTION

We receive, collect and store data generated from the development of our products and during our operations, including the de-identified personal data of our subjects and personal data collected through post-marketing surveillance and real-world evidence programs. These data types are subject to a range of applicable PRC laws on cybersecurity and data security and personal information protection.

To safeguard the confidentiality, security and lawful use of data, we have established a comprehensive data protection protocol aligned with the Good Clinical Practice ("**GCP**") requirements, governing data collection, access, retention and storage. Our data are stored on the internal cloud platform and qualified third-party cloud servers that meet regulatory standards, ensuring compliance throughout the entire data lifecycle. In addition, we require all the employees to comply with confidentiality obligations and attend training on data protection.

We also implement stringent controls over data managed by third parties engaged in our research and clinical operations. Our agreements with R&D partners, CROs, and other service providers contain dedicated data protection provisions, requiring them to safeguard data in their possession. Furthermore, we maintain a register of our contracts with third parties involving data transfer to monitor compliance across collaborations.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we had not encountered any material data or personal information leakage. Our Directors confirm that, as of the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with applicable laws and regulations for data privacy and protection.

AWARDS AND RECOGNITIONS

We received awards and recognitions from local governments and industry associations. The following table summarizes the major awards and recognitions we received during the Track Record Period.

Year Granted	Awards or Recognitions	Granting Authority
2025 & 2023 . .	Benchmark Enterprise for Pharmaceutical Quality and Integrity in Zhuhai (珠海市藥品質量誠信標桿企業)	Zhuhai Pharmaceutical Association (珠海市藥學會)
2023	Economic Development Contribution Award (經濟發展貢獻獎)	Zhuhai High-tech Zone Science, Technology Innovation and Industrial Development Bureau (珠海高新區科技創新和產業發展局)
2022	Advanced Unit for Pharmaceutical Science and Technology Innovation in Zhuhai (2022年度珠海市醫藥科技創新先進單位)	Zhuhai Pharmaceutical Association (珠海市藥學會)

COMPETITION

The CNS pharmaceutical market in China is characterized by a substantial and expanding disease burden, long-term treatment requirements, increasing out-of-hospital access, and high entry barriers across R&D, manufacturing, branding and specialist channels. Competition in this segment is shaped by established originator products, differentiated dosage forms and the influence of neurological Key Opinion Leaders ("**KOLs**") and clinical treatment protocols. While we believe our broad presence across major CNS indications and product formats positions us to compete effectively, we face competition in areas

such as R&D capability, product efficacy and safety, brand awareness, formulation innovation, pricing, channel coverage and KOL engagement. Some competitors may possess greater financial resources, broader product portfolios, more established brands, and stronger networks across hospitals, pharmacies, online prescription platforms and specialist institutions, enabling them to enhance physician familiarity, capture out-of-hospital demand or introduce substitute products in our core therapeutic areas.

We believe our competitive advantage lies in our strategic focus on chronic CNS disorders with persistent unmet needs, our alignment with the industry's shift toward convenient and continuous long-term care, and our emphasis on differentiated delivery and formulation technologies, including sustained-release, transdermal and oral film products designed to improve treatment adherence, tolerability and continuity. Our continued competitiveness will depend on our ability to advance our CNS portfolio, strengthen our integrated R&D and manufacturing foundation, deepen physician and KOL engagement, expand commercialization across in-hospital and out-of-hospital channels, and sustain product differentiation in therapeutic areas where safety, efficacy, adherence and clinical trust are key to long-term market leadership. For details of the market landscape and the competition we face, see "Industry Overview."

PROPERTIES

As of the Latest Practicable Date, we leased six properties for our operational needs in Zhuhai, Beijing and Shanghai, with an aggregate GFA of approximately 42,171.02 sq.m. Our leases generally have a term ranging from one to ten years. We assess the renewal of each lease individually at expiration, taking into account our business needs and the availability of alternative spaces. We did not experience material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, no single property interest that formed part of non-property activities had a carrying amount of 15%, and no single property interest that formed part of property activities had a carrying amount of 1%, of our total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to our Group's interests in land or buildings.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our insurance coverage includes business interruption insurance, public liability insurance, property and equipment insurance covering physical damage to, or loss of, our facilities, equipment and vehicles. We also maintain pharmaceutical defense limited insurance covering liabilities arising from the manufacturing and sales of our pharmaceutical products and other insurance covering our business operations. In addition to the social insurance and housing provident funds contributed in accordance with relevant PRC laws and regulations, we also provide commercial insurance for our employees. Please refer to "Risk Factors — Risks Related to Our Operations — Our Insurance Coverage is Limited." We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period, we had not made or been the subject of any material insurance claims.

ENVIRONMENT, SOCIAL AND CORPORATE GOVERNANCE

Environmental, Social and Governance

We place a high priority on Environmental, Social, and Governance ("**ESG**"). We strictly comply with applicable laws and regulations, deeply understand our corporate responsibilities in the ESG domain, and commit to conducting business operations in a legally compliant, ethical and responsible manner. We have formulated an ESG management system and integrated the concept of sustainable development into every aspect of manufacturing, commercialization, and daily operations.

ESG Governance

ESG Governance Structure

We have established an ESG governance structure consisting of the Board of Directors, the ESG Committee and the ESG Working Group, which clarifies the core responsibilities of each level, strengthens collaboration, and incorporates the duties of all levels into management systems to ensure the effective implementation, compliant disclosure and continuous optimization of our ESG strategy. As the decision-making body, the Board of Directors identifies and assesses ESG-related risks material to our business, approves ESG strategies, targets and policies, and oversees the achievement of ESG strategies and targets. The ESG Committee comprises our management and supervisors of key ESG-related departments, responsible for coordinating the implementation of ESG strategies and targets and the updating of ESG policies to ensure adequate resources for ESG initiatives. The ESG Working Group consists of personnel from relevant departments, responsible for daily ESG affairs, including developing risk management measures and work plans, collecting ESG data, preparing annual ESG reports, organizing stakeholder communication and internal training, and reporting regularly to the ESG Committee.

Business Ethics

We attach great importance to business ethics and integrity compliance management, adopting a zero-tolerance policy toward corruption and bribery. The Board of Directors upholds the business philosophy of legality, compliance and responsibility, and commits to promoting honest, ethical and sustainable business operations. We have established policies, including the Code of Conduct for Ethical Interactions, Code of Professional Ethics for Employees, Gifts Management Policy for Employees, and Internal Compliance Investigation Policy, which clearly define compliance requirements and behavioural standards in commercial activities. We conduct annual company-wide and specialized compliance training to continuously promote a compliance culture and strengthen employees' awareness of integrity and self-discipline. We have set up a dedicated compliance reporting email and appointed compliance ambassadors in each business region, encouraging employees to report potential corruption and misconduct to their direct supervisors and the compliance department. During the Track Record Period, to the best of our knowledge, we have not been involved in any legal proceedings relating to corruption, bribery or fraud.

Environment Protection

We have obtained ISO 14001 Environmental Management System certification. With the EHS Management Manual as an overarching policy, we have established more than 40 supporting procedural documents specifying detailed requirements for environmental management, occupational health, safe production and other key areas.

We strictly abide by national and local laws and regulations on the ecological environment and safe production. Our Health, Safety and Environment ("**HS&E**") department dynamically tracks updates in national and local laws, regulations and standards through on-site visits, telephone communications, regulatory website subscriptions and other channels, organizes relevant departments to review newly issued regulations, assesses their applicability and potential impacts on our business, and conducts corresponding training accordingly. Our HS&E department leads the legal and regulatory compliance evaluation, and we formulate and implement corrective measures promptly for identified non-compliance to ensure continuous regulatory compliance. During the Track Record Period, we did not receive any administrative penalties for violations of environmental laws and regulations.

Greenhouse Gas Emission Management

Our greenhouse gas ("**GHG**") emissions mainly include direct emissions from production activities and indirect emissions from purchased electricity for operations. We prioritize energy conservation and emission reduction in production, warehousing and office operations by optimizing operation strategies for utilities such as air conditioning, ventilation and lighting, adopting high-efficiency energy-saving equipment and intelligent control to improve energy efficiency and reduce GHG emissions in operations. We continue to purchase Green Electricity Certificates to mitigate the indirect carbon impact from purchased electricity. In 2023, 2024 and 2025, we purchased 3,000 MWh, 3,500 MWh, and 3,500 MWh of Green Electricity Certificates, respectively.

The following table sets forth our GHG emissions and emission intensity for the years indicated:

		For the year ended December 31,		
	Unit	2023	2024	2025
Scope 1 GHG emissions[2]	tCO_2e	25.0	30.6	26.0
Scope 2 GHG emissions	tCO_2e	1,593.8	1,675.8	1,676.4
Scope 3 GHG emissions[3]	tCO_2e	66.7	71.1	660.0
GHG emission intensity[4]	ton/RMB million	1.7	1.8	1.3

Notes:

(1) The GHG emissions and emission intensity represent, (i) prior to the Acquisition, the GHG emissions and emission intensity of NeuroGen Zhuhai alone, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, the GHG emissions and emission intensity of our Group.

(2) The increase of Scope 1 GHG emissions in 2024 compared to 2023 was mainly due to the replenishment of fire extinguisher media at NeuroGen Zhuhai, resulting in increased fugitive gas emissions.

(3) Scope 3 GHG emissions are calculated based on internal records and our best estimates, covering indirect emissions from operational and supply chain activities. The Scope 3 GHG emissions in 2023 and 2024 may not be indicative due to the lack of sufficient data on the Scope 3 GHG emissions generated by NeuroGen Zhuhai prior to the Acquisition.

(4) GHG emission intensity is calculated by dividing scope 1 GHG emissions and scope 2 GHG emissions by revenue generated during the relevant year.

Waste Management

We implement comprehensive policies to minimize our environmental impact through responsible waste management, energy efficiency, and water conservation.

- ***Waste Water.*** We strictly comply with wastewater discharge laws and regulations. Production wastewater is treated to meet standards by our on-site wastewater treatment station before being discharged into the municipal sewage system; domestic wastewater is also connected to the municipal sewage system for centralized treatment.

- ***Waste Gas.*** We conduct regular monitoring of waste gas emissions in accordance with Environmental Impact Assessment ("**EIA**") requirements, strictly control emissions during production and laboratory processes, and implement collection, treatment and purification for process waste gas and laboratory waste gas to ensure compliance with environmental standards.

- ***Waste.*** Our waste mainly includes waste chemical reagents and liquids, chemical-contaminated packaging, waste engine oil, waste pharmaceuticals, wastepaper, waste metal and other types. We manage hazardous waste in strict accordance with national and local laws and regulations, implementing classified collection, dedicated storage, labeling, and record keeping for hazardous waste generated in production and laboratories. We engage qualified professional entities for the transfer and disposal of hazardous waste, with full-process tracking and documentation to ensure traceability. For general solid waste generated in operations, we prioritize recycling and cooperate with licensed entities for collection and disposal.

The following table sets forth our waste emissions and waste discharge and intensity for the years indicated:

		For the year ended December 31,		
	Unit	2023	2024	2025
Waste gas	kg	53.5	139.2	42.3
Waste water	ton	9,776.0	10,407.0	8,890.0
Hazardous Waste[(2)]	ton	10.4	53.2	7.5
Non-Hazardous Waste	ton	14.9	8.5	4.8

Notes:

(1) The waste emissions represent, (i) prior to the Acquisition, the waste emissions of NeuroGen Zhuhai alone, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, the waste emissions of our Group.

(2) The increase of hazardous waste generated in 2024 compared to 2023 was mainly due to the centralized disposal of project-related pharmaceutical products accumulated in 2023.

Resource Usage

Our daily operations mainly consume water and electricity, with small amounts of diesel and gasoline. We actively promote energy conservation and transition to green energy through the following measures:

- ***Electricity.*** We use intelligent systems to regulate air conditioning during peak and off-peak hours to reduce unnecessary consumption; we have fully deployed LED energy-saving lighting in factories and offices to further improve efficiency. We have built and put into operation a photovoltaic system at our plant to increase the share of clean energy and reduce carbon emissions.

- ***Water.*** We optimize production processes and upgrade technologies to cut water consumption in production; we install water-saving signs and fixtures in office areas to encourage employee conservation and continuously enhance water use efficiency.

The following table sets forth our key environment-related resource consumption for the years indicated:

		For the year ended December 31,		
	Unit	2023	2024	2025
Energy Consumption				
Purchased Electricity	MWh	3,023.6	3,179.2	3,174.0
Gasoline	ton	3.1	3.0	3.0
Diesel	kg	60.0	35.0	60.0
Water Consumption				
Water Consumption	ton	16,264.0	15,769.0	17,881.0

Note:

(1) The energy and water consumption represent, (i) prior to the Acquisition, the energy and water consumption of NeuroGen Zhuhai alone, and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, the energy and water consumption of our Group.

Packaging and Transportation

We actively pursue green and low-carbon practices, continuously optimize pharmaceutical packaging design, and promote biodegradable and recyclable eco-friendly packaging materials to reduce resource consumption and environmental impact. Meanwhile, we improve logistics plans and delivery routes to enhance transport efficiency, lower energy use and carbon emissions in logistics, supporting green operations and sustainable development.

ESG Targets and Strategies

Based on our environmental philosophy, we have set environmental protection and energy consumption targets and measures to minimize the environmental impact of our operations:

- ***GHG Emissions.*** Our GHG emissions are mainly from production electricity. Based on future operational and production forecasts, we aim to maintain GHG emission intensity per RMB million of revenue at the 2025 fiscal year level from 2026 to 2028.

  We will continue to deploy energy-saving equipment in production, optimize the operation strategies of utilities including air conditioning, expand the use of photovoltaic clean energy, and acquire green electricity certificates to steadily lower carbon emissions per unit of output value.

- ***Hazardous Waste Generation.*** We aim to maintain hazardous waste generation intensity per RMB million of revenue at the 2025 fiscal year level from 2026 to 2028.

  We will continue to standardize classified collection and full-process management of hazardous waste; strictly control hazardous waste generation through raw material management.

- ***Energy Consumption.*** Our electricity use is mainly for offices and production areas. Based on future forecasts, we aim to maintain energy consumption intensity per RMB million of revenue at the 2025 fiscal year level from 2026 to 2028.

  We will continue to deploy energy-saving equipment in production; optimize energy use in key areas such as power facilities, lighting and air conditioning to improve overall electricity efficiency.

- ***Water Consumption.*** Most of our water consumption is for office and production use. Based on future forecasts, we aim to maintain water consumption intensity per RMB million of revenue at the 2025 fiscal year level from 2026 to 2028.

  We will lower process water consumption through water-saving retrofits to production processes and continue to promote water-saving fixtures and conservation initiatives in office areas.

Response Climate Changes

We focus on potential impacts of extreme weather events such as typhoons, rainstorms and high temperatures on operations, facilities, equipment safety and supply chain stability, preventing disruptions, delays or delivery failures. HS&E coordinators in production departments monitor meteorological updates and conduct regular risk reviews to mitigate adverse effects. Our HS&E department continuously improves and supervises the implementation of business continuity plans, and we enhance supply chain resilience through supplier diversification and geographic dispersion. We install backup generators in plants and critical production areas and formulate emergency response plans for water and power outages to strengthen risk prevention and emergency capabilities.

We proactively respond to regulatory and market changes from low-carbon transition, track updates in domestic and overseas carbon emission, environmental and energy policies, timely assess potential impacts of stricter regulations on operations, cost structure and compliance, ensure alignment with the latest environmental requirements, and integrate climate-related factors into business decisions to enhance long-term sustainable development.

Social Responsibility

Product Quality and Safety

We place product quality and patient safety at the core of our management. We have established a comprehensive pharmaceutical quality management system in compliance with domestic, European, American and international guidelines, achieving alignment between local production and international quality standards. We have formulated standard operating procedures and work guidelines covering material management, production control, testing, equipment maintenance and documentation to define operational and management standards at each stage, enabling full-process quality control from raw material intake to finished product release, ensuring consistent, reliable and compliant product quality.

For the safety management of marketed pharmaceutical products, we have established a routine pharmacovigilance monitoring system, collecting safety-related information from patients, medical institutions and partners through dedicated email, hotline and other channels, and regularly retrieving adverse reaction information from regulatory platforms to achieve dynamic monitoring and archiving of post-marketing product safety data. In 2025, our Zhuhai site was awarded the Certificate of Pharmaceutical Quality Integrity Model Enterprise and AEO Advanced Certification by Customs.

We have also established a defective product recall procedure and conduct regular simulated recall exercises to strengthen emergency response capabilities for post-marketing product risks. During the Track Record Period, to the best of our knowledge, we did not have any material product recalls or related administrative penalties.

Supply Chain Management

We continuously build a sustainable supply chain system centered on sustainability, resilience and accessibility. Through diversified capacity layout and digital management, we achieve effective control over the full supply chain lifecycle and enhance supply chain risk resistance and operational resilience. We have established a standardized and transparent supplier management mechanism in compliance with applicable laws and regulations, with internal policies and procedures for supplier qualification, tiered management, periodic assessment and dynamic monitoring to strengthen supply chain safety, quality and compliance. In addition, we actively develop stable, long-term strategic partnerships with suppliers across regions to pursue mutual benefit and win-win results, ensuring sustained, stable and efficient operations.

R&D and Innovation

We adhere to patient-centric clinical needs, focus on our core strength in neurology, and concurrently develop analgesic, anti-allergy, paediatric and other key therapeutic areas, steadily expanding our product R&D pipeline. We continuously strengthen technology platform construction and R&D investment, enhance independent R&D and achievement transformation capabilities, and are committed to providing safer, more effective and accessible treatment options for patients. Throughout R&D, we strictly comply with pharmaceutical R&D laws, regulations and ethical standards, establishing a full-process management system for project evaluation, clinical research and achievement commercialization, while emphasizing intellectual property management and core technology accumulation to support long-term sustainable development.

Occupational Health and Safety

We attach great importance to employees' occupational health and safe production, and have obtained ISO 45001 Occupational Health and Safety Management System certification. We have established a sound occupational health and safety management system. Through regular safety training and occupational health monitoring, we effectively identify and control workplace safety risks, striving to create a safe, healthy and people-oriented working environment. Every year, we engage qualified third-party institutions to conduct occupational hazard detection and assessment at production sites, provide employees with standard personal protective equipment, and arrange specialized occupational health examinations for employees at risk of occupational exposure.

Upholding a people-centric philosophy, we value employees' legitimate rights and long-term development, with a comprehensive human resource management system covering occupational health, compensation and benefits, career development and other dimensions to promote mutual growth. We strictly abide by applicable labor laws and regulations, make statutory social insurance contributions, and provide commercial insurance and diversified benefits to formal employees to effectively protect employee rights and interests. During the Track Record Period, to the best of our knowledge, we had no major labor disputes, serious occupational health and safety incidents or related administrative penalties.

EMPLOYEES

As of the Latest Practicable Date, we had 561 employees in total, and substantially all of them were located in the Chinese Mainland. The following table sets forth the number of our employees categorized by function as of the Latest Practicable Date.

Functions	Number of employees	Percentage
Sales and Marketing	384	68.4%
Manufacturing	88	15.7%
General Administration	48	8.6%
R&D	41	7.3%
Total	**561**	**100.0%**

We recruit our employees through recruitment websites, recruiters and internal referrals. All of our employees are required to pass the onboarding training examination. In addition, we provide a broad combination of regular or periodic training covering corporate culture and values, product knowledge, professional skills for their continued professional development and maintain our employees' compliance awareness. The remuneration package of our employees includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. We may also provide share-based incentives to our employees from time to time. We consider the remuneration package of our employees to be competitive among our domestic competitors. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations.

In compliance with the relevant PRC laws and regulations, we enter into employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. We enter into standard confidentiality agreements with all of our employees. We enter into non-compete agreements with employees of departments that we consider crucial to our business, such as R&D. Such non-compete agreements prohibit employees from conducting any business competing with us for twelve months following the termination of their employment.

We have established a labor union to represent our employees for employee affairs. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operation.

LEGAL AND COMPLIANCE

Licenses, Permits and Certificates

We are subject to regular inspections, examinations and audits by local regulators and are required to maintain or renew the necessary permits, licenses and certificates for our business. As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits that are material to our business operations from relevant authorities. For more details regarding the laws and regulations to which we are subject, see "Regulatory Overview" in this Document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit	Holder	Grant Date	Expiration Date
Drug Manufacturing License (藥品生產許可證)	NeuroGen Zhuhai	July 16, 2025	July 15, 2030
Drug Manufacturing License (藥品生產許可證)	NeuroGen Shanghai	May 13, 2026	December 15, 2030

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material legal or administrative proceedings that could significantly impact our operations, financial position, growth prospects, or reputation. While we maintain this clean litigation record, like all companies in our industry, we may occasionally face routine claims or proceedings arising from normal business activities. For details, see "Risk Factors — Risks Related to Our Intellectual Property — We may be subject to intellectual property infringement claims."

Compliance

We maintain rigorous compliance with all applicable laws and regulations governing our operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. Our Directors oversee and manage the overall risks associated with our operations. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system,

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure,

- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations; and

- attend training sessions by our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

We have formulated a series of anti-bribery compliance policy in accordance with the applicable laws and regulations as part of our internal control procedure. We have established an employee code of conduct, which covers anti-bribery compliance requirements in our business operations. Our employees involved in the accounting and finance function shall be alert to any suspicious transactions and are required to report such suspected violations identified. We also encourage all employees to report any suspicious violations in this area.

Internal Control

We engaged an independent internal control consultant to perform an assessment on the effectiveness of our internal controls, to identify deficiencies in our internal control system and to furnish recommendations on enhanced internal control measures. The work scope of our internal control consultant covered both company-level and process-level internal control assessments, including control environment, risk assessment, control activities, information and communication, monitoring, sales and accounts receivable management, procurement and accounts payable management, inventory management, production and cost control, human resources and compensation, fixed assets and intangible assets management, cash and treasury management, financial reporting and disclosure, insurance management, tax management, R&D management, and general IT controls.

- ***Financial Reporting Risk Management.*** We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, budget management policies and financial statements preparation policies. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our daily operations.

- ***Legal Compliance Risk Management.*** We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. We have streamlined the process of application, maintenance and renewal of our licenses, permits and approvals. We continuously review the implementation of our risk management policies and measures to ensure that our policies and implementation are effective and sufficient. In addition, we strengthen our legal and compliance risk management by monitoring legal updates, including updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, and accordingly updating our internal protocols and procedures in a timely manner.

- ***Human Resources Risk Management.*** We provide regular and specialized training tailored to the needs of our employees across different departments. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding commercial practice, work ethics, fraud prevention mechanism, negligence and corruption. We also provide employees with resources for explanation on guidelines contained in the employee handbook. We also have in place an anti-corruption policy to safeguard against corruption within our Company.

- ***Information System Risk Management.*** Sufficient maintenance, storage and protection of consumer data and our business data are critical to our success. We have established relevant internal procedures and controls to ensure that user data is protected and that leakage and loss of such data are avoided. We also regularly update our policies regarding our information system and engage in proactive threat monitoring and incident response.

- ***Quality Control and Product Safety Internal Control.*** We have implemented quality control measures to preserve the quality of our products. Our quality control team is responsible for formulating our quality control policies to ensure compliance with all applicable PRC laws and

regulations. Our quality control process generally comprises: (i) quality control on product design and development; (ii) quality control on production management; and (iii) quality control on storage and transportation.

- ***Internal Audit and Board Oversight.*** We are in the progress of establishing an internal audit team prior to the [**REDACTED**] to monitor the implementation of our risk management policies across our Company on an ongoing basis to ensure that our internal control system effectively identifies, manages and mitigates risks involved in our business operations. The internal audit team is responsible for supervising our internal audit functions.