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Application Proof of

NeuroGen Pharma Limited

神基製藥有限公司

(the “Company”)

(Registered by way of continuation in the Cayman Islands with limited liability)

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NeuroGen Pharma Limited

神基製藥有限公司

(Registered by way of continuation in the Cayman Islands with limited liability)

[REDACTED]

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

Joint Sponsors, [REDACTED]

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The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range stated in this document at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at <https://www.neurogen.com.cn> as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [REDACTED]. For more details, see the sections headed “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this document.

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

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IMPORTANT

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EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

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EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your [REDACTED] decision. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

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								
Pain Management	AJOVY®	Calcitonin Gene-related Peptide Ligand	Solution for Subcutaneous Injection	Migraine Prophylaxis								
	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 medication (“ASM”) together with Vimpat, a third-generation anti-seizure product with a differentiated mechanism of action, forms the cornerstone of our epilepsy business. Beyond

SUMMARY

epilepsy, our portfolio also include Zyrtec, a widely recognized allergy product with pediatric application and strong retail presence. In June 2026, AJOVY, the world’s first and only FDA-approved CGRP (Calcitonin Gene-Related Peptide) antagonist for both pediatric episodic migraine and adult migraine 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.

OUR DRUG PORTFOLIO

Approved Drugs

Keppra (levetiracetam)

Keppra is a globally recognized, broad-spectrum ASM drug in China. It was originally developed by 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 agent for epilepsy across all age groups, it is particularly preferred for women and children in light of its favorable safety profile.

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.

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.

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 over-the-counter (“OTC”) status, providing exceptional policy resilience and enabling direct consumer access through retail and e-commerce channels.

SUMMARY

AJOVY (fremanezumab)

AJOVY is a biologic indicated for the preventive treatment of migraine originally developed by Teva Pharmaceuticals International GmbH (“**Teva**”) and was approved by the FDA and the EMA in 2018 and 2019. 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 Chinese Mainland. AJOVY was approved by the NMPA in June 2026. It is the world’s first and only FDA-approved CGRP antagonist for both pediatric episodic migraine and adult migraine.

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

NG1706

NG1706 is a novel oral, non-opioid analgesic designed with a dual mechanism of action that concurrently inhibits cyclooxygenase (“**CoX**”)-mediated inflammatory pain pathways and modulates peripheral $\alpha_2\delta$ 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.

NG1807

NG1807 is an oral soluble film (“**OSF**”) formulation of brexpiprazole. We acquired NG1807 from Shanghai Sinopeak Pharmaceutical Co., Ltd. in June 2026. It is currently under new drug application (“**NDA**”) review by the NMPA for the treatment of schizophrenia. 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 allows it to “fine-tune” neurotransmitter levels, stimulating receptors when endogenous activity is too low and blocking them when activity is excessively high.

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.

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 Investigational New Drug (“**IND**”) in the third quarter of 2026.

SUMMARY

NG1806

NG1806 is a long-acting, dual-mechanism non-opioid analgesic specifically developed for post-operative pain management, designed to deliver over 72 hours of sustained pain relief post-surgery. In January 2026, we acquired NG1806 from Huzhou Hui Zhong Ji Shi Biotechnology Co., Ltd. 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.

OUR STRENGTHS

We believe the following competitive strengths have differentiated us from our competitors: (i) 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, (ii) a highly differentiated portfolio with a policy-resilient profile, powering durable growth and long-term profitability, (iii) a clinical-need- and value-driven pipeline to sustain growth, underpinned by disciplined in-house R&D capabilities, (iv) an integrated platform with end-to-end capabilities, supported by strong commercialization execution and globally compliant manufacturing, and (v) a leadership team with deep industry experience and a governance structure that supports long-term value creation.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following development strategies: (i) deepen leadership in our core therapeutic areas and drive continued organic growth of our commercialized products, (ii) accelerate the commercialization of newly approved and near-approval products, (iii) advance the clinical development of our pipeline assets, (iv) continue to expand innovative pipeline and actively pursue strategic integration and synergistic opportunities, and (v) enhance our in-house manufacturing capabilities and complex formulation expertise.

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. By 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.

MANUFACTURING

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.

SUMMARY

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.

SALES AND MARKETING

During the Track Record Period and in line with the industry practice, we primarily sell our pharmaceutical products through 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.

CUSTOMERS AND SUPPLIERS

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.

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. 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.

During the Track Record Period, certain of our major suppliers also acted as our customer and vice versa, resulting in an overlap between our customer and supplier relationships in certain cases. For details, see “Business — Overlapping of Our Customers and Suppliers.”

COMPETITION

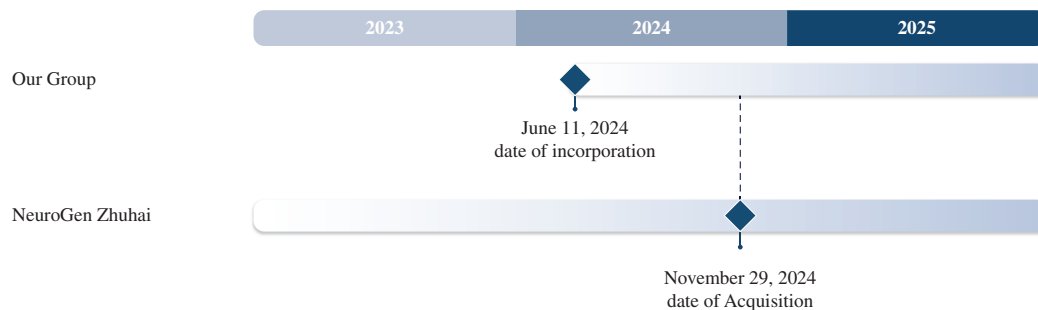
The CNS pharmaceutical market in China is characterized by a substantial and expanding disease burden, long-term treatment requirements, increasing out-of-hospital access, and high entry barriers across R&D, manufacturing, branding and specialist channels. Competition in this segment is shaped by established originator products, differentiated dosage forms and the influence of neurological 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.

SUMMARY

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.

SUMMARY OF KEY FINANCIAL INFORMATION

Our Company was incorporated as a BVI business company in the British Virgin Islands on June 11, 2024 and was re-domiciled from the British Virgin Islands to the Cayman Islands and was registered by way of continuation as an exempted company with limited liability under the laws of the Cayman Islands on April 30, 2026. During the period from June 11, 2024 to November 29, 2024, the Group had no significant operations. On November 29, 2024, our Company, through its wholly-owned subsidiary NeuroGen HK, completed the acquisition of UCB’s mature neurology and allergy business in China, including UCB Zhuhai, thereby bringing UCB’s mature neurology and allergy business in China under our Group. The presentation of our financial information in this document is impacted by the Acquisition that has occurred during the Track Record Period.



This document includes three Accountants’ Reports set forth as Appendices IA, IB and IC, respectively. In particular:

- Appendix IA sets forth the consolidated financial statements of our Group, together with the accompanying notes, for the period from June 11, 2024, the date of the incorporation of our Company, to December 31, 2024 and for the year ended December 31, 2025, which includes the financial results of NeuroGen Zhuhai since the Acquisition on November 29, 2024.
- Appendix IB sets forth the financial statements of NeuroGen Zhuhai, together with the accompanying notes, for the year ended December 31, 2023, 2024 and 2025, respectively; and
- Appendix IC sets forth the financial statements of NeuroGen Zhuhai, together with the accompanying notes, for the year ended December 31, 2023 and the period from January 1, 2024 to November 29, 2024, respectively.

The summary of the key financial information set forth below have been derived from and should be read in conjunction with our consolidated financial statements, including the accompanying notes, set forth in the Accountants’ Report in Appendix IA, IB and IC to this document, as well as the information set forth in the section headed “Financial Information.”

SUMMARY

Summary of Consolidated Statements of Profit or Loss

NeuroGen Zhuhai

The following table sets forth the statements of profit or loss and other comprehensive income of NeuroGen Zhuhai for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	935,643	100.0	934,942	100.0	1,151,646	100.0
Cost of sales	(511,592)	(54.7)	(509,613)	(54.5)	(600,491)	(52.1)
Gross profit	424,051	45.3	425,329	45.5	551,155	47.9
Other income	516	0.1	891	0.1	441	0.0
Other gains and losses, net	(4,327)	(0.5)	(2,137)	(0.2)	(2,836)	(0.2)
Selling and distribution expenses	(286,894)	(30.6)	(310,553)	(33.2)	(252,234)	(21.9)
General and administrative expenses	(50,697)	(5.4)	(69,563)	(7.5)	(89,555)	(7.8)
Finance costs	(1,618)	(0.2)	(1,971)	(0.2)	(2,010)	(0.2)
Profit before tax	81,031	8.7	41,996	4.5	204,961	17.8
Income tax expense	(20,668)	(2.2)	(11,037)	(1.2)	(51,304)	(4.5)
Profit for the period	60,363	6.5	30,959	3.3	153,657	13.3

Our Group

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	For the Period from June 11, 2024 to December 31, 2024		For the year ended December 31, 2025	
	RMB'000	%	RMB'000	%
Revenue	12,145	100.0	1,319,511	100.0
Cost of sales	(18,923)	(155.8)	(525,124)	(39.8)
Gross profit/(loss)	(6,778)	(55.8)	794,387	60.2
Other income	630	5.2	9,554	0.7
Other gains and losses, net	2,387	19.7	(17,768)	(1.3)
Selling and distribution expenses	(14,988)	(123.4)	(280,993)	(21.3)
Research and development expenses	—	—	(5,070)	(0.4)
General and administrative expenses	(89,162)	(734.2)	(169,842)	(12.9)
Finance costs	(10,506)	(86.5)	(123,634)	(9.3)
Profit/(loss) before tax	(118,417)	(975.0)	206,634	15.7
Income tax credit/(expense)	17,464	143.8	(53,937)	(4.1)
Profit/(loss) for the period	(100,953)	(831.2)	152,697	11.6

SUMMARY

Non-IFRS measures

Our consolidated financial information and NeuroGen Zhuhai’s information were both prepared in accordance with IFRSs. To supplement our consolidated results and NeuroGen Zhuhai’s results which are prepared and presented in accordance with IFRSs, we use adjusted net profit (non-IFRS measure), EBITDA (non-IFRS measure), and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items, such as certain non-cash or non-recurring items. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measure used by other companies.

We define adjusted net profit (non-IFRS measure) as profit/(loss) for the period, adjusted by adding back recognition of equity-settled share-based payment expenses, which are non-cash in nature, acquisition related expense, net of tax impact, which is non-operation and one-off in nature. We define EBITDA (non-IFRS measure) as profit/(loss) for the period adjusted by adding income tax, interest expense, amortization for acquired intangible assets and other depreciation and amortization. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) adjusted by adding back recognition of equity-settled share-based payment expenses and acquisition related expense. The following table reconciles the non-IFRS financial measures with their corresponding figures of our Group and NeuroGen Zhuhai presented in accordance with IFRS 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	%
Profit/(loss) for the period	60,363	6.5	30,959	3.3	153,657	13.3	(100,953)	(831.2)	152,697	11.6
Add:										
Recognition of equity-settled share-based payment expenses	—	—	—	—	240	0.0	3,774	31.1	18,136	1.4
Acquisition related expense, net of tax impact.	—	—	—	—	—	—	50,516	415.9	—	—
Adjusted net profit/(loss) (non-IFRS measure)	60,363	6.5	30,959	3.3	153,897	13.3	(46,663)	(384.2)	170,833	13.0
Profit/(loss) for the period	60,363	6.5	30,959	3.3	153,657	13.3	(100,953)	(831.2)	152,697	11.6
Add:										
Income tax	20,668	2.2	11,037	1.2	51,304	4.5	(17,464)	(143.8)	53,937	4.1
Interest expense	1,618	0.2	1,917	0.2	2,010	0.2	10,506	86.5	123,634	9.4
Depreciation and amortization	30,403	3.2	32,001	3.4	26,359	2.3	12,466	102.6	145,716	11.0
EBITDA (non-IFRS measure)	113,052	12.1	75,914	8.1	233,330	20.3	(95,445)	(785.9)	475,984	36.1
Add:										
Recognition of equity-settled share-based payment expenses	—	—	—	—	240	0.0	3,774	31.1	18,136	1.4
Acquisition related expense	—	—	—	—	—	—	55,265	455.0	—	—
Adjusted EBITDA (non-IFRS measure)	113,052	12.1	75,914	8.1	233,570	20.3	(36,406)	(299.8)	494,120	37.5

SUMMARY

Revenue

During the Track Record Period, NeuroGen Zhuhai and our Group generated revenue primarily from the sales of pharmaceutical products and, to a lesser extent, service income. 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			
	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.”

Cost of Sales

The cost of sales of NeuroGen Zhuhai and our Group primarily consisted of (i) material costs, (ii) depreciation and amortization, mainly in relation to property and equipment and intangible assets, (iii) staff costs, (iv) net inventory provision and write-off, and (v) royalties. The following table sets forth a breakdown of the cost of sales in absolute amounts and as a percentage of the total cost of sales 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										
Material costs	334,255	65.3	196,221	38.5	231,572	38.6	8,904	47.1	302,132	57.5
Depreciation and amortization	17,588	3.4	15,151	3.0	14,664	2.4	9,746	51.5	133,779	25.5
Staff costs	13,785	2.7	20,406	4.0	28,159	4.7	92	0.5	28,159	5.4
Inventory provision/write-off, net	8,595	1.7	(2,652)	(0.5)	12,566	2.1	(49)	(0.3)	9,135	1.7
Royalties	99,161	19.4	237,356	46.6	281,351	46.9	—	—	15,542	3.0
Others	25,138	4.9	30,328	6.0	32,179	5.3	230	1.2	36,377	6.9
Service income										
Staff costs	11,046	2.2	11,747	2.3	—	—	—	—	—	—
Others	2,024	0.4	1,056	0.1	—	—	—	—	—	—
Total	511,592	100.0	509,613	100.0	600,491	100.0	18,923	100.0	525,124	100.0

SUMMARY

Note:

- (1) The royalties paid by NeuroGen Zhuhai represent (i) prior to the Acquisition, payments to UCB for the use of Keppra-related intellectual property rights; and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, payments to NeuroGen HK for the use of Keppra-related intellectual property rights. The royalties paid by our Group represent payments to UCB for using the trademark of Vimpat. For details, see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — 2024 Acquisition of UCB’s Mature Neurology and Allergy Business in China.”

Gross Profit and Gross Profit Margin

NeuroGen Zhuhai recorded gross profit of RMB424.1 million, RMB425.3 million and RMB551.2 million in 2023, 2024 and 2025, respectively, representing a gross margin of 45.3%, 45.5% and 47.9% for the respective years. For the period from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025, our Group recorded a gross loss of RMB6.8 million and a gross profit of RMB794.4 million, respectively, representing a gross margin of negative 55.8% and a gross margin of 60.2% for the respective periods. The following table sets forth a breakdown of the gross profit/(loss) and gross margin 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					
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Loss	Gross Margin	Gross Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sales of pharmaceutical products	422,813	45.9	423,605	46.0	551,155	47.9	(6,778)	(55.8)	794,060	60.2
Service income	1,238	8.7	1,724	11.9	—	—	—	—	327	100.0
Total	424,051	45.3	425,329	45.5	551,155	47.9	(6,778)	(55.8)	794,387	60.2

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	162,839	138,952	144,544	4,837,658	4,837,982
Total current assets	422,825	386,052	668,094	1,099,350	1,135,478
Total current liabilities	343,931	342,839	468,316	477,844	396,133
Net current assets	78,894	43,213	199,778	621,506	739,345
Total assets less current liabilities	241,733	182,165	344,322	5,459,164	5,577,327
Total non-current liabilities	45,596	35,069	43,329	2,221,694	2,169,030
Net assets	196,137	147,096	300,993	3,237,470	3,408,297

SUMMARY

NeuroGen Zhuhai

The net current assets of NeuroGen Zhuhai increased significantly from RMB43.2 million as of December 31, 2024 to RMB199.8 million as of December 31, 2025, primarily due to (i) an increase of RMB226.7 million in cash and cash equivalents, and (ii) an increase of RMB89.6 million in trade and other receivables; partially offset by (i) an increase of RMB128.9 million in trade and other payables, and (ii) a decrease of RMB37.2 million in inventories.

The net current assets of NeuroGen Zhuhai decreased from RMB78.9 million as of December 31, 2023 to RMB43.2 million as of December 31, 2024, primarily due to (i) a decrease of RMB43.6 million in trade and other receivables, and (ii) a decrease of RMB10.4 million in inventories, partially offset by an increase of tax recoverable of RMB19.2 million.

Our Group

Our net current assets increased from RMB739.3 million as of December 31, 2025 to RMB879.7 million as of April 30, 2026, primarily due to (i) a net increase of RMB108.9 million in other financial assets, which represents short-term wealth management products we purchased using our cash and cash equivalents to optimize the use of our available funds, and (ii) an increase of RMB90.5 million in trade and other receivables.

Our net current assets increased from RMB621.5 million as of December 31, 2024 to RMB739.3 million as of December 31, 2025, primarily due to (i) an increase of RMB234.5 million in cash and cash equivalents, and (ii) a decrease of RMB154.5 million in trade and other payables; partially offset by (i) a decrease of RMB154.2 million in inventories, and (ii) an increase of RMB73.0 million in borrowings.

Summary of Consolidated Statements of Cash Flows

The following table sets forth the components of NeuroGen Zhuhai’s cash flows statements and our Group’s consolidated cash flows statements 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
Net cash from operating activities	97,293	98,177	252,872	4,596	340,161
Net cash (used in)/from investing activities	(8,633)	(9,703)	(13,961)	(4,838,876)	52,638
Net cash (used in)/from financing activities	(93,023)	(91,895)	(12,196)	5,326,565	(145,429)
Net (decrease)/increase in cash and cash equivalents	(4,363)	(3,421)	226,715	492,285	247,370
Cash and cash equivalents at beginning of the period . .	41,247	36,884	33,463	—	494,666
Effects of exchange rate changes	—	—	—	2,381	(12,902)
Total cash and cash equivalents at end of period	36,884	33,463	260,178	494,666	729,134

SUMMARY

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

Key Financial Ratios

The following table sets forth the key financial ratios of NeuroGen Zhuhai and our Group 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		
Gross margin (%)	45.3	45.5	47.9	(55.8)	60.2 ⁽¹⁾

Note:

- (1) The gross margin of our Group in 2025 was 72.5% if excluding the influence of impact of inventory revaluation and amortization of the Acquired Assets arising from the Acquisition.

The following table sets forth the key financial ratios of NeuroGen Zhuhai and our Group as of the dates indicated.

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
Current ratio ⁽¹⁾	1.2	1.1	1.4	2.3	2.9
Debt ratio (%) ⁽²⁾	66.5	72.0	63.0	45.5	42.9

Notes:

- (1) Current ratio represents current assets divided by current liabilities as of the relevant period end.
- (2) Debt ratio represents the total liabilities divided by total assets as of the relevant period end.

For details, see “Financial Information — Key Financial Ratios.”

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed “Risk Factors.” As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our Company. Some of the major risks that we face include:

- We operate in a highly competitive industry and may not be able to compete effectively against current and future competitors, which could adversely affect our revenue and profitability;
- Failure to achieve or maintain market acceptance for our products could have an adverse impact on our profitability and business prospects;
- National, provincial or other government-sponsored medical insurance programs may have a material impact on our revenue and profitability;
- We face risks associated with business acquisitions and investments. If we fail to successfully integrate our acquired business or any future targets into our own operations, our post-acquisition performance and business prospects may be adversely affected;

SUMMARY

- Certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs;
- If we are unable to succeed in a competitive centralized procurement process to supply our products to public hospitals and other medical institutions, we may lose market share and our revenue and profitability could be adversely affected;
- If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, our business and prospects could be adversely affected;
- If we fail to maintain, expand and optimize an effective distribution network for our pharmaceutical products, our sales and business prospects could be adversely affected;
- Our pledged equity interests in certain principal operating subsidiaries may be enforced if we default under the relevant loan arrangements, which could result in our loss of control over such subsidiaries and materially and adversely affect, or even terminate, our business operations; and
- We may incur impairment losses on our intangible assets and goodwill.

DIVIDEND

No dividends have been paid by our Group since our Group’s incorporation. We do not have a formal dividend policy or a fixed dividend payout ratio. Subject to our Articles of Association and the Cayman Companies Act, our shareholders may, by ordinary resolution declare dividends, but no dividend shall exceed the amount recommended by our Board. Under Cayman Islands law, dividends may be paid out of profits or out of the share premium account, provided that in no circumstances may a dividend be paid if this would cause the Company to be unable to pay its debts as they fall due in the ordinary course of business.

The recommendation of any dividend by our Board and the declaration of any dividend by our Shareholders will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions, including dividend restrictions pursuant to the Offshore Facility Agreement, and other factors that our Directors consider relevant. For details of dividend restrictions under the Offshore Facility Agreement, see “History and Corporate Structure — Major Acquisitions, Disposals and Mergers — Loan Facility Arrangements.” We cannot guarantee in what form dividends will be paid in the future. We are a holding company incorporated under the laws of the Cayman Islands, and accordingly the financial position of accumulated losses does not in itself prohibit us from declaring and paying dividends to our Shareholders. Dividends may be declared and paid out of our share premium account notwithstanding a lack of distributable profits, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our PRC subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses in connection with the [REDACTED] payable by us, and assuming that the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document.

We currently intend to apply these [REDACTED] for the following purposes: (i) approximately [REDACTED]%, or HK\$[REDACTED] for our R&D activities to advance late-stage clinical development, registration activities and indication expansion across our core therapeutic areas, including NG1706, NG1806, NG1807 and for Keppra SR formulations; (ii) approximately [REDACTED]%, or HK\$[REDACTED] for strengthening and expanding our commercialization capabilities; (iii) approximately [REDACTED]%, or HK\$[REDACTED] for upgrading and expanding our existing manufacturing facilities; (iv) approximately [REDACTED]%, or HK\$[REDACTED] million to finance the settlement of the remaining consideration payable under the Hui Zhong Ji Shi Cooperation Agreement in connection with the BD of NG1806; and (v) approximately [REDACTED]%, or HK\$[REDACTED] for working capital and other general corporate purposes. For further details, see “Future Plans and [REDACTED].”

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share), representing approximately [REDACTED]% of the estimate [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] expenses consist of (i) [REDACTED]-related expenses, including [REDACTED] commission, of approximately HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high to us. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

SUMMARY

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was directly owned as to 47.62% by CBC Shareholding Group and 47.62% by Mubadala Shareholding Group. Immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] Equity Incentive Plan, CBC Shareholding Group and Mubadala Shareholding Group will be entitled to exercise voting rights of approximately [REDACTED]% and [REDACTED]% of our issued share capital, respectively. Accordingly, each of CBC Shareholding Group and Mubadala Shareholding Group will constitute a Controlling Shareholder of our Company immediately following the completion of the [REDACTED]. CBC Shareholding Group and Mubadala Shareholding Group are professional investors. Notwithstanding that each of CBC Shareholding Group and Mubadala Shareholding Group is one of our Controlling Shareholders, there is a clear delineation between our Group’s businesses and those of the CBC Portfolio Companies and Mubadala Portfolio Companies in which CBC Shareholding Group and Mubadala Shareholding Group hold more than 10% equity interest, respectively. As CBC Portfolio Companies focuses on oncology, ophthalmology, renal diseases, infectious diseases, autoimmune diseases, cardiovascular and metabolic diseases, respiratory diseases, emergency care, iron deficiency anemia, gastroenterology, pediatrics, biotechnology incubation or other therapeutic areas, and Mubadala Portfolio Companies focuses on cardiovascular, metabolic, chronic disease and acute/critical care indications, while our Group dedicated to neurology, pain management and allergy in China, and their respective products are indicated for different diseases with no overlapping therapeutic applications. For details, see “History and Corporate Structure — Our Shareholding and Corporate Structure” and “Relationship with our Controlling Shareholders” to this document.

PRE-[REDACTED] EQUITY INCENTIVE PLAN

As of the Latest Practicable Date, our company has adopted a Pre-[REDACTED] Equity Incentive Plan on August 4, 2025 (as amended on May 25, 2026). The terms of the Pre-[REDACTED] Equity Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the granting of Shares or options by our Company after the [REDACTED]. There will be no further dilution effect on the shareholding of our Shareholders upon the exercise of the options or vesting of the RSUs under the Pre-[REDACTED] Equity Incentive Plan. For details, see “Statutory and General Information — C. Share Incentive Plan” in Appendix V to this document.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

In November 2024, our Company, through its wholly-owned subsidiary NeuroGen HK, acquired UCB’s mature neurology and allergy business in China from UCB. The Acquisition of UCB’s mature neurology and allergy business in China is classified as a major transaction and we are thus required to present in the document the pre-acquisition financial information of UCB Zhuhai from the commencement of the Track Record Period to the date of completion of the acquisition under Rule 4.05A of the Listing Rules. For details, please refer to “History and Corporate Structure — Corporate Development and Major Shareholding Changes — 2024 Acquisition of UCB’s Mature Neurology and Allergy Business in China” and the accountants’ reports set out in Appendix IB (accountants’ report of NeuroGen Zhuhai as of December 31, 2023, 2024 and 2025) and Appendix IC (accountants’ report of the Pre-Acquisition Financial Information of NeuroGen Zhuhai) to this document.

[REDACTED]

SUMMARY

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Developments

Our business continued to grow since the end of the Track Record Period. Particularly, in April 2026, we in-licensed AJOVY from Teva. In June 2026, we acquired NG1807 from Shanghai Sinopeak Pharmaceutical Co., Ltd. for NG1807. Through this, we continue to expand our CNS-focused product pipeline.

In June 2026, we received the BLA approval for AJOVY from the NMPA.

No Material Adverse Change

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

DEFINITIONS

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

“2024 Period”	the period from June 11, 2024 to December 31, 2024
“Accountants’ Reports”	the accountants’ reports on the historical information of our Company and NeuroGen Zhuhai, the text of which is set out in Appendix IA, Appendix IB and Appendix IC to this document
“affiliate(s)”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company conditionally adopted by a special resolution passed on [●] with effect from the [REDACTED], and as amended from time to time, a summary of which is set out in “Summary of the Constitution of our Company and Cayman Islands Company Law” in Appendix III to this document
“Audit Committee”	the audit committee of our Board
“Board”, “Board of Directors” or “our Board”	the board of Directors of our Company
“business day” or “Business Day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
[REDACTED]	
“Cayman Companies Act” or “Companies Act”	the Companies Act (as amended) of the Cayman Islands
“CBC Shareholding Group”	including (i) C-Bridge V Investment Fifteen Limited, (ii) C-Bridge V Investment Holdings Pte. Ltd, (iii) C-Bridge Healthcare Fund V, L.P., (iv) C-Bridge Healthcare Fund GP V, LP., (v) C-Bridge Capital GP V, Ltd., (vi) Nova Aqua Limited; (vii) C-Bridge IV Investment Twenty-three Limited, (viii) Shanghai Kangzhichuan Enterprise Management Consulting Partnership (Limited Partnership) (上海康之川企業管理諮詢合夥企業(有限合夥)), (ix) Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司), (x) CBC Group (HK) Limited, and (xi) Mr. FU Wei

DEFINITIONS

[REDACTED]

“CDE”	the Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心), a division of the NMPA mainly responsible for the review and approval of IND and NDA/BLA
“China” or “the PRC” or “Chinese Mainland”	the People’s Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires otherwise, references in this document to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company,” or “the Company”	NeuroGen Pharma Limited (神基製藥有限公司) (formerly known as Concord Acquisition Holdings Limited), a BVI business company incorporated under the laws of British Virgin Islands on June 11, 2024, re-domiciled to the Cayman Islands and was registered by way of continuation as an exempted company with limited liability under the laws of the Cayman Islands on April 30, 2026
“Compliance Advisor”	Altus Capital Limited (浩德融資有限公司)
“Controlling Shareholders”	refers to CBC Shareholding Group and Mubadala Shareholding Group, details of which are set out in the section headed “Relationship with our Controlling Shareholders” in this document
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“EIT”	the enterprise income tax
“EIT Law”	PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法)
“ESG”	environmental, social and governance
“ESOP Holdcos”	ThriveCap Ltd. and AxisPoint Holdings Ltd., the BVI companies established each as a platform to hold an aggregate of 23,000,000 underlying Ordinary Shares corresponding to the incentives granted to eligible participants under the Pre-[REDACTED] Equity Incentive Plan

DEFINITIONS

“Extreme Conditions” extreme conditions caused by a super typhoon as announced by the government of Hong Kong

“FDA” the United States Food and Drug Administration

[REDACTED]

“Frost & Sullivan” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, and an Independent Third Party

“Frost & Sullivan Report” the report prepared by Frost & Sullivan

“General Rules of HKSCC” the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[REDACTED]

“Group,” “our Group,” “the Group,” “we,” “us,” or “our” our Company and its subsidiaries from time to time, and where the context requires, the businesses operated by our Company and/or its subsidiaries and their predecessors (if any), and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

“Guide for New Listing Applicants” the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“HK” or “Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong dollars” or “HK\$” Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“IASB” International Accounting Standards Board

“IFRS” the International Financial Reporting Standards as issued by the IASB

“Independent Third Party(ies)” any entity or person, who, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning ascribed to it under the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“Joint Sponsors”	J.P. Morgan Securities (Far East) Limited, CITIC Securities (Hong Kong) Limited and HSBC Corporate Finance (Hong Kong) Limited
“Latest Practicable Date”	June 20, 2026, being the latest practicable date for ascertaining certain information in this document before its publication

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

DEFINITIONS

“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company conditionally adopted by a special resolution passed on [●] with effect from the [REDACTED], and as amended from time to time, a summary of which is set out in “Summary of the Constitution of our Company and Cayman Islands Company Law” in Appendix III to this document
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mubadala Shareholding Group”	including (i) ATIC Second International Investment Company LLC, (ii) Mubadala Technology Investments (Mubadala Technology) LLC, (iii) Mamoura Diversified Global Holding PJSC, and (iv) Mubadala Investment Company PJSC
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NeuroGen HK”	Concord Acquisition (HK) Limited (神基製藥(香港)有限公司), a limited liability company established under the laws of Hong Kong on July 19, 2024 and a wholly-owned subsidiary of our Company
“NeuroGen Shanghai”	NeuroGen Pharma (Shanghai) Co., Ltd. (神基(上海)製藥有限公司), a limited liability company established under the laws of PRC on July 8, 2025 and a wholly-owned subsidiary of our Company
“NeuroGen Shanghai Trading”	NeuroGen Trading (Shanghai) Co., Ltd. (神基貿易(上海)有限公司), a limited liability company established under the laws of PRC on September 26, 2024 and a wholly-owned subsidiary of our Company
“NeuroGen Singapore”	NeuroGen Pharma (Singapore) Pte. Ltd, a limited liability company established under the laws of Singapore on November 12, 2025 and a wholly-owned subsidiary of our Group
“NeuroGen Zhuhai” or “UCB Zhuhai”	NeuroGen Pharma (Zhuhai) Co., Ltd. (神基(珠海)製藥有限公司) (formerly known as Zhuhai Schwarz Pharmaceutical Co., Ltd. (珠海許瓦茲製藥有限公司) and UCB Pharma (Zhuhai) Co., Ltd. (優時比(珠海)製藥有限公司)), a limited liability company established under the laws of the PRC on April 8, 1997 and a wholly-owned subsidiary of our Group
“NeuroGen Beijing Holding”	NeuroGen (Beijing) Holding Co., Ltd. (神基(北京)控股有限公司), a limited liability company established under the laws of PRC on June 20, 2025 and a wholly-owned subsidiary of our Company
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局), the successor to the China Food and Drug Administration (國家食品藥品監督管理總局)
“Nomination Committee”	the nomination committee of our Board

DEFINITIONS

[REDACTED]

“Ordinary Share(s)” ordinary share(s) in the share capital of our Company, with a nominal value of US\$1.0 each

[REDACTED]

“PRC Legal Advisor” Commerce & Finance Law Offices, the PRC legal advisor to our Company

“Pre-[REDACTED] Equity Incentive Plan” the pre-[REDACTED] equity incentive plan of our Company which was adopted and approved by the Board on August 4, 2025 (as amended from time to time), the principal terms of which are set out in the section headed “Statutory and General Information — C. Share Incentive Plan” in Appendix V to this document

[REDACTED]

“Document” this document being issued in connection with the [REDACTED]

[REDACTED]

“R&D” research and development

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

DEFINITIONS

“Remuneration Committee”	the remuneration committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit(s) granted under the Pre-[REDACTED] Equity Incentive Plan
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$1.0 each
“Shareholder(s)”	holder(s) of our Share(s)
“Sponsor-[REDACTED]”	the sponsor-[REDACTED] as named in the section headed “Directors and Parties Involved in the [REDACTED]”
“STA”	the State Taxation Administration (國家稅務總局)
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
	[REDACTED]
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategy Committee”	the strategy committee of our Board
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance

DEFINITIONS

“Takeovers Code”	Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three financial years ended December 31, 2023, 2024 and 2025
“Treasury Share(s)”	the Shares repurchased and held by our Company in treasury, if any
“UCB”	UCB Pharma S.A., a company listed on the Euronext Brussels stock exchange (Euronext Brussels: UCB), and, where the context requires, its subsidiaries, affiliates and/or other relevant members of its group
[REDACTED]	
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars,” “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“VAT”	value-added tax

[REDACTED]

“%”	per cent

In this document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder,” “exchange participants” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“AED”	anti-epileptic drug, a drug intended to prevent or control epileptic seizures and used in the treatment of epilepsy, whether as monotherapy or adjunctive therapy
“agitation”	a state of excessive motor activity, emotional distress, and irritability, often associated with disruptive or aggressive behavior
“allergen”	a substance capable of inducing a hypersensitivity reaction in susceptible individuals
“AR”	allergic rhinitis, a non-infectious chronic inflammatory disease of the nasal mucosa mainly mediated by immunoglobulin E (IgE) when atopic individuals are exposed to allergens
“ASM”	anti-seizure medication, pharmaceutical agents designed to suppress or prevent abnormal electrical discharges in the brain that trigger epileptic seizures
“AUC”	area under the concentration-time curve, a pharmacokinetic parameter used to measure the extent of systemic drug exposure over time
“BLA”	biologics license application
“CAGR”	compound annual growth rate
“cancer pain”	pain caused by cancer itself or by cancer treatment
“CGRP”	calcitonin gene-related peptide, a neuropeptide involved in migraine pathophysiology and pain signaling
“CIBP”	cancer-induced bone pain
“CIndU”	chronic inducible urticaria, a subtype of chronic urticaria in which wheals, angioedema, or both recur for more than six weeks and are triggered by specific and reproducible stimuli
“CMO”	contract manufacturing organization, a company that provides drug manufacturing services on a contract basis
“CNS”	central nervous system, a system that comprises the brain and spinal cord, responsible for processing sensory information and coordinating bodily functions. It serves as the primary target for therapies addressing neurological and psychiatric disorders

GLOSSARY OF TECHNICAL TERMS

“cognitive impairment”	impairment in mental processes such as attention, memory, learning and executive function
“COMT inhibitors”	catechol-O-methyltransferase inhibitors, a class of drugs that inhibit the catechol-O-methyltransferase enzyme and are used to reduce levodopa metabolism and prolong levodopa’s effect in the treatment of Parkinson’s disease
“COX-2 inhibitors”	selective cyclooxygenase-2 inhibitors, a subclass of non-steroidal anti-inflammatory drugs that reduce pain and inflammation by selectively inhibiting the cyclooxygenase-2 enzyme
“CRO”	contract research organization, a company that provides a range of professional research services on a contract basis
“CSO”	contract sales organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of services for the development and commercialization of new drugs, medical devices, and other healthcare products
“CSU”	chronic spontaneous urticaria, a condition characterized by the recurrent appearance of itchy hives or welts lasting for six weeks or longer, often without an identifiable cause
“CU”	chronic urticaria
“cytokines”	small signaling proteins released by cells that regulate immunity, inflammation and hematopoiesis
“dopamine agonists”	a compound that activates dopamine receptors in the absence of dopamine
“dose titration”	the process of adjusting the dose of a drug to achieve the desired therapeutic effect while minimizing adverse effects
“epilepsy”	a group of non-communicable neurological disorders characterized by recurrent epileptic seizures
“extrapyramidal symptoms”	drug-induced movement disorders that may include dystonia, parkinsonism, akathisia and tardive dyskinesia
“first-line”	with respect to any disease, the first line treatment refers to the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment. It is also called primary treatment or therapy
“GABA”	gamma-aminobutyric acid, the principal inhibitory neurotransmitter in the central nervous system
“GCP”	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans

GLOSSARY OF TECHNICAL TERMS

“gepants”	a class of drugs that act as calcitonin gene-related peptide receptor antagonists and are used in the acute treatment and, for certain agents, the preventive treatment of migraine
“GHG”	greenhouse gas
“GFA”	gross floor area
“HS&E”	health, safety and environment
“hypersensitivity”	an objectively reproducible set of symptoms or signs initiated by exposure to a defined stimulus at a dose tolerated by normal individuals
“IgE”	immunoglobulin E, a class of antibodies involved in allergic reactions and defense against certain parasites
“infiltration injection”	a method of drug administration in which an anesthetic or analgesic agent is injected directly into tissues at or near the site requiring pain control
“IRB”	Institutional Review Board
“MAO-B inhibitors”	monoamine oxidase B inhibitors, a class of drugs that inhibit the enzyme monoamine oxidase type B. In EMA product materials, MAO-B inhibitors are described as blocking monoamine oxidase type B, which breaks down dopamine in the brain
“migraine”	a primary headache disorder characterized by recurrent headache attacks, with or without aura, and associated symptoms
“monoclonal antibodies”	antibodies capable of binding to specific antigens and inducing immunological responses against the target antigens. Monoclonal antibodies when used as a cancer treatment have the ability to bind only to cancer cell-specific antigens and interrupt the growth of cancer cells to achieve efficient treatment with low dosages and less toxic side effects than traditional chemotherapy
“monotherapy”	therapy that uses a single drug to treat a disease or condition
“NDA”	new drug application
“neuropathic pain”	pain caused by a lesion or disease affecting the somatosensory nervous system
“non-opioid analgesics”	analgesic drugs that relieve pain without acting as opioids or binding to opioid receptors, and that are used to manage pain through other pharmacological mechanisms
“NSAID”	non-steroidal anti-inflammatory drug, a class of medicines commonly used to relieve pain and inflammation

GLOSSARY OF TECHNICAL TERMS

“NRDL”	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》)
“opioids”	a class of drugs that act on opioid receptors to produce analgesia and are commonly used for the management of moderate to severe pain
“OSF”	oral soluble film, a thin oral dosage form designed to dissolve in the mouth and release the active ingredient without the need for swallowing a conventional tablet
“osteoarthritis pain”	pain associated with osteoarthritis, a degenerative joint disease characterized by the progressive destruction of articular cartilage and other joint tissues
“OTC”	over-the-counter, referring to drugs that may be supplied without a prescription
“PD”	Parkinson’s disease, a brain disease that causes problems with movement, as well as mental health, sleep, pain and other health issues, and whose symptoms worsen over time
“phase 1 clinical trial”	a study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
“phase 2 clinical trial”	a study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, preliminarily evaluate the efficacy of the product for specific targeted diseases, and determine dosage tolerance and optimal dosage
“phase 3 clinical trial”	a study in which a drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the product’s labeling
“postoperative pain”	acute pain occurring after a surgical procedure
“schizophrenia”	a mental illness characterized by significant impairments in perception and changes in behavior, which may include persistent delusions, hallucinations, disorganized thinking, highly disorganized behavior, and impaired functioning
“sustained-release granule formulation”	a granule dosage formulation designed to release the active pharmaceutical ingredient gradually over an extended period of time so as to maintain therapeutic drug levels for a longer duration after administration

GLOSSARY OF TECHNICAL TERMS

“SR”	sustained-release
“SV2A”	synaptic vesicle protein 2A, a synaptic vesicle membrane protein involved in the regulation of neurotransmitter release
“urticaria”	a vascular reaction of the skin characterized by the transient appearance of wheals and associated pruritus
“VBP”	volume-based procurement
“voltage-gated sodium channels”	transmembrane ion channels that open in response to changes in membrane potential and are involved in the initiation and propagation of action potentials

FORWARD-LOOKING STATEMENTS

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

- our mission, goals and strategies;
- our future business development, financial conditions and results of operations;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, business partners, suppliers and other partners;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- our ability to attract and retain qualified personnel;
- competition in the industries and markets in which we operate or into which we intend to expand;
- our proposed [REDACTED];
- rapid developments in technology and our ability to successfully keep up with technological advancement;
- changes in currency exchange rates;
- relevant government policies and regulations relating to industries which we operate in;
- certain statements in this document with respect to trends in prices, operations, margins, overall market trends, and risk management;
- change of volatility in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- other statements in this document that are not historical facts.

FORWARD-LOOKING STATEMENTS

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

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

RISK FACTORS

An [REDACTED] in our [REDACTED] involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before deciding to [REDACTED] in our [REDACTED]. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such event, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition, and results of operations.

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

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (i) risks related to our industry and sales of our products, (ii) risks related to our drug candidates, (iii) risks related to our operations, (iv) risks related to our intellectual property, (v) risks related to our financial performance, (vi) risks related to doing business in the jurisdictions where we operate, and (vii) risks related to the [REDACTED].

RISKS RELATED TO OUR INDUSTRY AND SALES OF OUR PRODUCTS

We operate in a highly competitive industry and may not be able to compete effectively against current and future competitors, which could adversely affect our revenue and profitability.

We operate in a highly competitive pharmaceutical industry. Although we have established a portfolio of six approved products and three innovative pipeline products, focusing on neurology, pain management and allergy, we face intense competition from reputable competitors engaged in the development and commercialization of similar therapeutic areas. Some of these competitors may have greater financial resources, more advanced technologies, more extensive product portfolios or stronger commercialization capabilities than we do. Furthermore, the competitive landscapes of our target markets are constantly evolving with the emergence of next-generation technologies and therapeutic approaches, which could drive the development of superior treatment options. We cannot guarantee that we will be able to compete effectively against current and future competitors on the basis of efficacy, safety, price or general market acceptance. Failure to compete effectively and maintain the sales volume, pricing levels and profit margins of our commercialized products could have an adverse effect on our business, financial condition and results of operations.

Moreover, our commercial opportunities could be significantly reduced or even eliminated if our competitors develop and commercialize drugs that are safer, more effective, more convenient, or less expensive than our commercialized products or the drug candidates. Our competitors may also obtain approval from the NMPA, the FDA or other comparable regulatory authorities for their drugs more rapidly than we do, potentially leading to a strong competitive position established by our competitors before our market entry. They may render our drug candidates obsolete or non-competitive before we can recover expenses for developing and commercializing any of our product candidates.

We have a limited operating history compared to our competitors. As a result, our historical financial and operating results may not be indicative of our future performance. We have only commenced the development and commercialization of our products for a relatively short period of time, and our experience in product commercialization, including marketing, distribution and sales management, remains limited. Our historical performance regarding such capabilities may not accurately predict our future performance in any of these areas. In particular, our ability to successfully commercialize our future

RISK FACTORS

products may involve more inherent risks, take longer and cost more than it would have if we were a company with a longer track record in commercialization. There is no assurance that we will be able to fully leverage our existing product portfolio and established sales network, or that the market acceptance of our products will meet our expectations, which, individually or collectively, could adversely affect our future business, results of operations and financial conditions.

Furthermore, there may also be consolidation or alliances among our competitors in the pharmaceutical industry that may rapidly acquire significant market share. Through collaborative arrangements with large and established companies, smaller or early-stage biopharmaceutical companies may also prove to be significant competitors. If we fail to effectively compete with our competitors or adjust to structural changes in the pharmaceutical industry, our revenue and profitability may be adversely affected.

Failure to achieve or maintain market acceptance for our products could have an adverse impact on our profitability and business prospects.

The commercial success of our products, including commercialized products and drug candidates to be approved in the future, depends on the degree of market acceptance they achieve among the medical community, particularly medical professionals, patients and hospitals. The acceptance of our products is influenced by several factors, including (i) the perceived advantages of our products over competing products and the availability and success of competing products, (ii) the safety and efficacy of our products, (iii) the pricing and cost-effectiveness of our products, (iv) the effectiveness of our sales and marketing efforts, (v) publicity concerning our products or competing products, (vi) our ability to respond to changes in needs and preferences of healthcare practitioners and patients, and (vii) the inclusion of our products in key medical insurance schemes, including the or other government-sponsored medical insurance programs.

We are subject to risks relating to product concentration as we derived the majority of our revenue from the sales of Keppra and Vimpat. In 2023, 2024 and 2025, 96.9%, 95.6% and 98.7% of NeuroGen Zhuhai’s revenue during the Track Record Period was derived from the sales of Keppra and Vimpat. For the period from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025, 9.2% and 88.4% of our Group’s revenue during the Track Record Period was derived from the sales of Keppra and Vimpat. Insufficient market acceptance of Keppra or Vimpat, as well as other products may lead to decreases in their sales volumes and price levels, or require adjustments to our cost structures, which in turn could adversely affect our revenue and profitability. Before we generate revenue from the commercialization of other commercialized products and our drug candidates, we expect that our revenue will remain concentrated in a limited number of commercialized products in the near future, rendering us particularly susceptible to factors adversely affecting the sales volume, price levels or profitability of these products. If we fail to achieve or maintain broad market acceptance, or if new products or treatments introduced by our competitors are perceived more favorably by healthcare practitioners and patients, the demand for our products may decline. As a result, our profitability and business prospects may be adversely affected.

Furthermore, even if our commercialized products achieve initial market acceptance, the actual market size for our drug candidates may not be as large as we anticipate due to factors such as pricing and patient availability, reimbursement rates and evolving medical practices. The number of patients in addressable markets may turn out to be lower than expected, or new patient identification and access may become more challenging. Any of these unfavorable developments could potentially limit our sales volume and adversely affect our business, financial condition and results of operations.

National, provincial or other government-sponsored medical insurance programs may have a material impact on our revenue and profitability.

Insurance coverage is a critical factor in a patient’s ability to afford treatments, and without it, the demand for our products could be adversely affected. If a pharmaceutical product is covered by medical insurance, whether provided by the government or a private entity, patients may be entitled to

RISK FACTORS

reimbursement for all or a portion of the cost. Consequently, the inclusion or exclusion of a pharmaceutical product in or from insurance program such as the NRDL or other government-sponsored medical insurance programs in China will significantly affect patient demand.

As of December 31, 2025, four of our approved products were included in the NRDL, including Keppra, Vimpat, Zyrtec and Xyzal. The selection of pharmaceutical products for listing in medical insurance catalogs is based on a variety of factors, including clinical needs, frequency of use, effectiveness, safety and price. There can be no assurance that any of our products will remain in or be added to the NRDL. If we were to successfully launch commercial sales of our products but failed in our efforts to have our products included in the NRDL, our revenue from the sales of commercialized products would be highly dependent on patient self-payment, which can make our products less attractive. Patients may choose other products with similar efficacy but lower prices which have been included in the NRDL.

Moreover, the PRC government authorities may also, from time to time, review and revise, or change the scope of reimbursement for, the products that were previously covered. Therefore, there can be no assurance that any of our products currently listed in these medical insurance catalogs will remain listed, or that changes in the scope of reimbursement will not negatively affect our products. If any of our products or their indications are removed from any medical insurance catalog, or if the scope of reimbursement is reduced, demand for our products may decrease and our revenue and profitability could be adversely affected. Even if the government authorities were to accept our application for the inclusion of products in the catalog, our potential revenue from the sales of these products could still decline as we may be required to significantly lower their prices to secure such inclusion.

We face risks associated with business acquisitions and investments. If we fail to successfully integrate our acquired business or any future targets into our own operations, our post-acquisition performance and business prospects may be adversely affected.

We completed the acquisition of NeuroGen Zhuhai in November 29, 2024. As the acquisition of NeuroGen Zhuhai occurred during the Track Record Period, the presentation and comparability of our financial information in this document are affected by the acquisition and the resulting consolidation of NeuroGen Zhuhai. The acquisition of NeuroGen had a significant impact on our financial performance during the Track Record Period as NeuroGen Zhuhai contributed a substantial portion of our revenue and gross profit following the acquisition. Accordingly, our overall financial performance during the Track Record Period was to a large extent affected by the consolidation of NeuroGen Zhuhai’s business operation and financial results. We may acquire other businesses in the future. There can be no assurance that NeuroGen Zhuhai or future targets will bring benefits to us to the extent anticipated. Integration of NeuroGen Zhuhai or future targets into our existing business may not achieve the expected synergies with our existing operations and fulfill the contemplated purposes of the acquisitions. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. Our failure to meet the challenges involved in realizing the anticipated benefits of the acquisitions could cause an interruption of, or a loss of momentum in, our activities and could adversely affect our results of operations. The historical financial results of our Group and NeuroGen Zhuhai may not be comparable across periods and may not be indicative of our future financial condition, results of operations or cash flows.

Even if we achieve the expected benefits, they may not be realized within the anticipated time frame. In addition, the expected synergies from the acquisition of NeuroGen Zhuhai or future acquisitions may be offset by integration costs, loss of or disputes with key employees, partners or suppliers of the acquired business, increases in other expenses, operational liabilities or problems inherent in the acquired business. Furthermore, the acquisitions may not provide us with the intellectual property rights, technologies, R&D capabilities or sales and marketing infrastructure we anticipated, or they may be subject to unforeseen liabilities and risks. As a result, there can be no guarantee that we will be able to enhance our post-acquisition performance or achieve sustainable growth through our recent or future acquisitions.

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If we use equity securities to finance acquisitions, the value of our Shares may be diluted. If we borrow funds to finance acquisitions, the associated debt instruments may contain restrictive covenants that could, among other things, restrict us from dividends distribution. Such acquisitions may also result in significant amortization of intangible assets, impairment charges, write-offs or other non-recurring expenses. The costs of identifying, evaluating and completing acquisitions may be substantial. Transactions may also require shareholders’ approval or regulatory approvals, which could increase costs and create uncertainties or delays. Our failure to manage these risks or other issues arising from our recent or future acquisitions could adversely affect our business, financial condition and results of operations.

Certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs.

During the Track Record Period, a substantial majority of our revenue from the sales of commercialized products was generated in China. The PRC government may reform the schemes of pricing control and statutory tender processes for pharmaceutical products or revise other policies affecting prices of pharmaceutical products over time. In November 2018, the national pilot program for volume-based procurement (the “VBP”) scheme with minimum procurement quantities was launched in 11 cities in China, which has been extended nationwide since 2019. The initiative aims to secure larger quantities of pharmaceutical products at lower prices and thus may potentially impact how drugs are priced and procured in China. See “Regulatory Overview — Laws and Regulations in Relation to Drug Research and Registration — Other Laws and Regulations in Relation to Medical Industry — Drug Price” for details.

The VBP schemes, while enabling larger sales volumes, exert downward pressure on our product pricing to win bids and influence the prices at which we sell our products to our customers, thus potentially affecting our revenue and profitability. In addition, the drug coverage of the VBP schemes is updated on an annual basis. There can be no assurance that we will have additional drugs included in such schemes in the future. If our competitors win the bid under such schemes while we fail to do so, demand for our products may decrease, which could adversely affect our procurement volumes through public hospitals and our market penetration. Moreover, even if our products win the bid, there may be discrepancies between the estimated procurement volumes set out in the tender documents and the actual procurement volumes. Consequently, there are uncertainties regarding the impact of the implementation of the VBP schemes on the sales volume and revenue of the winning products.

If we are unable to succeed in a competitive centralized procurement process to supply our products to public hospitals and other medical institutions, we may lose market share and our revenue and profitability could be adversely affected.

Most pharmaceutical products that are sold to public hospitals and other relevant medical institutions in China must go through a competitive centralized procurement process. This government-led mechanism regulates the purchasing of pharmaceuticals by public hospitals and other relevant medical institutions and aims to make the price of drugs more affordable. We participate in these procurement processes by submitting bids to supply our products at specified prices. Our bids are generally evaluated based on several criteria, including prices relative to alternative therapies, demonstrated clinical efficacy, and the established quality of our products and services. If we succeed in a centralized procurement process, the relevant products will be sold to the public hospitals and other relevant medical institutions at the bid prices. These prices subsequently serve as a key reference point for determining our product pricing across distribution channels. See “Business — Pricing” for more details.

We may fail to win bids in a centralized procurement process due to various factors, including reduced demand for the relevant product, uncompetitive bidding price, failure to meet certain quality requirements, perception that our product is less clinically effective than competing products, or if our services or other aspects of our operations are deemed less competitive. If our products are not selected in the centralized procurement process in one or more regions, we may not be able to sell the relevant products to the public hospitals and other relevant medical institutions in those regions. Consequently, our market share, revenue and profitability could be adversely affected. Furthermore, the timing of the

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centralized procurement process in each province remains uncertain, including both their initiation and the implementation of new pricing following completion. This unpredictability in procurement cycles may disrupt our commercial planning and negatively affect our business, financial condition and results of operations.

The centralized procurement process can also create pricing pressure among substitute products or products that are perceived to be substitute products. Therefore, our sales volumes and profitability also depend on our ability to successfully differentiate our products and the pricing of our bids in a manner that enables us to succeed in the centralized procurement process at profitable levels. If we are unable to do so, we may lose the revenue associated with the sale of the affected products to the relevant PRC public hospitals and other public medical institutions, which may have an adverse impact on our market share and operations.

Any failure to perform proper quality control or assurance or produce products that satisfy necessary quality standards could harm our business and reputation.

Our products and manufacturing processes are required to meet certain quality standards. We cannot completely eliminate the risk of errors, defects or failure. We may fail to detect or resolve quality defects as a result of a number of factors, including but not limited to: (i) manufacturing error or malfunction; (ii) human error or malfeasance; (iii) mishandling by third parties engaged; and (iv) quality issues with the raw materials. In addition, when we expand our manufacturing capacity in the future, we may not be able to ensure consistent quality between products manufactured in the existing and new facilities, or may need to incur substantial costs for doing so. Furthermore, if we acquire other pharmaceutical companies, we may not be able to immediately ensure that their manufacturing facilities and processes will meet our own quality standards.

Failure to detect quality defects in our pharmaceutical products or to prevent such defective products from being delivered to end-users could result in patient injury or death, product recalls or withdrawals, license revocation or regulatory fines, or other consequences that could seriously harm our reputation and business, expose us to liability, and adversely affect our revenue and profitability.

If our products or product candidate cause, or are perceived to cause, severe side effects, our revenue, profitability and clinical progress could be adversely affected.

Our pharmaceutical products may cause severe side effects as a result of a number of factors, many of which are outside of our control. These factors include potential side effects not revealed in clinical studies, unusual but severe side effects in isolated cases, defective products not detected by our quality management system or misuse of our products by end-users. Our products may also be perceived to cause severe side effects when a conclusive determination as to the cause of the severe side effects is not obtained or is unobtainable. In addition, our products may be perceived to cause severe side effects if other pharmaceutical companies’ products containing the same or similar active pharmaceutical ingredients, raw materials or delivery technologies as our products are known or perceived to have caused severe side effects. Similarly, if one or more regulators in China or other jurisdictions, or an international institution, determines that products containing the same or similar pharmaceutical ingredients as ours cause or lead to severe side effects, this could also affect the perception of our products.

If our products cause, or are perceived to cause, severe side effects, we may face a number of consequences, including (i) injury or death of patients; (ii) a severe decrease in the demand for, and sales of, the relevant products; (iii) recall or withdrawal of the relevant products, or revocation of regulatory approvals for the relevant products or the relevant production facilities; (iv) damage to the brand name of our products and our reputation; (v) stricter and more frequent regulatory inspections of our manufacturing facilities and products; (vi) removal of relevant products from any medical insurance catalogs, including provincial lists of special medications related to the severe diseases insurance; (vii) inability to participate in the centralized procurement process; and (viii) exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or penalties. Any of these potential consequences could adversely affect our revenue, profitability and business prospects.

RISK FACTORS

We are subject to product liability claims against us, which could expose us to substantial costs and liabilities and adversely affect our operations, profitability and reputation.

We are exposed to product liability risks as a result of developing, producing, marketing, promoting and selling pharmaceutical products in the PRC and other jurisdictions in which our pharmaceutical products are marketed and sold. Such claims may arise if any of our products are deemed or proven to be unsafe, ineffective, defective or contaminated or if we are alleged to have engaged in practices such as insufficient or improper labeling of products or providing inadequate warnings or insufficient or misleading disclosures of side effects. There can be no assurance that we will not become subject to product liabilities claims or that we will be able to successfully defend ourselves against any such claims.

If a product liability claim is brought against us, it may, regardless of merit or outcome, strain our financial resources and consume the time and attention of our management. It may also result in damage to our reputation, product recalls, loss of revenue, and inability to commercialize our products. If we are unable to defend ourselves against such claims and our pharmaceutical products are found to be defective, we may be subject to civil liability for physical injury, death or other losses caused by our products, as well as criminal liability and the revocation of our business licenses. In addition, we may be required to recall the relevant products, suspend sales, or cease sales altogether. Even if we are able to successfully defend ourselves against any such product liability claims, doing so may require significant financial resources and the time and attention of our management.

PRC laws and regulations currently do not require us to maintain liability insurance to cover product liability claims, and product liability insurance we have purchased is limited. Our inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could prevent or inhibit the commercialization of products that we develop. For details, see “— Risks Related to Our Operations — We may not have sufficient insurance coverage to cover our potential liability or losses.”

Adverse drug reactions and negative results from off-label use of our products could adversely affect our business, reputation, brand name, and results of operations and expose us to liability claims.

Products distributed or sold in the pharmaceutical market may be subject to off-label drug use, which involves the prescription of a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. The NMPA, FDA and other comparable regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label use. Nevertheless, there remains the risk that our products are subject to off-label drug use and are prescribed in a patient population, dosage or dosage form that has not been approved by competent authorities, which may render our products less effective or entirely ineffective and may cause adverse events. Any of these occurrences can create negative publicity and adversely affect our reputation and brand name, and may expose us to liability claims and penalties. These occurrences may also cause a delay in the progress of our clinical trials or failure to obtain regulatory approval for our drug candidates, which could adversely affect our business and results of operations.

RISKS RELATED TO OUR DRUG CANDIDATES

If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, our business and prospects could be adversely affected.

Our long-term competitiveness depends on our ability to enhance our existing products and develop and commercialize new pharmaceutical products that address significant unmet medical needs. To this end, we have invested significant resources in advancing our technology platforms and building a strong pipeline of drug candidates. The development process of innovative drugs, our key growth driver, is particularly time-consuming and costly. There can be no assurance that our R&D activities will deliver the expected results.

RISK FACTORS

There is an inherent risk of failure for each of our drug candidates. We cannot predict when or if any of our drug candidates will prove effective and safe for humans or will receive regulatory approval. Before obtaining the required regulatory approval, our drug candidates must pass preclinical studies and extensive clinical trials to demonstrate their safety and efficacy in humans. While we aim to develop drug candidates that are novel, highly differentiated, or even potentially first-in-class or best-in-class globally, we cannot guarantee that we are able to achieve this goal. Failure can occur at any time during the clinical development process. The outcomes of early-stage studies and clinical trial results may not be predictive of later success, and interim results of such studies or trials do not necessarily predict final results.

Specifically, a drug candidate may fail to reach the market for reasons including: (i) failure to develop a companion diagnostic; (ii) inability to obtain approvals from regulators, IRBs or ethics committees at trial sites; (iii) insufficient or slow patient enrollment or higher-than-expected dropout rates; (iv) suspension or termination of trials due to safety or compliance issues; (v) third-party contractors failing to meet obligations; (vi) higher-than-expected clinical trial costs; (vii) insufficient supply or quality of trial materials; (viii) failure to demonstrate satisfactory efficacy or safety; (ix) negative or inconclusive trial results requiring additional studies; and (x) delays or failures in obtaining regulatory approvals. We cannot guarantee that research decisions made early will not adversely affect commercial strategy. Even if we successfully develop and market new products or enhance our existing products, they may be rendered obsolete by evolving clinical preferences or competitor innovation. We cannot be certain whether any products will be commercially successful. Failure to develop and launch successful products or expand indications for existing products may adversely affect our profitability and prospects.

We may not achieve successful outcomes from our investments in R&D, and may fail to capitalize on more promising opportunities due to resource allocation decisions.

Our success is closely related to our R&D activities, which require substantial and continuous investment. The global biopharmaceutical market is constantly evolving, and advancing our product pipeline and technology platform demands continuous and significant investment of human and financial resources. We may not be able to successfully develop new technologies or commercialize our drug candidates in a timely or cost-effective manner. Failure to achieve expected R&D outcomes could render our prior efforts obsolete and adversely affect our competitiveness.

As the progress of our R&D programs is generally measured by the achievement of specific milestones, which directly influence our ability to advance our pipeline, obtain regulatory approvals and achieve commercial launches, our success also depends on achieving product development milestones in a timely and cost-effective manner. The achievement and timing of such milestones are subject to numerous uncertainties, including clinical trial progress, availability of funding, collaboration arrangements, manufacturing scale-up, regulatory review outcomes and policy changes. Delays or failures in achieving expected milestones may require us to incur additional development costs, postpone product launches or record impairment losses on related intangible assets. In addition, where milestone or royalty payments from collaboration partners form part of our expected returns, their failure to meet commercialization or sales targets could also adversely affect our revenue and reputation.

Given our resource constraints and development uncertainties, we prioritize R&D programs and drug candidates targeting selected indications within our product pipeline as part of our strategic focus and resource planning. We may in turn forgo or delay pursuing opportunities related to other drug candidates or for other indications that may later prove to have greater commercial potential or a greater likelihood of success. Such resource allocation decisions may prevent us from capitalizing on viable commercial products or profitable market opportunities, result in impairment losses on related intangible assets, or otherwise adversely affect our financial condition and results of operations. If our current pipeline priorities do not yield the anticipated outcomes, we may need to adjust our resource allocation strategy and clinical development plans.

Furthermore, we may not always accurately evaluate the commercial potential or target market for a particular drug candidate. Consequently, we could potentially relinquish valuable rights to that drug candidate through collaboration or license arrangements in scenarios where retaining sole development

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and commercialization rights would have been more advantageous. Conversely, we may allocate internal resources to a drug candidate where entering into a collaboration or license arrangement would have been preferable and more cost-efficient. Either scenario could adversely affect our future growth and prospects.

We may not be able to discover or identify new drug candidates, or to expand the therapeutic opportunities for our drug candidates.

Although a substantial amount of our effort will focus on the continued clinical testing, potential regulatory approval, and commercialization of our existing drug candidates, the success of our business depends in part upon our ability to discover, develop, license, or commercialize additional drug candidates. However, we may not be successful in discovering and developing new drug candidates. Research programs to discover and develop new drug candidates require substantial technical, financial, and human resources. We may focus our efforts and resources on potential programs or drug candidates that ultimately prove to be unsuccessful. Our research programs or licensing efforts may fail to identify, discover or in-license new drug candidates for clinical development and commercialization for a number of reasons, including, without limitation, (i) the research methodology used may not be successful in identifying potential indications and/or new drug candidates, (ii) potential drug candidates may, after further study, be shown to have adverse effects or other characteristics that indicate they are unlikely to achieve desired efficacy, or (iii) it may take greater resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates, thereby limiting our ability to diversify and expand our drug portfolio.

Accordingly, there can be no assurance that we will be able to discover and develop new drug candidates or identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, which could adversely affect our future growth and prospects.

The data and information gathered during our R&D process could be inaccurate or incomplete, which could affect the clinical development of our drug candidates and harm our business, reputation, financial condition and results of operations.

We generate, process and analyze data and information from various drug development stages including preclinical studies, clinical trials and other R&D programs. In the pharmaceutical industry, data from studies and trials often exist in scattered and sensitive formats, presenting challenges for maintaining quality and completeness. Potential data errors, omissions or inaccuracies could have an adverse impact on our drug development progress, potentially affecting our business and reputation.

We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our drug candidates under development, for which we manage and submit data to governmental entities. These processes and submissions are governed by complex data processing and validation policies and regulations. Notwithstanding such policies and regulations, interim, top-line or preliminary data from our clinical trials that we release from time to time may change as more patient data become available and undergo audit and verification procedures, which could expose us to liability if a customer, court or governmental authority that concludes that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous.

In addition, we rely on certain third parties, such as contract research organizations (“CROs”), to handle, process and manage data for some of the ongoing preclinical and clinical programs for our drug candidates and control only certain aspects of their activities. If there are any inaccuracies, mistakes or incompleteness in the preclinical and clinical data of any of these third parties, our clinical development activities and drug approval processes may be adversely impacted. See “— Risks Related to Our Operations — We engage with third parties for certain aspects of our business. If these third parties fail to reliably, timely or cost-effectively provide us with their obligated services, our business could be adversely affected.”

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If we encounter delays or difficulties enrolling subjects in our clinical trials, our clinical development progress could be delayed or otherwise adversely affected.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible subjects in a timely manner. Inadequate enrollment or delays in enrollment could result in significant delays in our clinical trials, prolonging timelines for data readouts or regulatory submissions, and increasing overall development costs. In addition, some of our competitors may have ongoing clinical trials for drug candidates targeting the same indications as ours. As a result, subjects who would otherwise meet the applicable criteria set out in our protocol may instead enroll in our competitors’ trials, which may further delay our clinical trial enrollments.

Subject enrollment for our clinical trials may be affected by a variety of factors, including: (i) the size and nature of the patient population and disease severity; (ii) trial eligibility criteria and study design; (iii) the availability and competence of clinical sites and investigators; (iv) patient consent and perceptions of the drug versus other therapies; (v) physician referral practices; and (vi) external disruptions such as health epidemics or natural disasters.

Enrollment in our clinical trials may be further complicated by the complexity and severity of the disease, as central nervous system (“CNS”) and allergic diseases often require specialized diagnostics, longer observation periods and strict eligibility criteria, which leads to higher screen-failure rates. Even if we are able to recruit a sufficient number of eligible subjects for our clinical trials, any delays or difficulties encountered during the enrollment process could adversely impact our clinical development progress, resulting in increased costs, obstacles to trial completion, and disrupted timelines for planned trials, all of which would hinder our ability to advance our drug candidates.

The regulatory approval process of the NMPA and other comparable regulatory authorities for our drug candidates is lengthy and the result is unpredictable, which could adversely affect our business, financial condition, results of operations and prospects.

As of the Latest Practicable Date, we had three innovative pipeline products under various stages of development. The development and commercialization of new pharmaceutical products are subject to regulatory approval by the NMPA, FDA and other comparable regulatory authorities. The timing and outcome of such approval processes are uncertain and often lengthy. Regulatory authorities may raise concerns about the materials submitted, request additional efficacy or safety data, question study design or statistical analyses, request modifications to study protocols, or interpret study results differently than anticipated, which may result in delay in regulatory approval and commercialization plans or denial of regulatory approval. The process may take longer than expected, or such approvals may be subject to limitations on the indicated uses for which we intend to market the relevant product, therefore restricting its market size and adversely affecting our business, results of operations and growth prospects.

We may fail to receive the regulatory approvals due to a number of reasons, including (i) disagreements over clinical trial design or implementation; (ii) failure to demonstrate safety and efficacy or meet statistical significance; (iii) insufficient data or procedural errors; (iv) failure to pass good clinical practice (“GCP”) inspections or data audits; (v) unexpected changes in regulations or approval policies; or (vi) manufacturing deficiencies, including failure to pass good manufacturing practice (“GMP”) inspections. Moreover, policies of the NMPA, the FDA and other comparable regulatory authorities may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug candidates. Any delay or failure in obtaining the requisite approvals could have an adverse impact on the commercial prospects of our drug candidates, and may cause reputational damage to us. Consequently, we may not be able to realize any revenue on such drug candidate despite the significant amount of resources we would have spent on its development, which could adversely affect our business, financial condition, results of operations and prospects.

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Even after we obtain regulatory approval for the marketing of our drug candidates, they remain subject to ongoing or additional regulatory obligations and continued regulatory review.

Our drug candidates, once approved, will be subject to ongoing or additional regulatory requirements of the NMPA, the FDA or other comparable regulatory authorities, including those relating to manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, and conduct of post-marketing studies. These requirements also include submissions of safety, efficacy and other post-marketing information and reports, registration, as well as continued compliance with the applicable cGMP and GCP, for any clinical trials that we conduct post-approval.

Any approvals that we receive for our drug candidates may be subject to limitations on the indications approved for which the drugs may be marketed, which could adversely affect the drugs’ commercial potential. In addition, the approvals may contain requirements for potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of the drug candidates. The NMPA, the FDA or a comparable regulatory authority may also require a post-approval risk evaluation and mitigation strategy program as a condition of approval of our drug candidates.

Once a drug is approved by the NMPA, the FDA or a comparable regulatory authority for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including issues with manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug products, it may result in, among other things, (i) restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory drug recalls; (ii) fines, warning letters or holds on clinical trials; (iii) refusal by the NMPA, the FDA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug approvals; (iv) drug seizure or detention, or refusal to permit the import or export of drugs; and (v) injunctions or the imposition of civil, administrative or criminal penalties.

In addition, we are subject to ongoing regulatory requirements for our day-to-day business operations. Accordingly, we must continue to expend time, costs and efforts in all areas of regulatory compliance, including manufacturing and quality management. We cannot predict the likelihood, nature or extent of governmental policies or regulations that may arise from future legislation or administrative actions in China or other jurisdictions, especially when the regulatory environment is constantly evolving. If we are unable to maintain regulatory compliance, or if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, we may lose any regulatory approval that we have obtained, and we may not achieve or sustain profitability.

RISKS RELATED TO OUR OPERATIONS

If we fail to maintain, expand and optimize an effective distribution network for our pharmaceutical products, our sales and business prospects could be adversely affected.

During the Track Record Period, substantially all of our sales were generated from our distribution network. Our ability to manage, expand and optimize our sales network through distributors is critical to maintain and grow our sales. As of December 31, 2023, 2024 and 2025, we engaged 52, 81 and 81 distributors, respectively. See “Business — Sales Marketing and Distribution — Distributorships — Distribution Network” for details. Our distributors may not distribute our commercialized products in the manner we anticipate, which may impair the effectiveness of our sales network. During the Track Record Period, in accordance with the two-invoice system, we only have one-layer of regional distributors for our products sold to hospitals and public medical institutions. For our product sold to pharmacies and private medical institutions, we allow our regional distributors to engage sub-distributors. Non-compliance by any of our distributors or sub-distributors may adversely affect the sales and distribution of our products. We cannot guarantee that our distributors and sub-distributors will continuously comply with our sales policies or prevent potential competition among them for market share of our products. Failure by these distributors and sub-distributors to sell our products efficiently, manage inventory appropriately, or adhere to our pricing and marketing strategies could disrupt our commercial operations and sales performance.

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Specifically, any actual or alleged violation or noncompliance by our distributors of the distribution agreements, our internal policies or any applicable laws and regulations could result in the erosion of our goodwill, expose us to liabilities, disrupt our distribution network and create an unfavorable public perception about the quality of our products. We may not be able to extend our relationships with the existing distributors if, among others, the pricing regulations or other factors substantially limit the margins our distributors could obtain through the sales of our products. In addition, we may not be able to establish relationships on commercially acceptable terms with new distributors to maintain our sales coverage. In the event that a material number of our distributors terminate their relationships with us, or we are otherwise unable to maintain and expand our distribution network effectively, our sales volume and business prospects could be adversely affected. Furthermore, if a material number of our distributors cease or reduce their purchases of our products, or fail to perform their obligations under the distribution agreement, our business, financial condition and results of operations could be adversely affected. In addition, if our distributors accumulate inventory in excess of actual end-customer demand, our short-term revenue may be artificially inflated. This unsustainable buildup could subsequently lead to decline in future orders and aggressive price discounting, which would materially and adversely affect our business, financial condition, and results of operations.

Our pledged equity interests in certain principal operating subsidiaries may be enforced if we default under the relevant loan arrangements, which could result in our loss of control over such subsidiaries and materially and adversely affect, or even terminate, our business operations.

As of the Latest Practicable Date, equity interest of certain of our subsidiaries, including NeuroGen Zhuhai, NeuroGen Shanghai Trading, NeuroGen HK, NeuroGen Beijing Holding and NeuroGen Switzerland, had been pledged in favour of Ping An Bank Co., Ltd., Shanghai Branch (“**Ping An Bank**”) as security for a loan facility of up to RMB2.0 billion provided to finance the acquisition of NeuroGen Zhuhai and other target assets from UCB. Such pledges will only be released after the secured obligations have been fully satisfied. For details, see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — Early Development and Shareholding Changes” and “History and Corporate Structure — Major Acquisitions, Disposals and Mergers.”

In the event of default, which includes, among others: (a) payment defaults, including nonpayment of amounts due; (b) covenant breaches, including breach of financial covenants (subject to any applicable equity cure right), failure to comply with other obligations under the loan, or material misrepresentation; (c) insolvency-related events, including inability to pay debts as they fall due, balance sheet insolvency, moratoriums, or the commencement of insolvency, winding-up, dissolution, administration, or reorganization proceedings; (d) enforcement and creditors’ process, including attachment, sequestration, or execution affecting assets, or enforcement of security over assets under the pledge; (e) impairment of transaction documents, including unlawfulness, invalidity, cessation of effectiveness, repudiation, or rescission of the loan or the pledged share; (f) litigation or judgments having a material adverse effect, or failure to pay or perform any final judgment, order, or award; (g) business disruption events, including cessation or suspension of core business, adverse audit qualification, or seizure, expropriation, nationalization, or other governmental action curtailing business operations; or (h) any other event or circumstance having, or reasonably likely to have, a material adverse effect — the security agent may exercise any or all rights and remedies available under the loan, including enforcement of the pledge.

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If we fail to repay the loan or otherwise perform our obligations under the relevant financing arrangements, Ping An Bank may enforce the security over the pledged equity interests in the relevant subsidiaries. As a result, we may lose control over such subsidiaries, which could materially and adversely affect our business, financial condition and results of operations. In the worst-case scenario, if we lose control over such principal operating subsidiaries and are unable to implement alternative arrangements in a timely manner, our business operations may be materially affected or even terminated.

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

We manufacture our commercialized products in tablet, oral solution, capsule and intravenous injection products at our manufacturing facilities in Zhuhai. See “Business — Manufacturing and Quality Control — Manufacturing Process” for details. Manufacturing activities at these facilities could be substantially interrupted due to a range of factors, many of which are outside our control, including natural disasters, operational disruptions, security threats, land-related issues and regulatory compliance issues. If the operation of any of our manufacturing facilities encountered material disruption, we may not be able to locate alternatives to continue our production in a legal, timely and cost-effective manner or at all, and our insurance coverage may be insufficient to cover the resulting losses in the event of material business disruptions. We may also encounter other issues in manufacturing due to a variety of reasons, including equipment malfunctions, deviations from established protocols and procedures, and delays in constructing new facilities or expanding existing ones. Consequently, disruption to any of our manufacturing facilities or any other issues encountered in our manufacturing activities may prevent us from meeting market demand for our products or effectively advancing our drug candidates, which may adversely affect our business, financial condition and results of operations.

Failure to maintain optimal inventory levels could adversely affect our business and results of operations.

The inventories of NeuroGen Zhuhai and our Group consisted of raw materials and consumables, work in progress, goods in transit and finished goods. Our Group recorded inventories of RMB289.9 million and RMB135.7 million as of December 31, 2024 and 2025, respectively. NeuroGen Zhuhai recorded inventories of RMB252.2 million, RMB241.8 million and RMB204.6 million as of December 31, 2023, 2024 and 2025, respectively. We maintain our inventory levels based on our internal forecasts, our sales performance, supply chain arrangement and geographical relationships to fulfill orders coming from our extensive sales network, which are inherently uncertain due to rapid changes in product lifecycles, evolving clinical demands, uncertainty of product development and launch, as well as the economic volatility in the markets where we operate. Further, demand for our products could change significantly between the time of the purchase order and the time for delivery. There can be no assurance that we can accurately predict these trends to maintain proper inventory levels of our products and avoid overstocking or understocking our products, and any such failure may have an adverse effect on our business and results of operations.

Any loss or deterioration in our relationship with key suppliers, any disruption or significant price increase in the supply of raw materials could adversely affect our business, financial condition and results of operations.

Purchase of raw materials accounted for a significant portion of our total cost of sales during the Track Record Period. In addition to the pharmaceutical products supplied by UCB, we source certain of our raw materials and packaging materials, from third-party suppliers. For details, see “Business — Manufacturing and Quality Control — Raw Materials and Supply Chain Management”. We cannot assure you that we will be able to renew our agreements with our existing suppliers when they expire or to enter into new supplier relationships to support the continued growth of our business.

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The availability and prices of these raw materials may be impacted for various reasons that are beyond our control, such as unexpected increases in demand for such raw materials from producers of substitute products, adverse weather conditions, occurrence of natural disasters, health epidemics, regulatory actions, deteriorating financial conditions or cessation of business of the suppliers and labor shortages. In the event that any of our suppliers fails to continue to supply us with sufficient raw materials of an acceptable quality in the future, we may not be able to obtain substitute raw materials elsewhere in a timely manner, or at all. We may also be forced to obtain raw materials from different suppliers, who may require us to pay prices that are not commercially reasonable or may provide us with raw materials that are not of an acceptable quality. Any potential interruption in our supply of raw materials in the future could delay the production and delivery schedules of relevant products, which may result in the loss of customers and revenue. Also, the market prices of raw materials may be subject to significant fluctuations. We cannot assure you that we would be able to pass on any increase in raw material costs to our customers, and any substantial fluctuation in market prices of raw materials may increase our costs and have an adverse impact on our profitability.

We are subject to customer concentration risk. Our growth and revenue could be materially and adversely affected if we lose any significant client or business partner, or if any significant client or business partner fails to cooperate with us at anticipated levels.

We are subject to customer concentration risk. We depend on a limited number of clients or business partners to generate a substantial portion of our revenue. For the years ended December 31, 2023, 2024 and 2025, the aggregate revenue generated from our top five customers accounted for approximately 80.3%, 79.9%, and 86.7% of our total revenue, respectively. For the same years, revenue generated from our largest customer in each period during the Track Record Period accounted for 26.2%, 33.3%, and 32.8% of our total revenue, respectively. For more details, please refer to the section headed “Business — Our Customers” in this document.

There are a number of factors, other than our performance, which could cause the loss of, or decrease in the volume of business from, a client or business partner. We cannot assure you that we will continue to maintain business cooperation with these parties at the same level, or at all. We may also not be able to diversify the composition of our client base or to broaden our exposure to more new clients or business partners or to enter into transactions with our clients or business partners in size comparable to those of our top five customers during the Track Record Period. The loss of business from any of these significant customers, or any downward adjustment of the commission rates paid to us, or the number of products or solutions offered by us, could materially adversely affect our revenue and profit. Furthermore, if any significant client or business partner terminates its relationship with us, we cannot assure you that we will be able to secure an alternative arrangement with comparable enterprises in a timely manner, or at all which, in turn, may negatively affect our results of operations.

We engage with third parties for certain aspects of our business. If these third parties fail to reliably, timely or cost-effectively provide us with their obligated services, our business could be adversely affected.

We cooperate with third parties, such as CROs, principal investigators, hospitals and physicians, in the design and conduct of clinical trials for our drug candidates. We also cooperate with contract manufacturing organizations (“CMOs”) for certain manufacturing activities and engage contract sales organizations (“CSOs”) and distributors for the sales and distribution of our products. If these parties, whom we cannot fully control, do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, or choose not to continue their relationship with us, our development or commercialization efforts could be delayed, suspended or terminated. In addition, our collaborations with principal investigators, medical associations and leading hospitals are important not only to our R&D activities but also to our market education and commercialization efforts, and any inability to maintain or strengthen such relationships, or any inaccuracies in the clinical or market insights we rely on from these collaborators, could adversely affect our ability to develop and commercialize viable products.

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We rely on third parties for the execution of our preclinical studies, clinical trials, certain manufacturing processes and commercialization, and control only certain aspects of their activities. They may not always comply with our standards, produce results in a timely manner or may fail to perform at all. Notwithstanding the remedies available to us under our agreements with these third parties, we cannot control whether these third parties engaged will devote sufficient time and resources to our programs. Nevertheless, we are responsible for ensuring that each stage of our product development and commercialization is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on such third parties does not relieve us of our regulatory responsibilities.

While such outsourcing can enhance operational flexibility, it introduces additional risks, including potential deviations from our quality standards, inadequate oversight of the facilities, personnel and processes of our third parties engaged, production delays due to CMO operational issues or capacity constraints, and misconduct, such as misappropriation or violation of the patents, know-how, trade secrets, or other intellectual property rights of us or third parties. Furthermore, we also rely on third-party logistics service providers for the delivery of our products, and any logistics interruption such as shortcomings in their temperature control, handling practices or operational capacity could lead to product damage, spoilage or delays caused by unforeseen events or inadequate performance may result in supply disruptions or customer dissatisfaction. These logistics-related risks may further exacerbate the operational vulnerabilities through engaging third parties. We may also face difficulties in enforcing strict compliance with regulatory or quality requirements at outsourced facilities or outsourced commercial operations, which could expose us to penalties or disruptions in supply or commercialization activities.

We have entered into and may further pursue collaborations, licensing arrangements, joint ventures, strategic alliances, partnerships or other strategic investments or arrangements, which may fail to produce the anticipated benefits to build or maintain our product pipeline.

We have engaged in, and may further pursue opportunities for collaborations, licensing arrangements, strategic alliances, partnerships or other strategic investment or arrangements that we believe would advance the development or commercialization of our drug candidates. See “Business — Our Strategies” for details. Our competitors may compete with us for these opportunities or arrangements and we may not be able to identify, secure, or complete any such transactions or arrangements in a timely manner, on acceptable terms, or at all.

Even if such partnerships are established, we cannot assure you that they will be successful or that we will realize the expected benefits. Such relationships may require us to incur nonrecurring charges, increase near- and long-term expenditures, issue securities that dilute existing shareholders, disrupt management or operations, or cause us to relinquish some control over development and commercialization. In addition, partners, collaborators or other parties to such transactions or arrangements may fail to fully perform their obligations, meet our expectations or cooperate with us satisfactorily for various reasons and subject us to potential risks. Any failure to manage these relationships effectively could lead to delays, increased costs, reduced operational flexibility, or even termination of the collaboration.

If we, our employees, affiliates or business partners engage, or are perceived to engage, in misconduct or other improper activities, our business or reputation could be harmed and we could be exposed to regulatory investigations, costs and liabilities.

We are subject to risks in relation to improper actions taken by us, our employees, affiliates or business partners. Misconduct by these individuals and institutions could include intentional, reckless or negligent conduct that violates applicable laws and regulations, including those relating to reporting true, complete and accurate information to regulatory authorities, data privacy and security, and product quality and manufacturing standards. We are subject to anti-bribery and anti-corruption laws in China and other jurisdictions, including the U.S. Foreign Corrupt Practices Act (the “FCPA”). As our business expands globally, our exposure to these and other applicable anti-bribery and anti-corruption laws is expected to increase. Sales, marketing and business arrangements in the pharmaceutical industry are also subject to extensive regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. Any allegations of such behavior against us, our employees, affiliates or business partners, or the pharmaceutical industry in general, could generate negative publicity and adversely affect our

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reputation and business prospects. See “Regulatory Overview — Laws and Regulations in Relation to Drug Research and Registration — Laws and Regulations in Relation to Anti-money Laundering, Anti-corruption and Anti-Bribery” for details.

We do not and cannot fully control the conduct of our employees, affiliates or business partners. They may conduct sales, marketing or other activities in violation of applicable anti-corruption, anti-fraud and related laws. If they engage in corruption, fraud or other improper conduct that results in violations in the PRC or other jurisdictions, our reputation could be harmed, and we could be subject to investigations or penalties. While we have implemented protocols against fraud, corruption and bribery, there can be no assurance that we will be able to entirely prevent such activities. We may be held liable for actions taken by our employees, affiliates or business partners, which could expose us to regulatory investigations, penalties, substantial costs and reputational harm, and divert management attention. These factors could have an adverse impact on our business, financial condition and results of operations.

Illegal and parallel imports and counterfeit pharmaceutical products may reduce demand for our existing and future products and could negatively affect our sales and damage our reputation and the brand names for relevant products.

The illegal importation of competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our existing and future products and, in turn, may adversely affect our sales and profitability in China and other jurisdictions where we commercialize our products in the future. Illegal imports may continue to occur or even increase as the ability of patients and other customers to obtain these lower priced imports continues to grow. In addition, governmental authorities may expand consumers’ ability to import lower priced versions of our existing and future products or competing products. Cross-border imports from lower-priced markets (which are known as parallel imports) into higher-priced markets could harm sales of our existing and future products and exert commercial pressure on pricing within one or more markets.

Furthermore, certain pharmaceutical products distributed or sold may be manufactured without proper licenses or approvals or be fraudulently mislabeled with respect to their content or manufacturers. These products are generally referred to as counterfeit pharmaceutical products. The counterfeit pharmaceutical product control and enforcement system, particularly in developing markets, may be inadequate to discourage or eliminate the manufacturing and sale of counterfeit pharmaceutical products imitating our products. Since counterfeit pharmaceutical products in many cases have similar appearances compared with the authentic pharmaceutical products but are generally sold at lower prices, counterfeits could potentially erode the demand for our products. In addition, thefts of our inventory at warehouses, plants or while in-transit could lead to our products being wrongfully stored and handled, and eventually sold through unauthorized channels. The distribution of counterfeit or unauthorized pharmaceutical products poses significant risks, including potential harm to patients, product liability exposure, regulatory investigations, and reputational damage. Such incidents could harm our operations and brand integrity, even when occurring outside our authorized distribution channels, which in turn affects our business, financial position and results of operations.

Our reputation is important to our success. Negative publicity about our industry, us, or our management, employees, affiliates or business partners may adversely affect our brand, reputation and business prospects.

We believe that market awareness and recognition of our brand image is crucial to our success. However, our reputation is vulnerable to potential threats by a number of factors, including, negative publicity regarding product efficacy or side effects, the proliferation of counterfeit products, misconduct by our personnel or partners, legal or regulatory proceedings, and other adverse news coverage concerning us or our industry, whether founded or unfounded. Many of these factors are beyond our control, and are costly or impossible to remediate. Third-party engagement may make it increasingly difficult to effectively manage our reputation, as we have limited control over these third parties. Any regulatory inquiries or investigations or other actions against our management, any perceived unethical, fraudulent, or inappropriate business conduct by us or perceived wrongdoing by any key member of our management team or other employees, our business partners or our affiliates, could harm our reputation and adversely affect our business. Regardless of the merits or final outcome of such regulatory inquiries, investigations or actions, our reputation may be substantially damaged, which may impede our ability to attract and retain talent and business partners and grow our business.

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If we suffer technological failures, security breach or other disruptions in our information and data management systems, it could adversely affect our ability to effectively manage our business operations.

In the ordinary course of our business, we generate, process, store and transmit preclinical and clinical data, and other confidential and proprietary information, including that relating to our R&D and intellectual property. We also utilize external security and infrastructure vendors to maintain our information security management system. We face a number of risks relative to protecting our confidential information and data, including material system failure or security breach, loss of access and data, inappropriate use or disclosure, inappropriate modification, and the risk of inability to adequately monitor, audit, and modify our controls over our critical data and information. This risk extends to our suppliers we engaged to manage our sensitive data and our collaborators who share sensitive data with us.

The secure generation, processing, storage, and transmission of our data and information are vital to our operations. Although we take measures to protect sensitive data from unauthorized access, use or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance, or other malicious or inadvertent disruptions. In addition, while we have implemented security measures and a formal, dedicated enterprise security program to prevent unauthorized access to confidential data, there is no guarantee we can protect our data from breach. Furthermore, failures of our information technology infrastructure may result in delays in our R&D efforts and disruptions to our operations, which may in turn adversely affect our business, reputation, financial condition, results of operations and prospects.

We may be exposed to environmental liabilities or compliance costs that could adversely affect our business and results of operations.

We, certain third parties we engaged and other business partners, are subject to environmental, health and safety laws and regulations, including those governing laboratory procedures and hazardous materials and wastes. We generally engage qualified third parties for the disposal of solid waste and wastewater, and we cannot guarantee their continuous compliance. We cannot eliminate the risk of contamination or injury from these materials. We do not maintain insurance for environmental liability or toxic tort claims and our coverage for employee injuries may be inadequate. In the event of contamination or injury we may face liabilities exceeding our resources and could incur significant costs associated with fines and penalties. In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations and impair our research, development or production efforts.

If we become a party to litigation, arbitration, legal disputes, claims or administrative proceedings, it may divert our management's attention, result in costs and liabilities and damage our reputation.

From time to time, we may be involved in litigation, arbitration, legal disputes, claims or administrative proceedings arising in the ordinary course of business with our customers, suppliers, business partners, minority shareholders of our non-wholly owned subsidiaries, joint venture partners, employees, competitors, regulatory agencies, or other parties in respect of contractual, commercial, labor, intellectual property, or other matters. Such involvement can distract our management's attention and consume our time and other resources. Furthermore, any litigation, arbitration, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate due to various factors, such as the facts and circumstances of the cases, the likelihood of winning or losing, the monetary amount at stake and the parties concerned, and such factors may result in these cases becoming of material importance to us.

Negative publicity arising from litigation, arbitration, legal disputes, claims or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. In addition, if any verdict or award is rendered against us, we could be required to pay significant monetary damages, assume other liabilities, and suspend or terminate the related business ventures or projects. Consequently, our business, financial condition and results of operations may be adversely affected.

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Any material deterioration in labor relations, shortage of labor or material increase in labor costs may have an adverse effect on our business, financial condition and results of operations.

Since our operations require the use of technical skills and know-how of our employees, our success depends in part on our ability to attract, retain and motivate a sufficient number of qualified employees. We have implemented a number of initiatives in an effort to attract, retain and motivate our qualified and competent staff. There is no assurance that these measures will be effective or that supply of skilled labor in local markets will be sufficient to fulfill our needs. Competition for competent and skilled labor is intensive in the industry. Our failure to hire and retain enough skilled employees and deterioration in labor relations could delay the anticipated pre-clinical studies or clinical trials timeframe or receipt of regulatory approvals to commercialize our drug candidates or result in our expenses exceeding our initial budget. Any of the foregoing changes could have a material adverse effect on our business, profitability and prospects.

Further, most of our workforce is employed in the Chinese Mainland where the average labor cost has been steadily increasing over the past years as a result of inflation, and other changes in labor laws and local economics. In particular, further changes in the labor laws, rules and regulations may be promulgated in the future and our operations may be adversely affected if such laws, rules or regulations impose additional burden on the employers. The labor cost will continue to increase in the future which is in line with the economic growth in China. Competition for employees would require us to pay higher wages, which would result in higher labor costs.

The implementation of our strategies and other aspects of our business will require significant funding and we cannot assure you that we will be able to obtain such financing on favorable terms or in a timely manner.

The implementation of many aspects of our strategies will require significant funding, including (i) the costs of drug development programs for the expansion of our portfolio in our key therapeutic areas, namely the CNS disease and allergy, (ii) the capital expenditure required to increase our production capacity and to make upgrades and enhancements, (iii) the expenses associated with expanding our sales and distribution network, and (iv) the funding required to consummate acquisitions and integrate acquired businesses. In addition, many aspects of our general business operations have ongoing funding requirements that may increase over time.

Over the longer term, we expect that the implementation of our strategy and business plans may require us to rely in part on external financing sources. However, our ability to obtain external financing on commercially reasonable terms, or at all, will depend on a number of factors, many of which are outside of our control, including our financial condition, results of operations and cash flows, China’s and global economic conditions, industry and competitive conditions, interest rates, prevailing conditions in the credit markets and government policies on lending. If we are unable to obtain sufficient funding on commercially acceptable terms, or at all, we may be required to adjust our strategies and business plans, which could adversely affect our business prospects.

We may seek additional funding through a combination of equity and debt financings. To the extent that we raise additional capital through the issuance of equity or convertible debt securities, the beneficial ownership interest of our existing Shareholders could be diluted, and the terms may include preferences that adversely affect the rights of existing Shareholders. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and additional restrictive covenants.

We may not have sufficient insurance coverage to cover our potential liability or losses.

Our insurance coverage is limited, and we do not carry insurance in respect of certain risks that we believe are not insured under customary industry practice in the PRC. For details of our insurance coverage, see “Business — Insurance.” We maintain limited product liability insurance, which may not fully cover all product liability claims we may face in our operations. For a discussion of the potential impact of product liability on us, see “— Risks Related To Our Industry and Sales of Our Products — We

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are subject to product liability claims against us, which could expose us to substantial costs and liabilities and adversely affect our operations, profitability and reputation.” In addition, there are certain types of losses, such as losses from war, acts of terrorism, epidemics, public security hazards, earthquakes, typhoons, flooding and other natural disasters, for which we cannot obtain insurance at a reasonable cost or at all. Any liability or damage to, or caused by, our products, facilities or personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

An occurrence of a natural disaster, widespread health epidemic or other outbreaks could have an adverse effect on our business, financial condition and results of operations.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of (i) natural disasters; (ii) widespread health epidemics; (iii) power, water, or fuel shortages; (iv) information system malfunctions or unexpected technical problems; and (v) wars or terrorist attacks. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in which we operate our business could disrupt our business and operations. These uncertain and unpredictable factors include, but are not limited to, adverse effects on the economy, potential delays of our ongoing and future clinical trials, and disruptions to the operations of our business partners.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY

If we are unable to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, our competitors could compete against us more effectively, which may have an adverse impact on our business and results of operations.

Our commercial success depends in large part on our ability to protect our valuable innovations, including our commercialized products, drug candidates and proprietary technologies, by obtaining, maintaining and enforcing our intellectual property rights, such as patent rights. We seek to protect our intellectual property that we consider commercially important by filing patent and trademark applications, securing pharmaceutical regulatory protection, enforcing contractual confidentiality obligations, relying on trade secrets, or employing a combination of these methods. 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 of our intellectual property rights, see “Business — Intellectual Properties” and “Appendix V — Statutory and General Information — B. Further Information About our Business — Intellectual Property Rights.” to this document. If we fail to adequately protect our intellectual property, competitors may be able to imitate or copy our products, use our technologies and erode or negate any competitive advantage we may have, which could adversely affect our business and results of operations.

However, there are a number of risks and uncertainties related to the patent application process. Filing, prosecuting and maintaining patents or patent applications on our commercialized products or drug candidates worldwide could be time-consuming and expensive, and there is no assurance that any of our pending patent applications will lead to issued patents, or that such patents, if issued, will provide us with adequate proprietary protection or competitive advantages. The patentability requirements across countries and regions vary and the laws of different countries or regions do not provide patent protection to pharmaceutical inventions to the same extent. Therefore, our patent applications may not be granted in all countries and regions, and the scope and strength of issued patents can vary globally. Different countries and regions may provide varying regulatory exclusivities to pharmaceutical products, and some provide no regulatory exclusivities at all, and given the lengthy development and review process, patents protecting drug candidates might expire before or shortly after commercialization. As a result, our patents and patent applications may not provide us with an adequate exclusivity period for our products or drug candidates.

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Moreover, the patents that we hold are for a finite duration. Following expiration, competitors may develop and introduce substitute products that could adversely affect sales and pricing. Although extensions may be available, there is no guarantee we will secure them or that they will be extensive. There are factors that could render our patents invalid or unenforceable, including known or unknown prior art or deficiencies in patent applications. If patents relevant to our products or drug candidates were declared invalid or unenforceable, it could adversely affect sales and our ability to commercialize such candidates. Certain patents and patent applications may be co-owned with third parties. If we cannot obtain exclusive licenses from co-owners, they may license to competitors, and we may need their cooperation to enforce rights, which they may not provide. Any of these circumstances could adversely affect our competitive position and results of operations.

In addition, our employees or partners might disclose our proprietary information or trade secrets. We may be unsuccessful in securing confidentiality agreements with our employees or business partners, and they may breach confidentiality clauses and disclose our trade secrets to third parties, which could adversely affect our competitive position.

Changes in patent laws in China, and other jurisdictions where we hold intellectual property could raise challenges with respect to our intellectual property protection in such jurisdictions.

Obtaining and enforcing patents in the pharmaceutical industry is costly, time-consuming and inherently uncertain due to a high degree of technological and legal complexity. Changes in either the patent laws and regulations, in the governmental bodies enforcing them, or in how such authorities interpret and enforce these laws across jurisdictions may diminish the value of our intellectual property, and weaken our ability to obtain new patents or to enforce our existing and future owned and licensed patents, while increasing the uncertainty and cost of prosecuting, enforcing or defending patents. We cannot predict the scope of claims that may be allowed or enforced in our future patents or in third-party patents. In addition, there are proposals for changes to the patent laws in China, the U.S. and other jurisdictions that, if adopted, could limit our ability to enforce our proprietary technology.

We may be subject to intellectual property infringement claims.

Our commercial success depends significantly on our ability to develop, manufacture, market and sell our products and use our proprietary technologies without infringing, misappropriating or otherwise violating the patents and other proprietary rights of third parties. The pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. We may from time to time become party to, or threatened with, adversarial proceedings or litigation in the PRC and overseas regarding intellectual property rights with respect to our technology and any commercialized products or drug candidates we may develop.

The risk that our commercialized products, drug candidates or technologies may be subject to third-party patent claims increases, as the industry expands and more patents are issued. In particular, (i) third parties may assert infringement claims against us based on patents or other proprietary rights that we currently hold or may be granted in the future, regardless of their merit; (ii) pending patent applications may eventually lead to infringement that our products or candidates may involve, and there may be existing patents of which we are unaware or that we have incorrectly concluded invalid or not infringed by our activities; and (iii) we may receive notices alleging that our technologies or other aspects of our business infringe, misappropriate or misuse third-party's intellectual property rights. Whether or not such claims have merit, a court may not find in our favor on the infringement, validity, enforceability or priority, and defending against such claims would involve substantial litigation expense and divert our resources. If found to have infringed, and unable to demonstrate the relevant intellectual property is invalid or unenforceable, we may be required to (i) obtain royalty-bearing licenses, which may not be available on reasonable terms, (ii) acquire non-exclusive licenses, which competitors may also access, requiring substantial payments, (iii) defend legal proceedings, (iv) reformulate products, which may be

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impossible, costly or time-consuming, (v) cease relevant R&D, manufacturing or commercialization activities, or (vi) pay significant monetary damages. Some of our competitors may have substantially greater resources, and therefore are likely to be able to sustain the costs of complex intellectual property litigation longer than we could.

RISKS RELATED TO OUR FINANCIAL PERFORMANCE

We may incur impairment losses on our intangible assets and goodwill.

Our intangible assets primarily consist of IP license, patent, non-patent technologies, software and trademarks that were primarily acquired through the acquisition of NeuroGen Zhuhai and related assets in November 2024. They are recognized at fair value at acquisition date. NeuroGen Zhuhai recorded intangible assets of RMB1.4 million, RMB1.1 million and RMB6.4 million as of December 31, 2023, 2024 and 2025, respectively, while our Group recorded intangible assets of RMB3,707.1 million and RMB3,669.3 million as of December 31, 2024 and 2025, respectively. For goodwill, our Group recorded goodwill of RMB983.1 million and RMB983.1 million as of December 31, 2024 and 2025, respectively. Relevant intangible assets and goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. No impairment was recognized in respect of the intangible assets and goodwill of our Group as of December 31, 2024 and 2025. The assessment of impairment losses involves a significant degree of management judgments as well as estimates in determining the key assumptions, and unpredictable adverse changes in the future may also result in decreases in the value of our intangible assets and goodwill. There is no assurance that our future outcomes will not result in a material adjustment to the carrying amounts of these intangible assets and goodwill in the future, which may in turn result in impairment losses. Any material impairment losses on intangible assets and goodwill may have an adverse effect on our financial condition and results of operations, and may in turn limit our ability to obtain financing in the future.

We are exposed to foreign currency exchange risk.

We are exposed to foreign currency exchange risk as a portion of our revenue was denominated in other currencies. The value of U.S. dollars against Renminbi may fluctuate and is affected by, among other things, changes in global political and economic conditions, which are out of our control. We did not hedge our foreign exchange risk during the Track Record Period. Therefore, any fluctuations in the exchange rate of Renminbi against other currencies may expose us to exchange rate risks and our results of operations may be adversely affected.

Taxation authorities could challenge our allocation of taxable income which could increase our consolidated tax liability.

Our operations involve certain intra-group transactions and cross-border business arrangements during the ordinary course of business, which may impose inherent uncertainty over our Group's profit allocation and its respective tax position across different jurisdictions. The tax treatments of these transactions or arrangements may be subject to interpretation by respective tax authorities in different countries. There is no assurance that relevant tax authorities would not challenge the appropriateness of our transfer pricing arrangement in the future or that the relevant regulations or standards governing such arrangement will not be subject to future changes. In the event a competent tax authority later finds that the transfer prices and the terms that we have applied are not appropriate, such authority could require our relevant subsidiaries to re-determine transfer prices and thereby reallocate the income or adjust the taxable income or deduct costs and expenses of the relevant subsidiary in order to accurately reflect such income. Any such reallocation or adjustment could result in a higher overall tax liability for us and if this occurs, it may have a material and adverse effect on our business, financial condition and results of operations.

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RISKS RELATED TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

All material aspects of our operations are heavily regulated, and any failure to comply with these regulations could have a material adverse effect on our business.

Our business operations are primarily conducted in the Chinese Mainland. The pharmaceutical industry is strictly regulated in China, covering aspects such as product development and approval, manufacturing and quality management, sales and marketing, and distribution of products. Since our licensing and international collaborations, we must also consider differing regulatory regimes abroad, which may increase compliance complexity and costs. The pharmaceutical industry is subject to extensive government regulation and supervision, which cover all aspects of a pharmaceutical company’s operations. Violating relevant laws, rules and regulations may constitute a criminal offense under certain circumstances. Specific laws, rules and regulations may also affect the pricing, demand and distribution of our products, such as those relating to the procurement, prescription and dispensing of essential and other drugs by hospitals and other medical institutions, retail pharmacies, government funding for private healthcare and medical services, and the inclusion of products in national or provincial medical insurance drug catalogs. In addition, the pharmaceutical manufacturing, distribution and retail, healthcare services, and medical device sectors are each subject to extensive and evolving government regulations and supervision. Changes in these regulations and interpretations of these regulations could increase our compliance costs and materially and adversely affect our business, profitability and prospects.

The process of obtaining regulatory approvals and maintaining compliance with applicable laws and regulations in different jurisdictions requires significant time and financial resources. Failure to comply with applicable regulatory requirements in the jurisdictions where we operate or target to operate in the future, at any time during the drug development, approval or post-approval stages, may subject us to administrative or judicial sanctions. These sanctions could include, but are not limited to, refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement, or civil or criminal penalties. Any occurrence of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

Any failure to comply with existing laws, regulations and industry standards could result in fines or other punitive actions against us, termination of ongoing research and disqualification of data for submission to regulatory authorities, or a ban on our future drug sales, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations and prospects. In addition, any action against us for violation of the relevant laws, regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management’s attention from our business operations, and adversely affect our reputation and financial results.

If we or our business partners fail to obtain, maintain or renew necessary licenses and permits for the development, production, promotion, and sale of our products, our ability to conduct our business could be impaired and our revenue and profitability could be adversely affected.

We are required to obtain, maintain and renew various licenses and permits to develop, produce, promote, and sell our pharmaceutical products, such as the drug manufacturing license. Our business partners, such as suppliers, distributors, licensing collaboration partners, and other third-party contractors, whom we may rely on to develop, produce, promote, sell and distribute our products, may be subject to similar requirements. For details, see “Business — Legal and Compliance — Licenses, Permits and Certificates.” We and our business partners may be subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome may result in the loss or non-renewal of the relevant permits, licenses and certificates. Moreover, the criteria used in reviewing applications for, or renewals of, permits, licenses and certifications may change from time to time, and there can be no assurance that we or parties on whom we rely will be able to meet new criteria that may be imposed to

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obtain or renew the necessary permits, licenses and certificates. Many of such permits, licenses and certificates are material to the operation of our business, and if we or parties whom we rely on fail to maintain or renew material permits, licenses and certifications, it could materially impair our ability to conduct our business.

Any changes in the standards used by government authorities in considering whether to renew or reassess our licenses, permits and certificates, as well as any enactment of new regulations that may restrict the conduct of our business, may decrease our revenue and increase our costs, which in turn could materially and adversely affect our profitability and prospects. Furthermore, if the interpretation or implementation of existing laws and regulations changes, or any new regulation comes into effect, so as to require us or parties upon whom we rely to obtain any additional licenses, permits or certificates that were previously not required to operate our business, there can be no assurances that we or parties upon whom we rely will successfully obtain such permits, licenses or certificates.

Changes in the economic, political and other policies of the jurisdictions where we operate, and any failure to respond to future changes in the regulatory environment in these jurisdictions, could have an adverse effect on our business, financial condition and results of operations.

A substantial portion of our operations are based in the PRC, and our business, financial condition, results of operations and prospects may be affected by economic, political, social and legal developments in China. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources; however, we cannot guarantee the extent to which our business operations will be able to benefit from such measures, if at all. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Any of the foregoing may have an adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, changes in the political environment could also increase our costs, heighten our exposure to legal and business risks, disrupt our operations and affect our results of operations. For example, the U.S. Department of Treasury issued a final rule on outbound investment that became effective on January 2, 2025. This rule established a new national security regulatory framework to control outbound investment from the U.S. in certain sensitive industry sectors in the PRC. Our Directors are of the view that we are a “person of a country of concern” that does not engage in “covered activity” and does not have a qualifying relationship with such an entity. This means that we are not a “covered foreign person”, and that the [REDACTED] would not be a “covered transaction” (as such terms are defined under the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (31 C.F.R. Pt. 850)). Subsequently, the U.S. government issued (i) a broadly worded “America First Trade Policy” on January 20, 2025, which directs the U.S. Department of the Treasury (“Treasury”) and several other executive departments and offices to review a range of international trade and investment policies and rules, including the outbound investment security program; and (ii) an “America First Investment Policy” on February 21, 2025, which contemplates changes to U.S. international investment policies and rules, including possible application of the outbound investment security program to a wider range of technologies, including biotechnology, and a wider range of investments, including publicly traded securities. Any expansion of the restrictions under the outbound investment security policy could limit the ability of Chinese companies (including us) to raise capital from U.S. investors and could limit or prohibit U.S. investors’ ability to trade the securities of such companies, which could negatively affect the value of these securities.

We are subject to risks associated with privacy laws, information security policies and contractual obligations related to data privacy and security.

We may routinely receive, collect, generate, store, process, transmit and maintain medical data and treatment records of subjects enrolled in our clinical trials, but do not collect the personal information irrelevant to our trials or our enrolled subjects. Regulatory requirements are evolving and subject to varying interpretations, resulting in uncertainties regarding our responsibilities associated with privacy laws and information security policies. We may also face new laws and regulations regarding personal information and privacy concerning our data collection, analysis, storage and use. Such developments may result in ever-increasing public scrutiny enforcement and sanctions and compliance costs. Failure to

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comply with any of these laws or effectively address data privacy and protection concerns could result in enforcement action against us, including and without limitation to fines, imprisonment of company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill, any of which could have an adverse effect on our business, financial condition, and results of operations or prospects.

The personal information of patients or subjects which might be involved in our clinical trials could be highly sensitive and subject to strict privacy regulations. Data leakage and abuse and other misconduct related to data and personal information protection might not be completely avoided. We also cooperate with third parties for our clinical trials and marketing operations. Any security breach, failure or perceived failure to comply with data/privacy policies or data/privacy-related legal obligations, whether by us or our partners, could result in the unauthorized data release, legal claims, and a loss of customer trust.

Future changes in laws, regulations or enforcement policies in the jurisdictions that we operate in could adversely affect our business.

Laws, regulations or enforcement policies in the jurisdictions that we operate in, including those regulating the healthcare and pharmaceutical industry, are evolving and subject to frequent changes. The PRC pharmaceutical industry is heavily regulated, and many aspects of our business depend on the receipt of the relevant government authorities’ approvals and permits. Further, regulatory agencies in China may periodically change their enforcement practices. Therefore, prior enforcement activities, or lack of enforcement activities, are not necessarily predictive of future actions. Any enforcement actions against us could have a material adverse effect on us. Any litigation or governmental investigation or enforcement proceedings in China may be protracted and may result in substantial costs and diversion of resources and management attention, negative publicity, and damage to reputation. In addition, such changes may be applied retroactively and thus subject our business and operations to increased uncertainties and risks.

Recent U.S. legislative and political developments reflect intensifying scrutiny of PRC-based biotechnology companies. The recently enacted U.S. BIOSECURE Act (“**BIOSECURE Act**”) would restrict the use of biotechnology equipment and services from designated “biotechnology companies of concern” by U.S. federal agencies and recipients of federal contracts, grants and loans, and authorizes expansion of the restricted list. In addition, we, our CROs/CDMOs or our business partners, may become subject to the recently enacted BIOSECURE Act aiming at discouraging federal contracting with entities that use biotechnology equipment or services provided by certain Chinese biotechnology companies. If we or our business partners were to be listed as or designated as “biotechnology companies of concern,” our ability and our business partners’ ability to engage in business with the U.S. government or with companies that engage in business with the U.S. government may be limited, which could disrupt or diminish our business activities. Any delay in identifying and entering into commercially reasonable business relationship with a new partner could harm our ability to develop products on time or within budget, which could materially adversely affect our business, financial condition and results of operations.

The full implementation timeline and the final list of designated entities remain subject to further guidance from U.S. authorities. The uncertainty surrounding the implementation and scope of the BIOSECURE Act, and similar geopolitical or trade-related measures, could increase our compliance costs and adversely affect our business, financial condition, and results of operations. If the scope of such measures is broadened, additional entities are designated, or geopolitical tensions escalate, our operations could be disrupted, including supply chain interruptions, reduced access to collaborations or funding involving U.S. institutions, and the need to replace suppliers or partners with potentially more costly or less reliable alternatives. These developments could increase our compliance burden, require changes to contractual arrangements and operational processes, and adversely affect our ability to conduct R&D, manufacturing or other activities in a timely and cost-efficient manner. Future changes in the BIOSECURE Act and any related policies, laws and regulations or their interpretations may result in additional costs on our business, limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, and restrict our entry into the U.S. market in all forms (including sales and R&D collaborations), which could adversely affect our performance, financial condition and prospects.

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Cross-border data restrictions may also affect our operations. Executive Order 14117 and the Department of Justice final rule titled “Preventing the Exploitation of United States Sensitive Data by Countries of Concern or Covered Persons,” effective April 8, 2025, restrict transfers of certain sensitive personal data to countries of concern, including the PRC. Although we do not act as a “data broker” and our U.S. clinical activities are conducted for our own R&D rather than for resale of personal data, some datasets we handle (e.g., health or genomic data) may be considered sensitive personal data, and certain processing by service providers or affiliates could implicate the rule depending on the location of access, routing, or control. Future interpretations, amendments or enforcement actions could narrow exemptions or impose additional obligations (such as anonymization, certifications, or contractual safeguards). In addition, the Protecting Americans’ Data from Foreign Adversaries Act regulates certain “data brokers,” with exclusions that may apply to clinical research and service providers; however, interpretations may evolve. As a result, we may be required to implement additional technical and organizational measures (such as data localization or segregation, pseudonymization/anonymization, vendor changes, or contractual undertakings) and adjust cross-border personnel access, which could increase costs and extend timelines. We cannot guarantee that stricter interpretations or further geopolitical developments will not subject us to new restrictions or scrutiny, increase compliance costs, require adjustments to data governance and cross-border data flows for U.S. clinical activities, or cause delays. While we currently expect any direct impact to be limited based on our business model, funding sources and current vendor footprint, including the absence of direct U.S. federal contracting and our lack of CRO/CDMO service offerings, we cannot assure you that these developments will not adversely affect our business, financial condition, results of operations, cash flows or prospects.

Further, on October 28, 2024, the Treasury issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the “**Final Rule**”), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. As a biotechnology company, we believe we are not subject to the prohibition or notification requirements under the Final Rule. However, the application and implication of the Final Rule and any related policies, laws and regulations are complex, which may be changed and updated from time to time. There are increasing pressure amongst certain U.S. congressmen to expand the Final Rule to China-based biopharmaceutical company. Most recently, on February 26, the U.S. International Trade Commission (ITC) announced a fact-finding investigation to examine Chinese state support and pricing practices in the biotechnology sector and assess how these practices may be affecting the market share and competitiveness of the U.S. industry. Future changes in the Final Rule and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us and restrict our entry into the U.S. market in all forms (including sales and R&D collaborations), which could adversely affect our performance, financial condition and prospects.

We are subject to restrictions on transferring our scientific data abroad or using human genetic resources collected in China.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the “**Scientific Data Measures**”), and if and to the extent any data collected or generated in connection with our R&D of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China.

The Personal Information Protection Law of the PRC specifies the circumstances in which data processors providing data export shall apply for outbound data transfer security assessment with the Cyberspace Administration of China (“CAC”), including, among others, the outbound data transfer containing important data. On March 22, 2024, the CAC issued the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》). It specifies that data handlers

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that are not critical information infrastructure operators will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with the overseas recipient or passing the personal protection certification, if such data handler accumulatively transfers overseas personal information (excluding sensitive personal information) of less than 100,000 individuals since January 1 of the current year. Cross-border data transfer from other jurisdictions may also be limited if we fail to comply with relevant requirements, such as obtaining authorization from subjects regarding the use, transfer, and retrieval of their personal information or data and adopting measures to maintain the safety of personal information or data in the transfer. Also, cross-border transfer of personal data by its nature is subject to general data privacy regulations in various jurisdictions, and thus any failure to comply with data privacy protection may lead to a restriction of transferring our data across different jurisdictions.

In addition, the Regulations of PRC on the Administration of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》) (the “**HGR Regulation**”) provides that utilization of China’s human genetic resources for international scientific research cooperations, as well as the export of relevant materials, shall be subject to the approval of the administrative department for health under the State Council. However, international clinical trial cooperation using China’s human genetic resources at clinical institutions without export of human genetic resource materials for PRC market license of relevant drugs and medical devices does not require approval, provided that the type, quantity and usage of such resources to be used are filed with the administrative department for health under the State Council before conducting the clinical trials. If we are unable to obtain necessary approvals, complete the filings or comply with the regulatory requirements in a timely manner, or at all, our R&D of drug candidates may be hindered. Further, the PRC Biosecurity Law (《中華人民共和國生物安全法》) reaffirms the regulatory requirements stipulated by the HGR Regulation and potentially increases the administrative sanctions where China’s human genetic resources are collected, preserved, exported or used in international cooperation in violation of applicable laws. If our transmission of scientific data or usage of human genetic resources is deemed non-compliant by relevant authorities, we may be subject to fines and other administrative penalties imposed by those government authorities.

We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes and our income may be subject to PRC tax under the relevant PRC laws.

Under the Corporate Income Tax Law of the PRC (the “**CIT Law**”), an enterprise established outside of China with “de facto management bodies” within China is considered a “resident enterprise,” meaning that it will be treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. Under the Circular of the State Taxation Administration (the “**STA**”) on Issues Concerning the Identification of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) issued by the STA on April 22, 2009 and partially abolished in December 2017, or Circular 82, provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore.

Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreigners like us as of the Latest Practicable Date, the criteria set forth in the Circular 82 may reflect the STA’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Under Circular 82, an offshore enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and their work location is in the PRC; (ii) decisions relating to the enterprise’s financial and human resources matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

On July 27, 2011, the STA issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》), or Bulletin 45, which became effective on September 1, 2011 and as amended in 2015, 2016 and 2018, to provide further guidance on the implementation of Circular 82. Bulletin 45

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clarifies certain issues related to determining PRC resident enterprise status, including which the competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration.

Despite the foregoing, the STA may take the view that the determining criteria set forth in Circular 82 and Bulletin 45 reflect the general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Additional implementing regulations or guidance may be issued determining that we or any of our subsidiaries incorporated out of the PRC is a “resident enterprise” for PRC enterprise income tax purposes.

If the PRC tax authorities determine that we or any of our subsidiaries incorporated out of the PRC is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we and our non-PRC subsidiaries may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income, as well as to PRC enterprise income tax reporting obligations. Second, although under the CIT Law and its implementing rules, Circular 82 and Bulletin 45 dividends paid by a PRC tax resident enterprise to an offshore incorporated PRC tax resident enterprise controlled by PRC enterprise would qualify as tax-exempted income, we cannot assure that dividends paid by our PRC subsidiaries to us will not be subject to any withholding tax. Finally, the CIT Law and its implementing rules issued by PRC tax authorities provide that dividends paid by us to our non-PRC shareholders and, while less clear, capital gains recognized by them with respect to the sale of our Shares may be subject to tax of 10% for non-PRC resident enterprise shareholders and 20% for non-PRC resident individual shareholders.

We are subject to risks in relation to our social insurance and housing provident fund contributions.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. See “Regulatory Overview — Laws and Regulations in Relation to Drug Research and Registration — Regulations in Relation to Employment and Social Securities.” Any failure to make timely and adequate social welfare contribution for its employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties. During the Track Record Period, some of our subsidiaries in the PRC engaged a third-party human resources agency to make social insurance and housing provident fund contributions for their employees, and this third-party human resources agency made such social insurance and housing provident fund contributions in full as required by the relevant PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, none of these subsidiaries had received any administrative penalty regarding the payment of contributions through a third-party human resources agency or any notice from the regulatory authorities requiring the subsidiaries to rectify this practice. However, our relevant subsidiaries may be ordered to rectify such practice or be subject to penalties imposed by the local social insurance authorities or the local housing provident fund management centers for failing to make social insurance and housing provident fund contributions for the employees in the employer’s own name. In addition, we are subject to evolving laws and regulations in China and other markets where we operate, and their interpretation and enforcement may be subject to future implementations.

As PRC labor laws and regulatory guidance continue to evolve, we cannot assure that future developments will not adversely affect our operations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal fees, and our business, financial condition and results of operations could be materially and adversely affected. As advised by our PRC Legal Advisor, if there are no significant adverse changes in the current regulatory policies, regulatory environment, regulatory practices, or enforcement requirements, and if there are no employee complaints and if we are able to rectify upon request by the relevant authorities within the specified period, the likelihood that we would be subject to material administrative penalties by the relevant government authorities with respect to the engagement of third parties to make contributions to the social insurance fund and housing provident fund is remote.

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You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the document based on foreign laws.

Most of our assets are situated in the PRC and most of our Directors and officers reside in the PRC. Additionally, as the PRC lacks reciprocal treaties with many countries, you may face difficulties enforcing foreign judgments against us or our management in the PRC. On January 29, 2024, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region 《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》, came into effect, which stipulates that a judgment rendered by a Hong Kong court can generally be recognized and enforced in the PRC even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the PRC, as they remain subject to case-by-case examination by relevant courts.

RISKS RELATED TO THE [REDACTED]

No public market currently exists for our Shares. An active trading market for our Shares may not develop and the [REDACTED] and trading volume of our Shares may be volatile.

Prior to the completion of the [REDACTED], there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the Joint Representatives (for themselves and on behalf of the [REDACTED]), which may not be indicative of the price at which our Shares will be traded following completion of the [REDACTED]. The [REDACTED] of our Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

The trading price and trading volume of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the [REDACTED] of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards China-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. In addition to market and industry factors, the price and trading volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, earnings, and cash flow could cause the [REDACTED] of our Shares to change substantially. Any of these factors may affect the [REDACTED] and volatility of our Shares, regardless of our actual operating performance, and may result in losses on your [REDACTED] in our Shares.

Future sales or perceived sales of significant amounts of our Shares in the public market following the [REDACTED] could adversely affect the price of our Shares.

Future sales of a substantial number of our Shares, especially by our directors, executive officers and existing Shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our existing Shareholders are subject to certain lock-up periods. See “[REDACTED] — [REDACTED] Arrangements and Expenses.” While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. The effect of such disposal, if any, on the [REDACTED] of the Shares cannot be predicted.

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You will experience immediate and substantial dilution as a result of the [REDACTED] and may experience further dilution if we issue additional Shares or equity securities in the future.

As the [REDACTED] of Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

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

Immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] Equity Incentive Plan, CBC Shareholding Group and Mubadala Shareholding Group will be entitled to exercise voting rights of approximately [REDACTED]% and [REDACTED]% of our issued share capital, respectively. Through voting power and Board representation, they have significant influence over our business and affairs, including decisions on mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Their interests may not align with minority Shareholders, and they could block beneficial transactions. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, potentially depriving Shareholders of a takeover premium and reducing our Share price.

Our foreign exchange transactions may be subject to the regulations on foreign currency conversion, including dividend payments on our Shares.

We receive a significant portion of our net revenue in RMB. Under our current corporate structure, our Company in the Cayman Islands relies on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) (the “SAFE”) by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from the SAFE by complying with certain procedures under PRC foreign exchange regulations. However, approval from or registration with appropriate governmental authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. If we fail to comply with such laws, regulations and procedures, we may not be able to obtain sufficient foreign currencies to satisfy our foreign currency demands, and we may not be able to pay dividends in foreign currencies to our shareholders.

There can be no assurance whether and when we will pay dividends in the future.

During the Track Record Period, we did not declare or pay any dividends. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under International Financial Reporting Standards (“IFRS”). As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our financial condition, results of operations, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and require approval at our Shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

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We are a Cayman Islands company, and you may face difficulties in protecting your interests under the laws of the Cayman Islands.

We are registered by way of continuation in the Cayman Islands as an exempted company. Our operation and corporate affairs are governed by our Memorandum and Articles and the Companies Act and common law of the Cayman Islands. The shareholders’ right to take action against our directors are governed by the Companies Act and the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as that from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in other jurisdictions. As a result, our public shareholders may have difficulty in protecting their interests.

[REDACTED] should not place undue reliance on facts, forecasts, estimates and other statistics in the document relating to the economy and our industry obtained from official government resources.

Some of the facts, forecasts, estimates and other statistics in this document relating to the economy and the industry in which we operate our business on have been collected from materials from official government sources. While we have exercised reasonable care in compiling and reproducing such information and statistics derived from government publications, we cannot assure you nor make any representation as to the accuracy or completeness of such information. The information and statistics from official government sources have not been independently verified by our Group, our Directors, the Joint Sponsors, [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy.

Neither we or any of our respective affiliates or advisors, nor the [REDACTED] or any of its affiliates or advisors, have independently verified the accuracy or completeness of such information directly or indirectly derived from official government sources. In particular, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may not be comparable to information and statistics produced with respect to other countries. Statistics, industry data and other information relating to the economy and the industry derived from the official government sources used in this document may not be consistent with other information available from other sources.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the [REDACTED] and trading volume of our Shares may decline.

Research reports published by securities or industry analysts about our business may influence the trading market of our shares. If one or more analysts who cover us downgrade their evaluations of our Shares, or if they issue reports with negative outlooks or misinformation regarding our operations, it could result in a material decline in the [REDACTED] of our Shares. If one or more of these analysts cease coverage for us or fail to publish regular reports on us, we could lose visibility in the financial markets, which, in turn, could adversely affect the [REDACTED] or trading volume of our Shares.

Forward-looking information contained in this document is subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject

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to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information.

We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Director plays very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Director to Hong Kong or appointment of additional executive Director. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

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

- (a) both of our Company’s authorized representatives, Dr. CHEN Peng-Hsuan (陳鵬亘), and Ms. MAK Sin Ki (麥善琪), will act as our Company’s principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile (if any) and/or email to promptly deal with enquiries from the Stock Exchange;
- (b) each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;
- (c) each Director has provided their mobile phone number, office phone number, fax number (if any) and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives;
- (d) each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;
- (e) we have appointed Altus Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will also act as an additional channel of communication with the Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. Pursuant to the Note of Rule 3A.23, the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will provide promptly such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor’s duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between us and the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (f) any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor; and
- (g) we will also retain legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after the [REDACTED].

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

Note 2 to Rule 3.28 of the Listing Rules further sets out that in assessing “relevant experience”, the Stock Exchange will consider the individual’s: (i) length of employment with the issuer and other listed companies and the roles he/she played, (ii) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than 15 hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (iv) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong, they also need to have experience relevant to our Company’s operations, nexus to our Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company’s business and affairs as a company secretary.

We have appointed Ms. WANG Lu (王璐) as one of our joint company secretaries. Ms. WANG Lu is our general counsel, responsible for legal affairs and compliance management as well as providing legal opinions on major corporate decisions. Her biographical information is set out in “Directors and Senior Management”. Since Ms. WANG Lu does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. WANG Lu as our joint company secretary. In order to provide support to Ms. WANG Lu, we have appointed Ms. MAK Sin Ki (麥善琪), a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Ms. WANG Lu, for a three-year period from the [REDACTED] so as to enable her to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) duly discharge her duties.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver [has been] granted on the conditions that:

- (a) Ms. MAK Sin Ki is appointed as a joint company secretary to assist Ms. WANG Lu in discharging her functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules;
- (b) our Company will further ensure that Ms. WANG Lu has access to the relevant training and support to enable her to familiarize herself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Our Company’s Hong Kong legal advisor has provided training to Ms. WANG Lu on the principal requirements of the Listing Rules and the Hong Kong laws and regulations applicable to our Company after its [REDACTED]. In addition, Ms. WANG Lu will endeavor to familiarize herself with the Listing Rules, including any updates thereto, during the three-year period from the [REDACTED];
- (c) Ms. WANG Lu has confirmed that she will attend no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of a company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;
- (d) before the expiry of Ms. WANG Lu’s initial term of appointment as the company secretary of our Company, our Company will evaluate her experience in order to determine if she has acquired the qualifications required under Rule 3.28 of the Listing Rules; and
- (e) this waiver will be revoked immediately if and when Ms. MAK Sin Ki ceases to provide such assistance during the three-year period, and we undertake to re-apply to the Stock Exchange for a waiver in the event that Ms. MAK Sin Ki ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company. In addition, this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company.

For further information regarding the qualifications of Ms. WANG Lu and Ms. MAK Sin Ki, see “Directors and Senior Management.”

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Chairperson of the Board and Non-executive Director		
Mr. FU Wei	32 White House Park Singapore	Singaporean
Executive Director		
Dr. CHEN Peng-Hsuan (陳鵬亘)	Room 802, No. 16, Lane 2466 Jinxu Road Pudong New District Shanghai PRC	Chinese (Taiwan)
Non-executive Directors		
Mr. HUANG Hai (黃海)	No. 56, Lane 1888 Sicheng Highway, Sijing Town Songjiang District Shanghai PRC	Chinese
Mr. CAMPBELL Grant Fergus	Plot No. 1626 AL Jubail Island Abu Dhabi UAE	New Zealander
Mr. SUN Xin (孫欣)	Room 1201, Building 13 UNI ONE, Lane 688, South Tibet Road Huangpu District Shanghai PRC	Chinese
Independent Non-executive Directors		
Mr. HUNG Ting On John (洪廷安)	Flat 36E, Block 9 Tung Chung Crescent Tung Chung, Lantau Island, N.T. Hong Kong	Chinese (Hong Kong)
Mr. JIANG Wei (江維)	1945 Knollwood Lane Los Altos, CA 94024 United States	Chinese (Hong Kong)

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Mr. HUANG Peter Xiaopei	Building 19, Tai Li Garden No. 1 Heping Road Chaoyang District Beijing PRC	American
Ms. YAN Li Yun	Room 702, No. 19 Lane 408, Xiangnan Road Pudong New District Shanghai PRC	Canadian

For further details of our Directors, see the section headed “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

J.P. Morgan Securities (Far East) Limited
28/F, Chater House
8 Connaught Road Central
Hong Kong

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

HSBC Corporate Finance (Hong Kong) Limited
1 Queen’s Road Central
Hong Kong

[REDACTED]

Legal Advisors to Our Company

As to Hong Kong and U.S. laws:

Kirkland & Ellis
26/F, Gloucester Tower
The Landmark
15 Queen’s Road Central
Hong Kong

As to PRC law:

Commerce & Finance Law Offices
12-15/F, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing
PRC

As to Cayman Islands law:

Mourant Ozannes (Singapore) LLP
10 Collyer Quay
40-67 Ocean Financial Centre
Singapore 049315

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

**Legal Advisors to the Joint Sponsors and
[REDACTED]**

As to Hong Kong and U.S. laws:

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Fangda Partners
24/F, HKRI Centre Two
HKRI Taikoo Hui
288 Shi Men Yi Road
Shanghai
PRC

Reporting Accountant and Auditor

Deloitte Touche Tohmatsu
*Certified Public Accountants and Registered
Public Interest Entity Auditor*
35/F, One Pacific Place
88 Queensway
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai
Branch Co.**
1717 Nanjing West Road
Shanghai Room 2504-2505
Wheelock Square
Shanghai
PRC

Compliance Advisor

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	PO Box 1348 94 Solaris Avenue Camana Bay, Grand Cayman KY1-1108 Cayman Islands
Headquarter and Principal Place of Business in the PRC	Room 3001, 30/F AIA Financial Center 866 East Changzhi Road Hongkou District Shanghai PRC Room 907, Building F Phoenix Land Plaza Building 21, Compound 5 Shuguang Xili Chaoyang District Beijing PRC
Principal Place of Business in Hong Kong	Room 1915, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	<u>https://www.neurogen.com.cn</u> <i>(Information contained in this website does not form part of this document)</i>
Joint Company Secretaries	Ms. WANG Lu (王璐) Room 3001, 30/F AIA Financial Center 866 East Changzhi Road Hongkou District Shanghai PRC Ms. MAK Sin Ki (麥善琪) <i>(a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute)</i> Room 1915, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Dr. CHEN Peng-Hsuan (陳鵬亘) Ms. MAK Sin Ki (麥善琪)
Audit Committee	Mr. HUNG Ting On John (洪廷安) <i>(Chairperson)</i> Mr. HUANG Peter Xiaopei Ms. YAN Li Yun

CORPORATE INFORMATION

Remuneration Committee

Mr. JIANG Wei (江維) (*Chairperson*)
Mr. SUN Xin (孫欣)
Mr. HUANG Peter Xiaopei

Nomination Committee

Mr. FU Wei (*Chairperson*)
Mr. JIANG Wei (江維)
Ms. YAN Li Yun

Strategy Committee

Dr. CHEN Peng-Hsuan (陳鵬亘) (*Chairperson*)
Mr. SUN Xin (孫欣)
Mr. CAMPBELL Grant Fergus
Mr. HUANG Hai (黃海)
Mr. JIANG Wei (江維)

Principal Share Registrar and Transfer Office

**Mourant Governance Services (Cayman)
Limited**
94 Solaris Avenue, Camana Bay
Grand Cayman KY1-1108
Cayman Islands

[REDACTED]

Principal Bank

Ping An Bank Co., Ltd. Shanghai Branch
NO. 1333, Lujiazui Ring Road
Pudong New District
Shanghai
PRC

INDUSTRY OVERVIEW

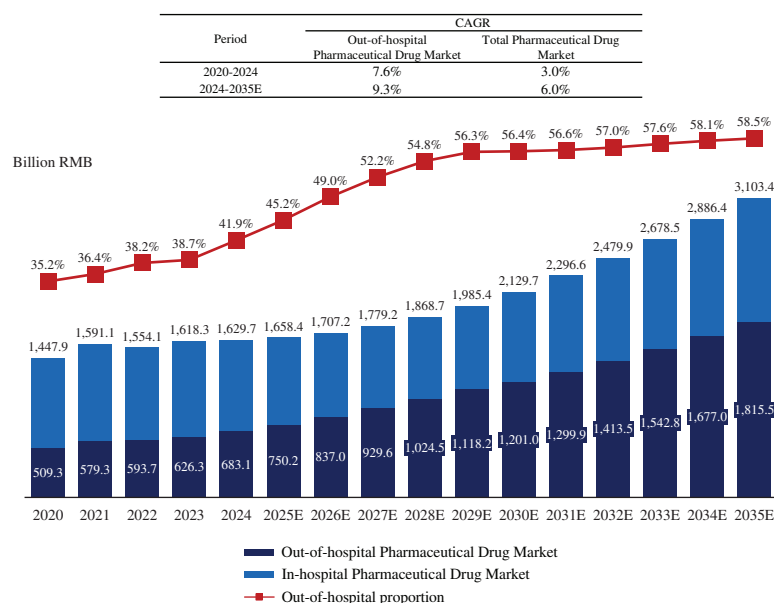
The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research, and from the independent industry report prepared by Frost & Sullivan in connection with the [REDACTED] (the “Frost & Sullivan Report”). The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

THE PHARMACEUTICAL MARKET IN CHINA

China’s pharmaceutical market is underpinned by a structured and integrated value chain designed to facilitate the efficient delivery of medicines from development to patient consumption. The upstream segment forms the foundation of this ecosystem, encompassing drug R&D, raw material supply, and API production. The mid-stream circulation network acts as a critical bridge, leveraging distributors and service providers to channel pharmaceutical products through diverse dispensing avenues, including hospitals, primary healthcare institutions, and retail pharmacies across both in-hospital and out-of-hospital settings. Ultimately, this comprehensive infrastructure seamlessly connects upstream manufacturers with downstream end customers, ensuring a streamlined and effective healthcare delivery system for patients nationwide.

China has become one of the world’s most important pharmaceutical markets. China’s overall pharmaceutical market reached RMB1,629.7 billion in 2024, representing a CAGR of 3.0% from 2020 to 2024. The market is expected to grow to RMB3,103.4 billion by 2035 at a CAGR of 6.0% from 2024 to 2035. The market size of China out-of-hospital Pharmaceuticals has grown rapidly in recent years. From 2020 to 2024, China pharmaceutical out-of-hospital drug market has grown from RMB509.3 billion to RMB683.1 billion, with a CAGR of 7.6%. It is estimated to achieve RMB1,815.5 billion in 2035, with a CAGR of 9.3% from 2024 to 2035.

China Pharmaceutical Drug Market Size, Breakdown by In-hospital and Out-of-hospital, 2020-2035E

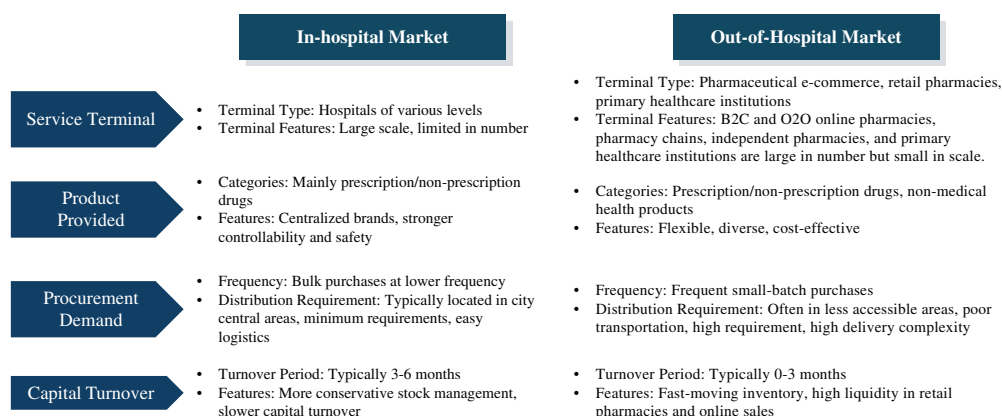


Source: Company Annual Report, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

China’s Out-of-Hospital Pharmaceutical Market

China’s pharmaceutical market can be divided into the in-hospital market and the out-of-hospital market. The in-hospital market, dominated by hospitals across various tiers, is characterized by centralized regulatory oversight, more standardized procurement process and relatively concentrated product categories, particularly prescription drugs. By contrast, the out-of-hospital market is more fragmented, comprising retail pharmacies, primary healthcare institutions and online pharmacy platforms. While these end-point institutions are highly diverse and numerous, they are typically small in scale, resulting in a fragmented, dispersed market structure characterized by flexible, competitive, and highly market-driven operations. Together, the in-hospital and out-of-hospital channels establish a complementary distribution framework, facilitating comprehensive patient access to pharmaceuticals across both clinical and retail settings.



Source: Literature Review, Frost & Sullivan Analysis

The growth of the out-of-hospital pharmaceutical market is supported by a combination of policy-driven channel shifts and strengthening patient demand. The normalization of volume-based procurement (“VBP”) has exerted downward pressure on in-hospital sales of non-winning originator drugs, prompting manufacturers to increasingly expand into out-of-hospital channels where pricing and product selection are more flexible. In parallel, the implementation of “Dual-Channel” and related prescription circulation policies have facilitated the orderly outflow of prescriptions from hospitals to qualified retail and online pharmacies, broadening patient access and accelerating the redistribution of demand toward out-of-hospital settings. Concurrently, rising disposable income, an increasing willingness to self-pay for high-quality therapies, and the growing need for long-term management of chronic diseases — particularly in therapeutic areas requiring convenience, privacy, and continuity of care — have contributed to robust patient demand. Furthermore, the rapid development of pharmaceutical e-commerce and digital prescription services has enhanced accessibility and efficiency, reinforcing the sustained expansion of out-of-hospital channels.

OVERVIEW OF CENTRAL NERVOUS SYSTEM DISEASE DRUG MARKET IN CHINA

Overview

Central nervous system (“CNS”) diseases refer to a broad group of neurological disorders that affect the structure or function of the brain and spinal cord, which together constitute the core components of the human nervous system responsible for cognition, movement, sensation and the coordination of vital bodily functions. CNS diseases may arise from inherited metabolic abnormalities, neurodegenerative processes, structural damage, infections, demyelinating conditions, or multifactorial and idiopathic causes.

CNS disorders encompass several major categories, including neurodegeneration (e.g. Parkinson’s disease, Alzheimer’s disease), functional disorders (e.g. epilepsy, migraine and dizziness), structural disorders (e.g. brain or spinal cord injury or tumors), CNS infections (e.g. meningitis and encephalitis),

INDUSTRY OVERVIEW

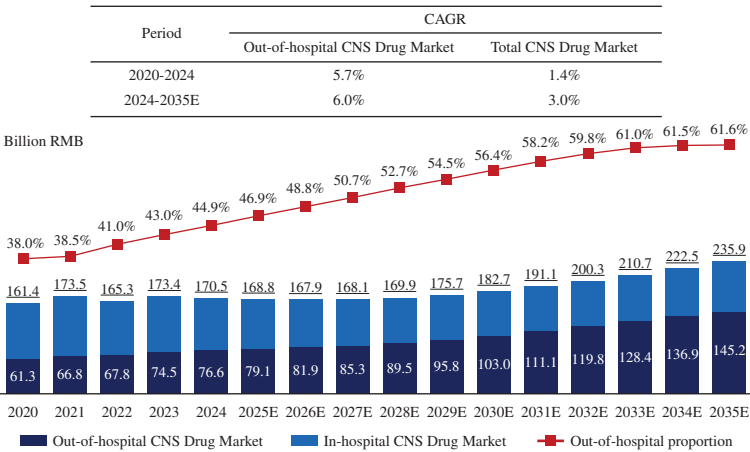
and demyelinating diseases (e.g. multiple sclerosis and damage to the myelin sheath). Collectively, these conditions impose a substantial disease burden characterized by high prevalence, chronic progression, a severe impact on patient quality of life, and the frequent necessity for long-term management.

Despite growing awareness and advancements in diagnostic technologies, many CNS diseases remain underdiagnosed or are only identified at advanced stages. This diagnostic delay is primarily attributed to heterogeneous symptoms, overlapping clinical presentations, and the reliance on specialized neurological assessments. Current standards of care typically employ a multidisciplinary approach, combining pharmacological therapy, rehabilitation, symptomatic management, and occasionally, disease-modifying or interventional strategies. Nevertheless, significant unmet medical needs persist across multiple CNS indications. These are largely driven by limited treatment efficacy, the inherent challenges of long-term disease control, and the highly complex pathophysiology underlying these disorders.

Market Size

China’s CNS drug market has maintained steady growth in recent years. From 2020 to 2024, the market size increased from RMB161.4 billion to RMB170.5 billion, and is projected to reach RMB235.9 billion by 2035. Within the overall CNS market, the out-of-hospital CNS drug market is expected to experience a notable growth trend, increasing from RMB61.3 billion in 2020 to RMB76.6 billion in 2024 and further expanding to RMB145.2 billion by 2035 at a CAGR of 6.0% from 2024 to 2035, outperforming the growth of the total China CNS drug market. The following figure illustrates the market size breakdown of China’s CNS drug market by in-hospital and out-of-hospital channels.

China CNS Drug Market Size, breakdown by in-hospital and out-of-hospital, 2020-2035E



Source: Company Annual Report, Frost & Sullivan Analysis

Entry Barriers for the CNS Disease Drug Market

The CNS disease drug market is characterized by high entry barriers, which are summarized as follows.

- R&D barriers.** The development of CNS therapies involves substantial capital requirements, lengthy development timelines and historically high clinical attrition rates. Development is further complicated by the narrow therapeutic windows typical of these indications, where strict pharmacokinetic consistency and bioequivalence are difficult to achieve and even minor deviations in drug exposure can lead to serious clinical risks, such as breakthrough seizures.

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- **Manufacturing barriers.** The manufacturing of CNS therapies requires precise processes to ensure stability, bioavailability and consistent therapeutic effect. The need for formulations capable of crossing the blood — brain barrier increases technical difficulty and manufacturing cost, limiting new entrants.
- **Brand and reputation challenges.** Established CNS brands benefit from strong Key Opinion Leader (“KOL”) trust and extensive clinical familiarity, creating high barriers to switching. This brand loyalty is often reinforced by clinical guidelines; for instance, guidelines strongly advise against altering anti-seizure medications in well-controlled epilepsy patients due to the risk of relapse. Capitalizing on this entrenched market position, originator products frequently extend their product lifecycles through incremental formulation and therapeutic enhancements.
- **Market and channel barriers.** CNS treatment is heavily concentrated within specialized neurological centers, where prescribing patterns are deeply shaped by established clinical protocols and the influence of KOLs. Building this requisite academic presence takes years and cannot be achieved through sales force expansion alone.

Market Drivers and Future Trends

We believe the growth of China’s CNS disease drug market will be driven by the following factors and trends.

- **Growing disease burden.** The aging population, compounded by rising societal and psychological stressors, continues to drive the elevated prevalence of major CNS disorders. As of the end of 2024, China had approximately 220.23 million people aged 65 and above, representing 15.6% of the total population. The incidence of neurological conditions correlates strongly with age; for instance, stroke incidence peaks between ages 60 and 84, while Alzheimer’s disease and other dementias rise most significantly after age 85. Consequently, this expanding geriatric demographic not only increases the absolute number of patients with CNS diseases but also intensifies the demand for long-term care, driving a sustained need for pharmacological interventions across a broad spectrum of neurological conditions.
- **Favorable policies and government initiatives.** Government initiatives aimed at expanding mental health and neurological care services further support market development. Recent national programs, including efforts to improve pediatric and mental health services, promote diversified psychological outpatient formats, and strengthen sleep disorder clinics, collectively enhance patient access. In addition, the “15th Five-Year National Health Plan” supports the development of provincial and key municipal mental health institutions, emphasizes the strengthening of psychological and psychiatric services, and promotes the early identification and comprehensive intervention of common mental disorders and psychological issues among key populations. Such policy support is expected to encourage earlier diagnosis, broader treatment uptake, and increased long-term demand for CNS therapies.
- **Expansion of out-of-hospital access and improved patient adherence.** The rapid expansion of out-of-hospital channels has significantly enhanced patient access to CNS medications. These alternative channels are particularly beneficial for managing chronic and long-term CNS conditions that require consistent therapeutic intervention, as they offer greater convenience, privacy, and continuity of care compared to traditional hospital-based pathways. Furthermore, the proliferation of digital prescription circulation and online follow-up services continues to lower access barriers, directly driving higher rates of treatment adherence. This structural shift is expected to broaden treatment coverage, facilitate ongoing disease management, and unlock new commercial growth opportunities within the CNS drug market.

INDUSTRY OVERVIEW

Indication

Epilepsy

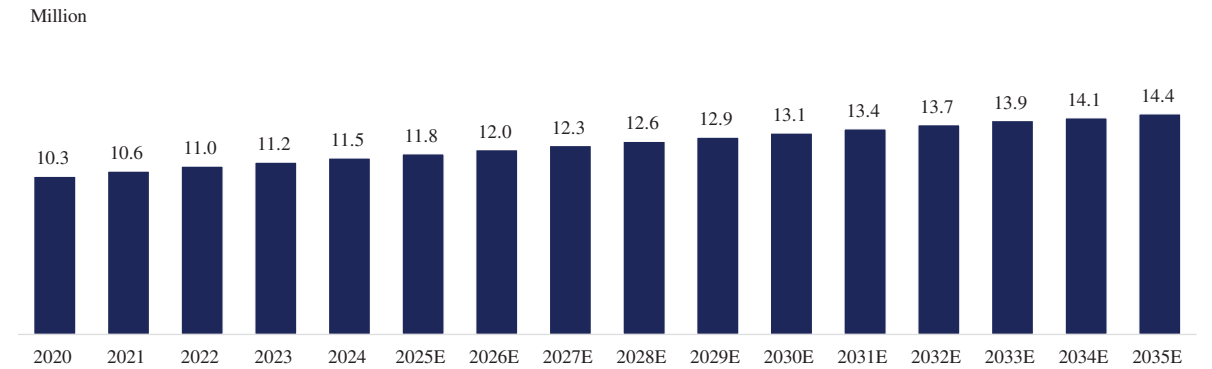
Epilepsy is a chronic brain disorder marked by repeated seizures caused by abnormal electrical discharges in neuronal networks. Seizures can affect part of the brain or the whole brain and may lead to loss of awareness, involuntary movements, sensory changes or severe convulsions. The condition is rooted in disrupted communication between neurons, driven by excessive excitatory activity or reduced inhibitory control. Recurrent seizures further reshape neural circuits and worsen network instability. Epilepsy arises from multiple factors such as genetic susceptibility, structural brain injuries, perinatal complications, infections, metabolic problems and cases with no identifiable cause. The disease creates significant long-term burden by affecting cognition, mental health, daily functioning and social participation. With a wide range of seizure types and varied clinical presentations, epilepsy remains a complex neurological condition that requires sustained medical management.

Prevalence

In China, the epilepsy patient population grew from 10.3 million in 2020 to 11.5 million in 2024, representing a CAGR of 2.8%, and is projected to reach 14.4 million by 2035 at a CAGR of 2.0% from 2024 to 2035. This sustained expansion underscores the long-term clinical demand for effective anti-epileptic therapies and disease management.

China Prevalence of Epilepsy, 2020-2035E

Period	CAGR
2020 -2024	2.8%
2024 -2035E	2.0%



Source: Literature Review, Frost & Sullivan Analysis

Treatment Paradigm

The treatment landscape for epilepsy has evolved significantly across three generations of anti-seizure medications (ASMs). First-generation agents — such as phenytoin, carbamazepine, and valproate — provided broad seizure control but were often limited by substantial adverse effect profiles. Consequently, the standard of care shifted toward second-generation therapies, including levetiracetam, lamotrigine, gabapentin, and topiramate, which offer improved tolerability and broader clinical application.

INDUSTRY OVERVIEW

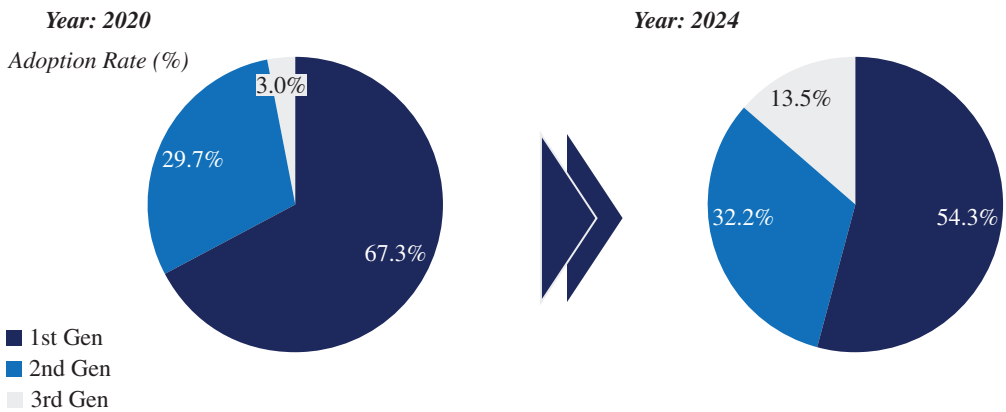
	First-Generation ASMs	Second-Generation ASMs	Third-Generation ASMs
Representative Drugs	Phenytoin, Carbamazepine, Valproate, Phenobarbital	Levetiracetam, Lamotrigine, Gabapentin, Topiramate,	Lacosamide, Eslicarbazepine, Brivaracetam, Perampanel
Primary Mechanism of Action	Sodium channel blockade (Phenytoin, Carbamazepine), GABA enhancement (Phenobarbital), multiple mechanisms (Valproate)	Sodium channel modulation (Lamotrigine), Calcium channel modulation (Gabapentin), GABA/Glutamate modulation (Topiramate), SV2A binding (Levetiracetam)	SV2A high-affinity binding (Brivaracetam), Slow sodium channel inactivation enhancement (Lacosamide), AMPA receptor antagonism (Perampanel), Sodium channel modulation (Eslicarbazepine)
Approval Period	1930s–1970s	1980s–1990s	2000s onward
Spectrum of Activity	Broad (partial and generalized seizures)	Broad, effective for both focal and generalized seizures	Targeted for refractory or adjunctive
Tolerance/Adverse Effects	Poorer tolerance; cognitive impairment, ataxia, weight changes, bone metabolism effects	Better tolerance	Generally well tolerated; may cause somnolence, dizziness
Efficacy Profile	Established efficacy; some patients poorly controlled	Stable efficacy, suitable for most seizure types	Effective in refractory cases, often used adjunctively

Source: Literature Review, Frost & Sullivan Analysis

Adoption Rates of 1st-/2nd-/3rd-generation ASMs

In 2020, China first-generation ASMs dominated the market with a 67.3% adoption rate, while second-generation drugs accounted for 29.7%, and third-generation drugs had minimal adoption at 3.0%. By 2024, the adoption pattern shifted: first-generation ASMs declined to 54.3%, second-generation drugs increased to 32.2%, and third-generation drugs rose to 13.5%, showing a clear transition toward newer-generation ASMs over time, with first-generation drugs gradually being replaced by second- and third-generation therapies.

Comparison of ASMs Generation Adoption Rate Between 2020 and 2024 in China



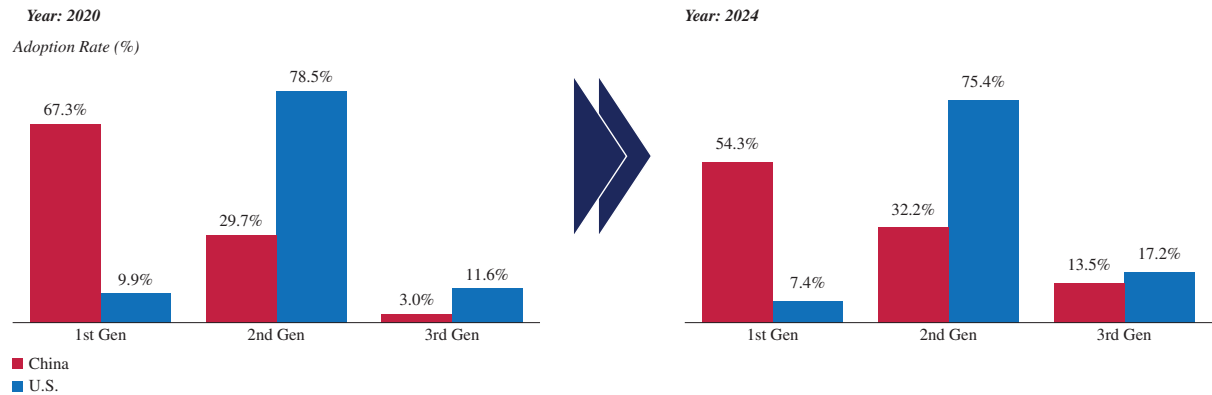
Source: Expert Interview, Frost & Sullivan Analysis

In 2020, ASM adoption showed a clear contrast between China and the U.S. In China, first-generation drugs dominated at 67.3%, while second-generation drugs made up 29.7% and third-generation drugs only 3.0%. In the U.S., second-generation ASMs were the mainstay at 78.5%, with first-generation drugs at 9.9% and third-generation drugs at 11.6%. This reveals a significant gap, as China still relied largely on older medications, whereas the U.S. had mostly shifted to newer-generation therapies. By 2024, the gap remained but showed some narrowing. In China, first-generation drug use fell to 54.3%, second-generation rose to 32.2%, and third-generation increased to 13.5%, reflecting a gradual

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move toward newer therapies. In the U.S., second-generation ASMs continued to dominate at 75.4%, first-generation fell further to 7.4%, and third-generation increased to 17.2%. Overall, both countries are adopting newer-generation ASMs, but China still trails the U.S. in uptake of second- and third-generation drugs.

Comparison of ASMs Generation Adoption Rate Between China and the U.S. (2020 vs 2024)

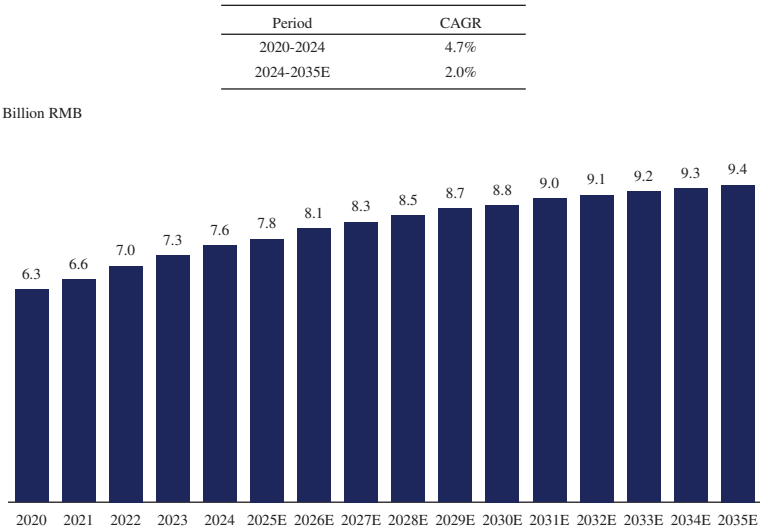


Source: Expert Interview, Frost & Sullivan Analysis

Market Size

From 2020 to 2024, the Chinese ASMs market expanded from RMB6.3 billion to RMB7.6 billion, with a CAGR of 4.7%. Rising prevalence and improving diagnosis rates, supported by broader healthcare access and growing acceptance of online consultations, continue to drive treatment demand. By 2035, the market is projected to reach RMB9.4 billion, reflecting a steady growth at a CAGR of 2.0% from 2024 to 2035. The following figure shows the market size trend.

China ASMs Market Size, 2020-2035E



Source: Company Annual Report, Frost & Sullivan Analysis

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Competitive landscape

As of the Latest Practicable Date, 12 originator ASMs had been approved in China, details of which are summarized in the table below.

Generation	Brand Name	Drug Name	Dosage Form	Company	First Approval Date	Indication
1 st Gen	得理多® Tegretol®	Carbamazepine	Tablet	Novartis	1993/04	Partial seizures (simple or complex), trigeminal neuralgia; primary or secondary generalized tonic-clonic seizures; mixed seizures. Can be used alone or in combination. Not effective for absence or myoclonic seizures.
2 nd Gen	開浦蘭® Keppra®	Levetiracetam	Tablet	NeuroGen	2006/11	For the treatment of partial-onset seizures (with or without secondary generalized seizures) in adults and children aged 4 years and older, and as adjunctive therapy for generalized tonic-clonic seizures in adults and adolescents aged 16 years and older.
			Oral solution		2011/03	For the treatment of partial-onset seizures in patients aged 1 month and older; as adjunctive therapy for myoclonic seizures in adolescents aged 12 years and older; and as adjunctive therapy for primary generalized tonic-clonic seizures in children aged 6 years and older with idiopathic generalized epilepsy.
			Injection		2017/07	For the treatment of partial-onset seizures (with or without secondary generalized seizures) in adults and children aged 4 years and older. Can be used as an alternative route of administration when patients are temporarily unable to take oral dosage forms.
2 nd Gen	紐諾汀® Neurontin®	Gabapentin	Capsule	Pfizer	2002/01	Postherpetic neuralgia; focal seizures. Adjunctive therapy for partial seizures in adults and children aged 12+ years, and for children 3–12 years.
	曲萊® Trileptal®	Oxcarbazepine	Tablet	Novartis	2003/06	For adults and children aged 5 years and older, for primary generalized tonic-clonic seizures and partial seizures, with or without secondary generalized seizures.
			Oral suspension		2013/11	For the treatment of primary generalized tonic-clonic seizures and partial-onset seizures, with or without secondary generalized seizures. It is indicated for adults and children aged 2 years and older.
	利必通® LAMICTAL®	Lamotrigine	Tablet	GSK	2003/11	For monotherapy in adults and children aged 12 years and older for the treatment of simple partial seizures, complex partial seizures, secondary generalized tonic-clonic seizures, and primary generalized tonic-clonic seizures. Monotherapy is currently not recommended for children under 12 years of age, as controlled trial data in this population are not yet available. It is also indicated as adjunctive therapy in adults and children aged 2 years and older for the same seizure types, and may be used to treat seizures associated with Lennox-Gastaut syndrome.
	妥泰® Topamax®	Topiramate	Tablet	J&J	1998/01	For monotherapy in patients newly diagnosed with epilepsy, or in patients previously on combination therapy who are being switched to monotherapy. This product is indicated as adjunctive therapy for partial-onset seizures in adults and children aged 2 to 16 years.
			Capsule		2001/05	Adjunctive therapy for partial-onset seizures in adults and children aged 2 to 16 years.
2 nd Gen	露朗® Zonegran®	Zonisamide	Tablet	Sumitomo	2011/12	Adjunctive therapy for epilepsy adults with partial seizures.
3 rd Gen	維派特® VIMP AT®	Lacosamide	Tablet	NeuroGen	2018/11	For monotherapy or adjunctive therapy of partial-onset seizures in patients aged 4 years and older, and as adjunctive therapy for primary generalized tonic-clonic seizures in patients aged 4 years and older.
			Injection		2019/12	Adjunctive therapy for partial-onset seizures in patients aged 4 years and older.
			Oral solution		2020/07	Adjunctive therapy for partial-onset seizures in patients aged 2 years and older.
	衛克泰® Fycompa®	Perampanel	Tablet	Eisai	2019/09	Partial seizures (with or without secondary generalized seizures) in adults and children aged 4 years and older. Adjunctive therapy for primary generalized tonic-clonic seizures in adults and children aged 12 years and older.
	翼弗瑞® Xcoprie/ Ontozry®	Cenobamate	Tablet	Ignis	2025/12	Partial seizures in adults with epilepsy.
	樂瑞卡® LYRICA®	Pregabalin	Capsule	Pfizer	2026/01	Adjunctive for partial-onset seizures in adults.
	Diacomit®	Stiripentol	Capsule	Giddi	2026/04	Adjunctive therapy of refractory generalized tonic-clonic seizures in patients with severe myoclonic epilepsy in infancy (SMEI, Dravet syndrome) whose seizures are not adequately controlled with clobazam and valproate.

Source: NMPA, Frost & Sullivan Analysis

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Market Drivers

The following sets out the principal drivers that the Directors believe will shape the development of this market.

- **Growing prevalence and rising treatment demand.** The demand for epilepsy medications in China is rising as the prevalence of the condition grows, particularly among aging populations and in historically underserved regions. Improved diagnostic capabilities and greater access to healthcare infrastructure across the country are driving this trend, leading to a larger number of patients being identified, diagnosed and treated. As public awareness of epilepsy and its management continue to increase, the need for effective and accessible treatment options becomes increasingly critical, creating a substantial and expanding addressable patient population for ASMs.
- **Expansion of e-commerce pharmacy and online prescription channels.** E-commerce pharmacy and online consultations are transforming how patients manage chronic conditions such as epilepsy. Under the *Guidelines for Long-Term Prescription Management (Trial)* (《長期處方管理規範(試行)》), long-term prescriptions are generally issued for periods of up to four weeks and may be extended to up to 12 weeks for patients with stable chronic conditions. Patients typically receive their initial prescription during an in-person visit at a medical institution, while subsequent medication purchases are increasingly conducted through online platforms. Compared with traditional in-person consultations, this channel offers a more convenient and cost-effective solution for patients, particularly those requiring ongoing treatment for chronic conditions such as epilepsy. In addition, patients with epilepsy who also experience co-morbid mental health challenges often avoid in-person visits due to social stigma; the shift to online healthcare provides a more private, supportive, and less stigmatised environment, helping ensure these patients can access consultations and medication without fear of judgment. The continued development and regulatory acceptance of online healthcare channels is expected to further reduce barriers to medication access and improve treatment continuity for epilepsy patients across China.
- **Increasing adoption of sustained-release formulations.** As demand for epilepsy treatments rises, sustained-release (“SR”) formulations are gaining importance in the ASMs market. SR formulations are designed to maintain stable drug levels in the bloodstream, thereby reducing pharmacokinetic fluctuations and improving overall seizure control. These formulations enhance patient adherence through fewer required daily doses, which is of particular benefit to children, the elderly and those managing complex medication regimens. In addition, SR formulations help lower the incidence of adverse side effects by avoiding the peak drug concentrations associated with immediate-release alternatives. The improved stability, tolerability and dosing convenience offered by SR formulations are expected to drive continued growth and product differentiation within the ASMs market in China.
- **Increasing adoption of next-generation ASMs.** Driven by better efficacy and improved tolerability, next-generation ASMs are experiencing increasing adoption. The market in China, historically dominated by first-generation therapies, is now progressively transitioning toward second- and third-generation ASMs. Supported by a growing emphasis on patient safety and quality of life, China’s ASM market is expected to continue aligning with mature markets, where next-generation therapies constitute the majority of prescriptions.

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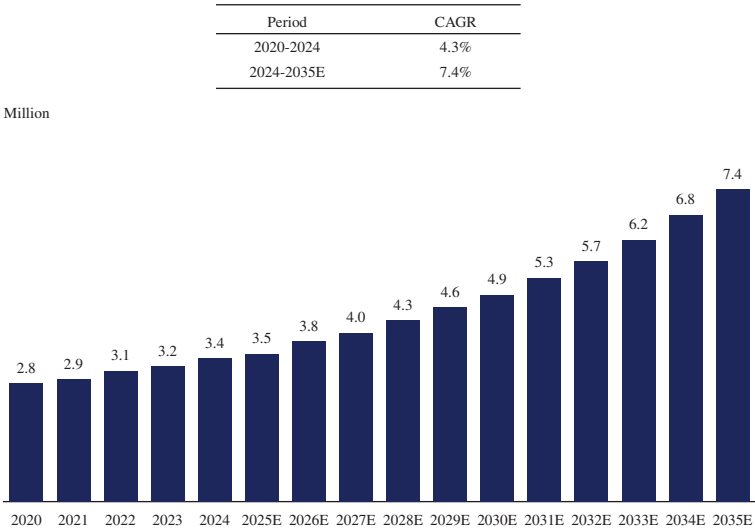
Parkinson’s Disease

Parkinson’s disease (“PD”) is a chronic, progressive neurodegenerative disorder primarily characterized by severe motor and non-motor dysfunctions. The condition is fundamentally driven by the progressive degeneration of dopaminergic neurons in the substantia nigra pars compacta. This loss leads to a critical deficiency of dopamine in the basal ganglia, disrupting the neural signalling pathways responsible for regulating voluntary motor control. As dopamine levels deplete, patients manifest a spectrum of cardinal motor symptoms, including resting tremor, muscle rigidity, bradykinesia (slowness of movement), and postural instability. The clinical progression of PD is highly heterogeneous and insidious. In the early stages, patients typically present with localized tremors and rigidity. However, as the disease advances, patients frequently experience severe gait impairment, loss of functional independence, and debilitating non-motor complications, such as cognitive decline, autonomic dysfunction, and psychiatric or behavioural disorders.

Prevalence

In China, the number of patients with Parkinson’s disease increased from 2.8 million in 2020 to 3.4 million in 2024, representing a CAGR of 4.3%. Driven by the accelerating ageing of China’s population, prolonged patient life expectancy and advances in early-stage neurological diagnostics, the patient population is expected to reach 7.4 million by 2035, reflecting a CAGR of 7.4% from 2024 to 2035. The following figure shows the prevalence trend in China.

Prevalence of PD in China, 2020-2035E



Source: Literature Review, Frost & Sullivan Analysis

Treatment Paradigm

Treatment for Parkinson’s disease focuses on improving motor symptoms by restoring or enhancing dopamine signaling. Early stages are commonly managed with non-ergot dopamine agonists, MAO-B inhibitors or amantadine, while carbidopa and levodopa remain the core therapy across all stages. As symptoms progress, patients may require combination regimens or the addition of COMT inhibitors to maintain stable symptom control. For patients with advanced or medication-refractory disease, surgical options such as deep brain stimulation or focused procedures that target specific brain regions can help reduce motor fluctuations and improve daily function. While there is currently no disease-modifying cure, the chronic nature of PD necessitates lifelong pharmacological intervention and supportive care to manage symptoms and preserve the patient’s quality of life. Consequently, this high disease burden drives a substantial, long-term clinical demand for efficacious PD therapeutics.

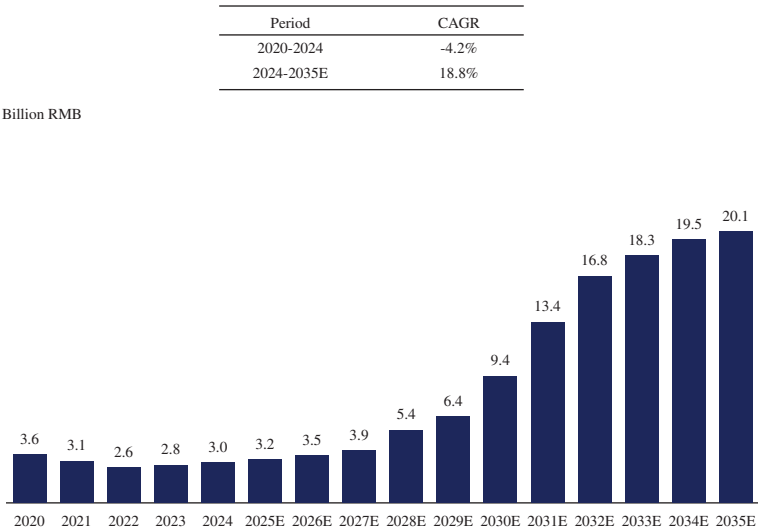
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Despite available therapies, patients continue to face significant unmet needs. Oral treatments can produce fluctuating drug levels that lead to on-off symptoms and reduced motor stability. Nighttime and early morning symptoms remain difficult to manage because current medications provide limited 24-hour control. Complex dosing schedules also challenge adherence, especially for elderly patients or those with cognitive impairment. These limitations highlight the need for more consistent delivery approaches and treatments that provide sustained and predictable symptom relief.

Market Size

From 2020 to 2024, the Parkinson’s disease drug market in China declined from RMB3.6 billion to RMB3.0 billion, primarily due to the implementation of the VBP program in China, which mandated steep price reductions for several foundational, high-volume PD medications. Driven by the rising prevalence of Parkinson’s disease and the anticipated commercial launch of innovative therapies, the market is projected to grow to RMB20.1 billion by 2035, representing a CAGR of 18.8% from 2024 to 2035. The following figure shows the market size trend.

Market Size of PD in China, 2020-2035E



Source: Company Annual Report, Frost & Sullivan Analysis

Competitive landscape

As of the Latest Practicable Date, 11 originator Parkinson’s disease therapies had been approved in China, including the class of levodopa-based therapy, MAO-B inhibitors, dopamine agonists and COMT inhibitors. The following table summarizes the approved PD therapies in China and their mechanisms of action.

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Competitive Landscape of Originator Marketed Parkinson’s Disease Treatment Drugs

Class	Drug Name	Brand Name	Company	NMPA Approved Date	Mechanism of Action
Levodopa-based therapy	Levodopa + Benserazide	Madopar®	Roche	1999/10	• Crosses the blood-brain barrier and is converted to dopamine; • benserazide inhibits peripheral AADC to enhance central availability.
MAO-B inhibitor	Selegiline	Eldepryl®	Organon	2000/10	• Inhibits MAO-B-mediated dopamine degradation in the brain, thereby increasing synaptic dopamine levels.
	Rasagiline	Azilect®	Teva	2017/06	
	Safinamide	Xadago®	Newron	2024/12	
Dopamine agonist (non-ergot)	Piribedil	Trivastal®	Servier	2000/11	Selective dopamine receptor agonists (D2/D3), stimulating postsynaptic receptors to enhance dopaminergic signaling
	Pramipexole	Sifrol®/Mirapex®	Boehringer Ingelheim	2005/12; 2014/08	
	Ropinirole	Requip®	GSK	2014/02	
COMT inhibitor	Entacapone	Comtan®	Orion Pharma	2004/05	• Inhibits COMT-mediated metabolism of levodopa, prolonging its availability and increasing central dopamine levels.
Dopamine agonist (ergot)	Bromocriptine	Parlodel®	Novartis	2001/01	Direct dopamine receptor agonists (primarily D2), mimicking dopamine activity in the striatum
	Dihydroergocryptine	Cripar®	Pfizer	2000/12	
Dopamine agonist (patch)	Rotigotine	Neupro®	NeuroGen	2018/06	Continuous stimulation of dopamine receptors (D1–D3) via transdermal delivery, providing stable dopaminergic activation

Source: NMPA, Frost & Sullivan Analysis

Market Drivers

We believe the growth of China’s PD drug market will be mainly driven by the following factors and trends.

- Growing Patient Population and Aging Demographics:** China’s rapidly aging population and improved diagnostic capabilities are increasing the number of Parkinson’s disease patients. A larger patient base naturally drives demand for effective, long-term therapies that can manage the progressive motor and non-motor symptoms associated with the disease.
- Preference for Convenient Delivery Formats:** Patients and clinicians increasingly favor therapies that provide continuous, stable symptom control with reduced dosing frequency. Transdermal patches maintain steady drug levels in the bloodstream, helping to reduce “on-off” motor fluctuations, simplify daily administration, and improve adherence. These delivery formats are particularly important in a chronic, progressive disease like Parkinson’s, where consistent symptom control is crucial for maintaining quality of life.

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- Enhanced Adoption through Safety, Tolerability, and Home-Based Use:** Parkinson’s disease treatment often requires multiple medications taken several times a day, and such complex regimens can increase the risk of missed or incorrect doses, particularly among patients with cognitive impairment or advanced disease, potentially reducing treatment effectiveness and worsening symptom control. The use of transdermal patches offers a more convenient alternative, enabling outpatient or home-based administration, minimizing the need for frequent hospital visits, and improving adherence. These advantages help overcome key barriers to treatment and support sustained growth in the Parkinson’s disease market.

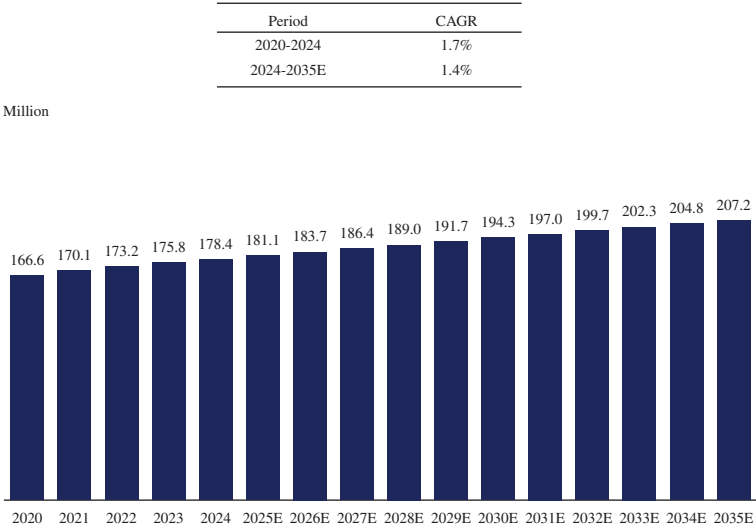
Migraine

Migraine is a common neurological disorder classified as a primary headache disorder and considered a functional disease of CNS. It is characterized by recurrent moderate to severe headaches that are often unilateral and pulsating, frequently accompanied by nausea, vomiting, photophobia and phonophobia. The underlying pathogenesis involves activation and sensitization of the trigeminal system, cortical spreading depression and the release of vasoactive peptides that promote neurogenic inflammation and pain transmission. Migraine symptoms develop across several phases, including prodrome, aura, headache and postdrome, each associated with specific neurological or sensory disturbances. The disease imposes a substantial burden on daily functioning and quality of life due to the frequency of attacks, associated disability and the need for long-term symptom management.

Prevalence

In China, the number of people with migraine reached 178.4 million in 2024, growing from 166.6 million in 2020. The prevalence is expected to continue rising in the coming years, with the patient population projected to reach 207.2 million by 2035. The following figure shows the prevalence of migraine in China.

Prevalence of Migraine in China, 2020-2035E



Source: Literature Review, Frost & Sullivan Analysis

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Treatment Paradigm

Migraine Type	Drug Class (Recommendation Level; Evidence Grade)	Drug Name
Episodic Migraine (EM)	CGRP Monoclonal Antibodies (II; A)	Fremanezumab, Galcanezumab, Eptinezumab, Erenumab
	CGRP Receptor Antagonists/Gepants (II; B)	Rimegepant, Atogepant
	β-blockers (I-III; A-C)	Propranolol, Metoprolol, Atenolol
	Anticonvulsants (I-III; A-C)	Topiramate, Valproate
	ACEI/ARB (II-III; B-C)	Candesartan, Lisinopril
	Calcium Channel Blockers (II-III; B-C)	Flunarizine
Chronic Migraine (CM)	CGRP Monoclonal Antibodies (II; A)	Fremanezumab, Galcanezumab, Eptinezumab, Erenumab
	OnabotulinumtoxinA (I; A)	OnabotulinumtoxinA
	β-blockers (I-III; A-C)	Propranolol, Metoprolol, Atenolol
	Anticonvulsants (I-III; A-C)	Topiramate, Valproate
	Tricyclic Antidepressants (III; C)	Amitriptyline
	SNRIs (III; C)	Venlafaxine
	ACEI/ARB (III; C)	Candesartan
	Muscle Relaxants (III; C)	Tizanidine
	Other (III; C)	Flunarizine
	Supplements (III; C)	Magnesium, Riboflavin (B2), Coenzyme Q10

Source: Chinese Guidelines for the Diagnosis and Treatment of Migraine (First Edition by the Chinese Society of Neurology, Chinese Medical Association), Frost & Sullivan Analysis

Preventive treatment for migraine is divided into strategies for episodic migraine (EM) and chronic migraine (CM). Available preventive therapies include Calcitonin Gene-Related Peptide (“CGRP”)-targeting monoclonal antibodies, CGRP receptor antagonists (gepants), β-blockers, anticonvulsants, ACE inhibitors or ARBs, calcium channel blockers, tricyclic antidepressants, SNRIs, muscle relaxants, onabotulinumtoxinA, and supplements. Among these, CGRP monoclonal antibodies are strongly recommended for both EM and CM due to their mechanism-based action, favorable tolerability, and demonstrated efficacy in reducing migraine frequency.

CGRP Pathway and Monoclonal Antibodies in Migraine Prevention

CGRP is a 37-amino acid neuropeptide widely expressed in both the central and peripheral nervous systems. During migraine attacks, elevated CGRP levels induce vasodilation of cerebral and dural blood vessels, promote neurogenic inflammation through activation of the trigeminovascular system, and enhance nociceptor sensitization, leading to amplified pain transmission. As a critical mediator of both episodic and chronic migraine, CGRP represents a validated therapeutic target for migraine prophylaxis. CGRP-targeting monoclonal antibodies (mAbs) are designed to inhibit the CGRP signaling pathway and reduce the frequency of migraine attacks. These antibodies can be classified into two categories: ligand-targeting mAbs, which selectively bind circulating CGRP molecules to prevent activation of CGRP receptors; and receptor-targeting mAbs, which directly antagonize CGRP receptors on trigeminal neurons and meningeal blood vessels, blocking the binding of CGRP and downstream signaling.

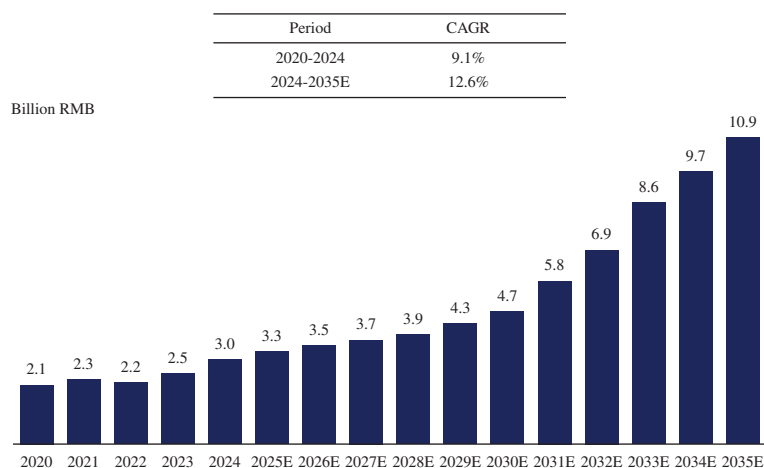
CGRP-targeting monoclonal antibodies offer a preventive migraine therapy with distinct advantages in mechanism, tolerability, and dosing convenience. These antibodies are large protein molecules that are not metabolized by hepatic CYP450 enzymes nor primarily eliminated through renal excretion, minimizing metabolism-related drug-drug interactions and reducing dependence on liver or kidney function. By specifically inhibiting the CGRP pathway, they act on migraine-associated vasodilation, neurogenic inflammation, and nociceptor sensitization. Their long-acting dosing, typically administered monthly or quarterly, can improve patient adherence and reduce the need for daily preventive medications. As non-analgesic preventive agents, CGRP monoclonal antibodies are not associated with medication-overuse headache and may reduce patients’ reliance on acute pain medications. Collectively, these properties differentiate CGRP antibodies from conventional oral preventive therapies.

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Market Size

From 2020 to 2024, the migraine drug market in China grew from RMB2.1 billion to RMB3.0 billion, representing a CAGR of 9.1%. Driven by increasing disease prevalence and the anticipated launch of new therapeutic options, the market is projected to expand to RMB10.9 billion by 2035, representing a CAGR of 12.6% from 2024 to 2035.

China Migraine Drug Market Size, 2020–2035E



Source: Company Annual Report, Frost & Sullivan Analysis

Competitive Landscape

As of the Latest Practicable Date, three CGRP-targeted preventive migraine drugs have been approved and marketed in China, and three additional candidates are currently under BLA/NDA review by the NMPA.

Competitive Landscape of CGRP-targeted Preventative Migraine Drugs in China

Drug Name	Target	Company	Phase in China	RoA	Dosing Frequency	Approved /NDA Submission Date of Preventive Migraine Indication in China	FDA-approved Preventive Migraine Indication
Fremanezumab	CGRP	NeuroGen	Approved	Subcutaneous injection	Monthly/Quarterly	2026/06	Preventive treatment of migraine in adults, and the preventive treatment of episodic migraine in pediatric patients who Are 6 to 17 years of age and who weigh 45 kg or more
Erenumab	CGRPR	Novartis	Approved	Subcutaneous injection	Monthly	2023/09	Preventive treatment of migraine in adults
Galcanezumab	CGRP	Eli Lilly	Approved	Subcutaneous injection	Monthly	2024/01	Preventive treatment of migraine in adults
Eptinezumab	CGRP	Lundbeck; Alder	BLA	Intravenous infusion	Quarterly	2025/10	Preventive treatment of migraine in adults
Atogepant	CGRPR	Merck; AbbVie	NDA	Oral	Daily	2026/01	Preventive treatment of migraine in adults
Rimegepant	CGRPR	Pfizer	NDA	Oral	Every Other Day	2026/03	Preventive treatment of episodic migraine in adults

Note: The competitive landscape above only includes products that are under BLA/NDA and marketed.

Source: NMPA, CDE, FDA, Frost & Sullivan Analysis

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Pain Management

Pain is a complex clinical manifestation arising from a diverse array of injuries, surgical procedures, and underlying chronic diseases such as cancer and arthritis. It encompasses a broad spectrum of physiological and neuropathological processes, and is typically classified by duration — acute versus chronic — or by underlying etiology, including nociceptive, neuropathic, and nociplastic mechanisms. Physiologically, pain is fundamentally mediated by CNS, as it occurs when peripheral sensory receptors detect noxious stimuli and transmit these signals to the brain for processing. When driven by maladaptive mechanisms such as central sensitization, pain can become chronic, persisting long after normal tissue healing and severely impairing a patient’s quality of life. Globally, pain disorders affect an estimated 20% to 30% of the adult population, imposing a profound socioeconomic burden through extensive healthcare utilization, diminished workplace productivity, and deteriorated overall well-being.

Treatment Paradigm

Pain management in China follows a multi-category pharmacological framework, reflecting the heterogeneous nature of pain mechanisms across acute, chronic, nociceptive and neuropathic conditions. Pain management medications are generally classified into four main categories: non-analgesics, opioid analgesics, local anesthetics, and other pharmacological agents such as corticosteroids and antidepressants. Among non-opioid analgesics, emerging dual-mechanism drugs are designed to combine analgesic and anti-inflammatory effects while enabling long-acting pain control. By concurrently targeting nociceptive/inflammatory and neuropathic pain signals, such products may provide more sustained analgesia than single-mechanism agents; for example, naproxen/pregabalin conjugates have demonstrated durable pain suppression in acute pain studies, potentially addressing the short duration of pregabalin’s standalone analgesic effect. Clinical guidelines increasingly emphasize multimodal analgesia, incorporating agents with complementary mechanisms to enhance efficacy while reducing opioid exposure.

Comparison Analysis of Pain Management Options

	Class	Drugs	Mechanism	Indications
Non-opioid Analgesics	NSAIDs	Ibuprofen, Naproxen, Aspirin, Celecoxib	Inhibit COX-1/COX-2 enzymes, reducing prostaglandin synthesis	Mild to moderate pain with inflammation, e.g., musculoskeletal pain, arthritis
	Acetaminophen	Paracetamol	Reduce prostaglandin production in CNS to relieve pain and fever	Mild pain such as headaches or muscle aches
	Dual-mechanism analgesics	NG1706	Target both inflammatory and neural signaling pathways to reduce pain	Postoperative pain; cancer pain
Opioid Analgesics	Opioids	Morphine, Oxycodone, Fentanyl, Codeine	Bind to opioid receptors in CNS, inhibit pain signal transmission and alter pain perception	Moderate to severe acute or cancer-pain
Local Anesthetics	Local Anesthetics	Bupivacaine, Levobupivacaine, Ropivacaine	Block voltage-gated sodium channels, inhibiting nerve impulse conduction	Regional, spinal, epidural, or peripheral nerve blocks, perioperative and postoperative analgesia
Other Pharmacological Options	Antidepressants	Amitriptyline, Nortriptyline, Duloxetine	Modulate serotonin and norepinephrine, enhance descending pain inhibition	Neuropathic pain
	Corticosteroids	Prednisone, Dexamethasone	Suppress immune activity and reduce inflammation	Pain with inflammation, e.g., rheumatoid arthritis
	Anticonvulsants	Gabapentin, Pregabalin	Modulate calcium channels to reduce excitatory neurotransmitter release	Neuropathic pain

Source: Literature Review, Frost & Sullivan Analysis

While numerous analgesic therapies are currently available, the treatment of complex pain conditions remains constrained by significant clinical limitations. The current market presents substantial opportunities for novel therapeutics that can address the following critical shortcomings:

- Limited mechanistic coverage and efficacy:** Traditional analgesics typically target a single pain mechanism, which is often insufficient for multifactorial conditions like post-surgical, osteoarthritis, and cancer pain. To achieve relief, patients are frequently prescribed multiple concurrent medications, leading to increased treatment complexity, greater pill burden, and suboptimal overall effectiveness.

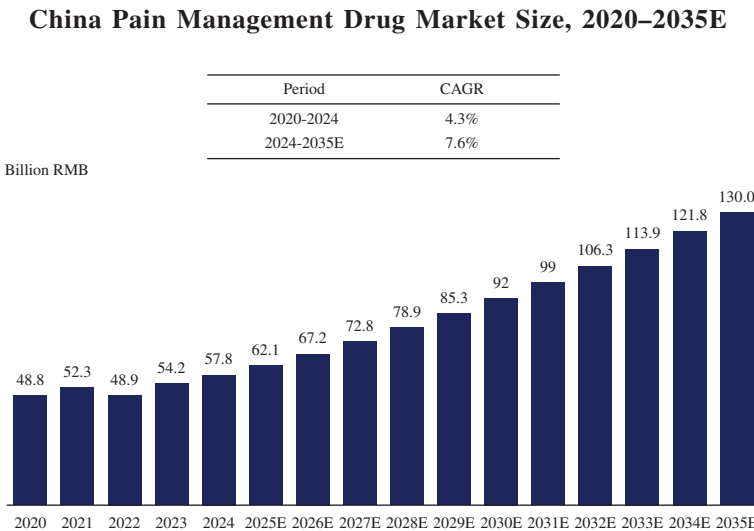
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- Safety concerns and narrow applicability:** Many standard treatments, particularly opioids, carry profound risks of addiction and dependence. They are also associated with severe adverse events, including gastrointestinal disturbances (e.g., nausea, constipation) and central nervous system issues (e.g., sedation, respiratory depression). These safety profiles render current options unsuitable for high-risk individuals, leaving a substantial treatment gap for patients with opioid intolerance or a history of substance use disorder.
- Stability and synergy issues:** Current medications often exhibit significant pharmacokinetic variability, resulting in inconsistent drug exposure that complicates treatment regimens. Furthermore, combination therapies frequently lack true pharmacological synergy; they may only provide additive or even diminished effects while simultaneously increasing the risk of adverse events and drug-drug interactions. This highlights a pressing need for more predictable, well-coordinated pharmacological strategies.

The pain management landscape is undergoing a significant transformation driven by regulatory support, clinical advancements, and formulation innovations aimed at overcoming the severe limitations of traditional opioid therapies. In response to the persistent challenges of opioid addiction and adverse side effects, regulatory bodies such as the FDA are actively encouraging and accelerating the development of targeted, non-opioid analgesics. Concurrently, clinical practice is increasingly adopting multi-mechanism analgesic strategies — utilizing dual- or multi-target formulations that act on both central and peripheral pathways — to enhance overall efficacy while further reducing reliance on opioids. This strategic shift is heavily supported by significant formulation innovations, particularly perioperative local infiltration injections, which deliver concentrated pain relief directly to the surgical site. By minimizing systemic drug exposure, these advanced, localized formulations reduce adverse side effects, facilitate earlier patient mobilization, and ultimately drive improved postoperative recovery outcomes and broader market growth.

Market size

The pain management drug market in China grew from approximately RMB48.8 billion in 2020 to RMB57.8 billion in 2024, representing a CAGR of 4.3%. It is expected to reach RMB130.0 billion by 2035, representing a CAGR of 7.6% from 2024 to 2035.



Source: Company Annual Report, Frost & Sullivan Analysis

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Market Drivers and Future Trends

We believe the following key trends will shape the future trajectory and growth of the pain management drug market.

- **Regulatory tailwinds accelerating non-opioid development:** In response to the persistent public health challenges of opioid addiction and associated adverse events, regulatory agencies, including the FDA, have adopted highly supportive stances to encourage the advancement of non-opioid pain therapies. Consequently, targeted therapeutics designed to address neuropathic and inflammatory pain are benefiting from accelerated development and approval pathways. By positioning these therapies as safer, non-addictive alternatives, regulators are effectively catalyzing a major growth segment within the broader analgesics market.
- **Shift toward multi-mechanism and opioid-sparing modalities:** The standard of care in postoperative pain management is rapidly shifting toward dual- or multi-target formulations (e.g., celecoxib combined with bupivacaine, or tramadol-based combinations). By acting simultaneously on central and peripheral neural pathways while providing anti-inflammatory benefits, these multi-mechanism strategies offer superior clinical profiles. They significantly enhance overall analgesic efficacy, dramatically lower postoperative opioid consumption, and improve patient safety margins compared to traditional, single-mechanism drugs.
- **Advancements in targeted delivery and long-acting formulation innovation:** There is increasing market demand for advanced delivery mechanisms, particularly perioperative local infiltration injections. These innovative formulations deliver concentrated analgesia directly to the surgical site, thereby minimizing systemic drug exposure and mitigating off-target side effects. From a health economics and outcomes perspective, this localized approach facilitates earlier patient mobilization, accelerates postoperative recovery times, and enhances overall patient comfort — key metrics that drive adoption among healthcare providers and surgical centers. In addition, existing innovative therapies have shown that long-acting analgesia is achievable, providing sustained pain relief for up to 72 hours while further supporting postoperative pain control, reducing reliance on systemic analgesics and opioids, and improving recovery outcomes.

Postoperative Pain

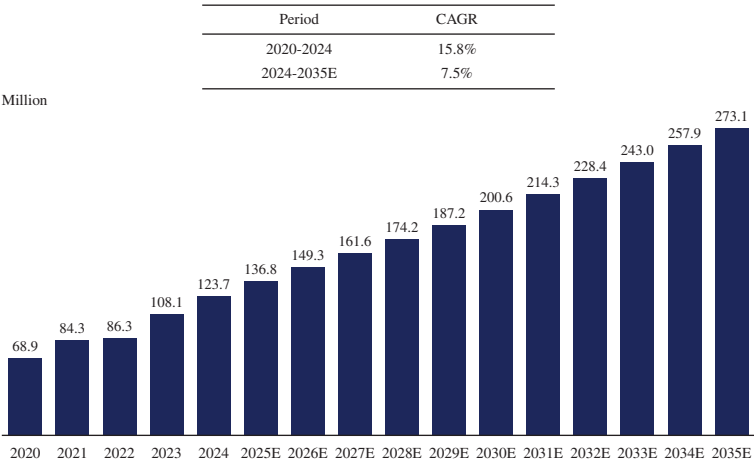
Postoperative pain refers to the acute pain that occurs immediately after surgery and typically lasts from several days up to one week, although recovery may take longer in procedures involving extensive tissue trauma or joint replacement. It includes both somatic and visceral pain and can range from mild discomfort to severe pain that disrupts sleep, mobility and daily activities. Clinically, postoperative pain is associated with a wide spectrum of short-term complications — such as cardiovascular, respiratory, gastrointestinal and urinary disturbances — as well as long-term consequences including sleep disorders, psychological stress and, in some cases, progression to chronic pain. Effective and continuous analgesia is therefore a central component of perioperative management, with current practice relying on multimodal regimens comprising local anesthetics, NSAIDs, COX-2 inhibitors, acetaminophen, opioids and neuropathic pain agents to achieve adequate pain control while minimizing adverse effects.

Prevalence

In China, postoperative acute pain is highly prevalent and increasing in line with rising surgical volumes. The number of postoperative acute pain cases grew from approximately 68.9 million in 2020 to 123.7 million in 2024, representing a CAGR of 15.8%. This figure is projected to reach about 273.1 million cases by 2035, with a CAGR of 7.5% from 2024 to 2035. The substantial and growing patient population underscores the clinical importance of improving postoperative pain management strategies.

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Incidence of Postoperative Acute Pain in China, 2020-2035E



Source: Literature Review, Frost & Sullivan Analysis

Treatment Paradigm

The contemporary treatment paradigm for postoperative pain has shifted from traditional opioid-centric protocols toward multimodal analgesia. Current clinical guidelines and expert consensus advocate combining non-opioid analgesics — specifically NSAIDs or COX-2 inhibitors — with local anaesthetics. This mechanism-complementary approach achieves balanced and effective pain control while mitigating the risks of opioid-related adverse events. Within this clinical framework, the paradigm is defined by two key pillars:

- Synergistic, multi-mechanism formulations:** The integration of anti-inflammatory agents and local anesthetics represents a major therapeutic advancement. For example, combining celecoxib (which reduces inflammation and peripheral sensitization via selective COX-2 inhibition) with bupivacaine (which provides sustained local blockade of nerve signal transmission) yields superior, prolonged pain control compared to administering either agent individually. Because both components act directly at the site of surgical injury, their complementary mechanisms drastically reduce the need for systemic rescue opioids.
- Targeted delivery via infiltration injection:** To maximize the efficacy of these multi-mechanism formulations, the paradigm increasingly favors localized delivery. Infiltration injection has emerged as a cornerstone clinical modality, enabling the direct administration of concentrated analgesia precisely at the surgical site. This targeted approach minimizes systemic drug exposure and associated side effects.

Cancer Pain

Cancer pain is a complex and multifactorial condition arising from the cancer itself and/or its treatment. It encompasses nociceptive pain caused by tumor invasion of bones, nerves or other tissues, as well as neuropathic pain resulting from nerve injury or compression. Cancer pain can range from mild discomfort to severe, debilitating pain that significantly impairs sleep, mobility, daily functioning and overall quality of life. Effective management of cancer pain is therefore a key component of comprehensive oncology care and is generally guided by pain severity and underlying cause. Current treatment options typically include nonsteroidal anti-inflammatory drugs, opioids and adjuvant analgesics, with weak opioids or low-dose strong opioids often used for moderate pain and strong opioids for severe

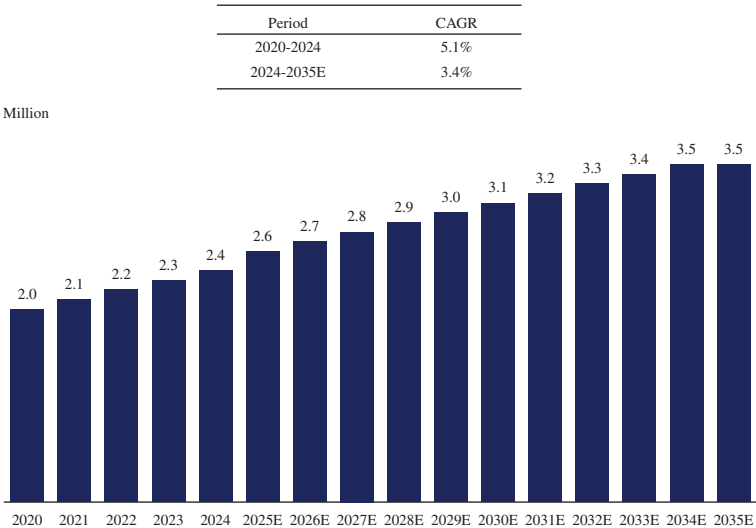
INDUSTRY OVERVIEW

pain, while tricyclic antidepressants or anticonvulsants may be employed to address cancer-related neuropathic pain and bisphosphonates may be considered for pain associated with bone metastases. Multimodal analgesic regimens are commonly adopted to optimize pain control while minimizing treatment-related adverse effects.

Prevalence

In China, the prevalence of cancer pain increased from approximately 2.0 million patients in 2020 to 2.4 million patients in 2024, representing a CAGR of 5.1%. It is projected to further rise to 3.1 million patients by 2030 and 3.5 million patients by 2035, reflecting a CAGR of 3.4% from 2024 to 2035. The steady growth of the cancer pain patient population in China underscores the continued clinical need for effective pain management therapies.

China Prevalence of Cancer Pain, 2020-2035E



Source: Literature Review, Frost & Sullivan Analysis

Treatment Paradigm

In China, the current pharmacological treatment landscape for cancer pain is largely defined by two major drug classes, namely NSAIDs and opioids. NSAIDs, including paracetamol, diclofenac, ibuprofen, meloxicam and celecoxib, are widely used for their antipyretic, analgesic and anti-inflammatory properties and may reduce pain intensity and opioid requirements in certain settings. Opioids, such as morphine, fentanyl, oxycodone, sufentanil and codeine, continue to play a central role in the management of moderate to severe cancer pain given their potent analgesic activity. In practice, these therapies are selected according to pain severity, route of administration, patient condition and tolerability, and are often incorporated into multimodal analgesic regimens.

Schizophrenia

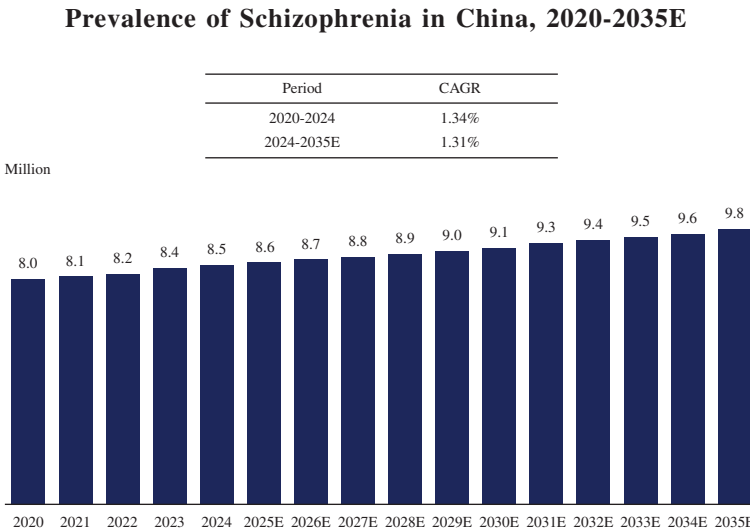
Schizophrenia is a chronic, severe, and highly debilitating mental disorder characterized by profound disturbances in thought, perception, and behavior. Clinically, the disease manifests across three primary domains: positive symptoms (such as hallucinations, delusions, and disorganized speech or behavior), negative symptoms (including diminished emotional expression, avolition, and social withdrawal), and cognitive impairment. The complexity and severity of these symptoms severely impact patient functioning and quality of life.

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The pathogenesis of schizophrenia is multifactorial, driven by a complex interplay of genetic predisposition, environmental influences, and neurobiological abnormalities. Twin and family studies indicate that genetic factors contribute substantially to disease risk, while environmental factors — such as prenatal complications, early-life adversities, psychosocial stressors, and cannabis use — further compound susceptibility. On a neurobiological level, the disorder is strongly associated with the dysregulation of dopamine and glutamate neurotransmission pathways. Furthermore, it is linked to distinct structural and functional brain abnormalities, including enlarged cerebral ventricles and reduced grey matter volume, which underscore the physical neurological impact of the disease.

Prevalence

In China, the schizophrenia patient population increased from 8.0 million in 2020 to 8.5 million in 2024, and is projected to reach 9.8 million by 2035, driven by ongoing demographic and diagnostic trends. Globally, schizophrenia represents a substantial healthcare burden, accounting for a significant number of years of life lost due to disability.



Source: Literature Review, Frost & Sullivan Analysis

Treatment Paradigm

Despite historical advancements in pharmacotherapy, the current treatment landscape for schizophrenia remains constrained by significant unmet medical needs. Conventional first-generation antipsychotics primarily target positive symptoms but offer inadequate relief for debilitating negative symptoms and cognitive impairment. While second-generation agents provide improved general tolerability, they continue to present clinically limiting side effects, such as extrapyramidal symptoms and hyperprolactinemia, which severely impact patient quality of life. Furthermore, although third-generation partial dopamine agonists offer incremental improvements in metabolic safety and cognitive function, their clinical utility remains largely restricted to adjunctive or maintenance therapy. Compounding these pharmacological limitations is the profound challenge of consistent medication compliance; disease-inherent factors — including impaired patient insight, cognitive deficits, and mistrust of treatment — frequently disrupt adherence, ultimately driving high rates of disease relapse and suboptimal long-term clinical outcomes.

INDUSTRY OVERVIEW

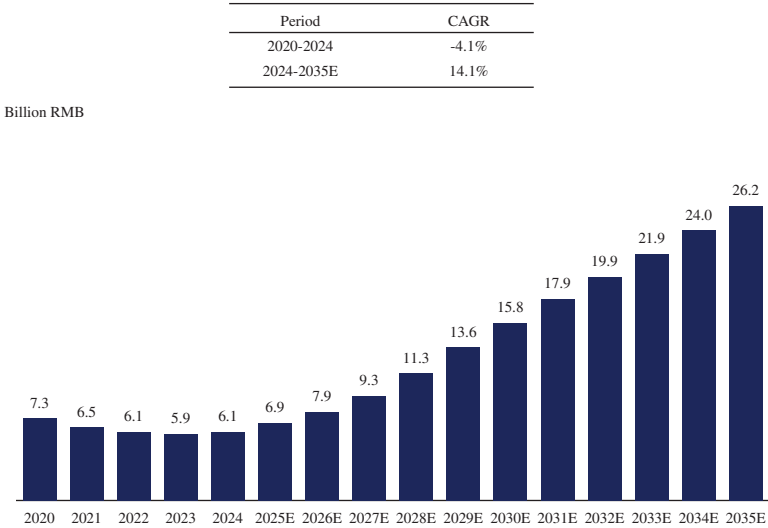
	First-Generation	Second-Generation	Third-Generation
• Representative Drugs	• Chlorpromazine, Haloperidol, Perphenazine	• Risperidone, Olanzapine, Clozapine, Quetiapine	• Brexpiprazole, Cariprazine, Aripiprazole
• Primary Mechanism of Action (“MoA”)	• Primarily D2 receptor antagonists; block dopamine in mesolimbic pathway	• Block D2 dopamine receptors and 5-HT2A serotonin receptors, which reduces dopamine activity in some brain regions while modulating serotonin pathways	• Act as partial agonists at D2 and D3 dopamine receptors and 5-HT1A serotonin receptors, and as antagonists at 5-HT2A receptors, stabilizing dopamine activity in different brain regions
• Clinical Benefits	• Effective for Positive Symptoms (Hallucinations, Delusions)	• Effective for both Positive and Negative Symptoms (Apathy, Withdrawal)	• Effective for both; improves cognition; fewer side effects; oral films benefits patients with swallowing difficulties or poor adherence
• Limitations	• Severe Extrapyramidal Symptoms (EPS) (Tremors, Stiffness), Tardive Dyskinesia	• Metabolic Syndrome (Weight gain, High blood sugar/lipids), Sedation	• Lower prolactin burden and lighter metabolic profile, but akathisia still require monitoring
• Clinical Use	• Used in selected acute or maintenance settings	• First-line choice	• Suitable for maintenance and adjunctive therapy

Source: Literature Review, Frost & Sullivan Analysis

Market Size

In China, the market size of schizophrenia treatment drugs decreased from RMB7.3 billion in 2020 to RMB6.1 billion in 2024, primarily attributable to the adoption of VBP scheme in China. According to Frost & Sullivan, the market size is projected to reach RMB26.2 billion by 2035, with a CAGR of 14.1% from 2024 to 2035, driven by the growing treatment demand and the introduction of novel therapeutic options.

Market Size of Schizophrenia in China, 2020-2035E



Source: Company Annual Report, Frost & Sullivan Analysis

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Competitive Landscape

As of the Latest Practicable Date, two brexpiprazole oral film products had been marketed in China, with an additional eight brexpiprazole oral film products under NDA review.

Competitive Landscape of Brexpiprazole Oral Films in China

Drug Name	Company	Phase	Marketed Date/ NDA Submission Date	Region
醒明®	QILU	Marketed	2026/03	China
哌立安®	Kelun	Marketed	2026/03	China
NG1807/SXF-102	NeuroGen	NDA	2024/08	China
BCM475	Bocimed	NDA	2024/09	China
N2106	Wisdom	NDA	2025/03	China
HKG-319	China National Pharmaceutical Group Shanxi Rfl	NDA	2025/04	China
HZ021	Heze	NDA	2025/04	China
Brexpiprazole oral film	Yujian	NDA	2025/07	China
Brexpiprazole oral film	Pu'an	NDA	2025/10	China
BIOS2210	Bio-Sincerity	NDA	2025/11	China

Source: NMPA, CDE, Frost & Sullivan Analysis

Agitation

Agitation is a disruptive neuropsychiatric symptom prevalent across CNS disorders, most notably in Alzheimer’s disease and other dementias. It is characterized by emotional distress, restlessness and impulsive or aggressive behaviors that are difficult to manage. Its pathogenesis is complex, stemming from a neurobiological imbalance between diminished top-down cortical control and heightened limbic-driven emotional responses, which is driven primarily by underlying neurodegenerative pathologies such as cortical atrophy and protein aggregation, alongside neurotransmitter dysregulation, and which can be exacerbated by environmental stressors or adverse medication effects. Agitation accelerates patient cognitive and functional decline, increases the risk of falls and hospitalizations, places significant stress on caregivers, and contributes to higher healthcare costs through increased resource utilization and earlier long-term care admissions. The prevalence of agitation increased from 5.0 million in 2020 to 5.8 million in 2024, and is expected to reach 8.3 million by 2035. Currently, there are no marketed drugs in China specifically approved for agitation associated with dementia due to Alzheimer’s disease, whereas only two therapies have received FDA approval worldwide: Rexulti, which was approved for this indication in May 2023; and Auvelity, which received FDA approval for this indication in April 2026.

OVERVIEW OF THE ALLERGIC DISEASES DRUG MARKET IN CHINA

Allergic diseases are chronic, non-infectious inflammatory conditions caused by an overactive immune response to otherwise harmless environmental triggers, such as pollen, dust mites, pet dander, and certain foods. These triggers, known as allergens, fall broadly into four major categories — inhalant, food, drug, and venom allergens — which can elicit reactions ranging from mild cutaneous symptoms to severe systemic responses. In atopic individuals, exposure to these allergens can lead to IgE-mediated hypersensitivity reactions that affect multiple organ systems, including the upper airway, skin, and respiratory tract. Common allergic disorders include allergic rhinitis (“AR”), urticaria (hives), allergic asthma, atopic dermatitis, and food allergies. The World Health Organization identifies allergic diseases as among the most prevalent chronic conditions globally, highlighting their increasing clinical and public health relevance.

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Generally, allergic diseases can be categorized into four major hypersensitivity types: Type I (immediate, IgE-mediated), Type II (cytolytic, antibody-mediated), Type III (immune complex-mediated), and Type IV (delayed-type, T-cell-mediated). Among these, Type I reactions are the most relevant to major allergic diseases such as AR and urticaria. In Type I hypersensitivity, mast cell degranulation triggered by allergen-specific IgE leads to the rapid release of mediators such as histamine, leukotrienes, and cytokines, causing acute symptoms that include sneezing, nasal congestion, wheals, and pruritus.

Type I hypersensitivity, which represents the primary pathogenic mechanism underlying AR and urticaria, proceeds through two sequential phases: an initial sensitization phase followed by an effect or phase that is triggered upon re-exposure to the same allergen. During sensitization, initial allergen exposure stimulates antigen presentation and Th2-driven immune responses, inducing B cells to produce allergen-specific IgE antibodies. These IgE molecules bind to high-affinity FcεRI receptors on mast cells and basophils, priming them for future reactions. Upon re-exposure to the same allergen, the cross-linking of IgE on sensitized cells triggers rapid activation and degranulation, releasing inflammatory mediators that drive early-phase responses such as urticaria and AR symptoms. The subsequent recruitment of eosinophils and the release of secondary mediators contribute to late-phase inflammation, sustaining symptoms and exacerbating chronic disease.

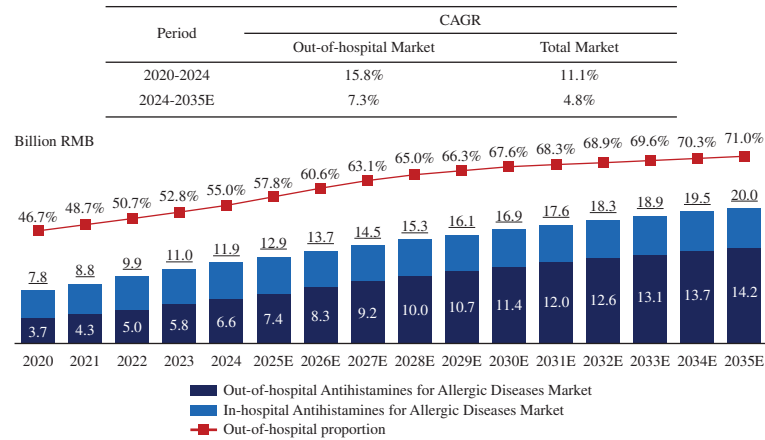
Prevalence

In China, the number of patients with allergic diseases reached 0.6 billion in 2024. The patient population is expected to continue increasing, reaching 0.8 billion by 2035, representing a CAGR of 3.2% from 2024 to 2035.

Market Size

The total antihistamines for allergic diseases market in China grew from RMB7.8 billion in 2020 to RMB11.9 billion in 2024, representing a CAGR of 11.1%. Driven by the rising prevalence of allergic diseases, expanding access to therapies and growing patient demand, the total market is projected to expand to RMB20.0 billion in 2035, representing a CAGR of 4.8% from 2024 to 2035. In particular, the out-of-hospital antihistamines for allergic diseases market grew from RMB3.7 billion in 2020 to RMB6.6 billion in 2024, and is expected to reach RMB14.2 billion in 2035, representing a CAGR of 15.8% from 2020 to 2024 and a CAGR of 7.3% from 2024 to 2035, primarily driven by the rising prevalence of allergic diseases and broader access to diagnosis and treatment.

China Antihistamines for Allergic Diseases Market Size, Breakdown by Channels, 2020-2035E



Source: Company Annual Report, Frost & Sullivan Analysis

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Entry Barriers for the Allergic Disease Drug Market

New entrants to the allergic disease drug market face significant entry barriers, primarily driven by stringent regulatory and quality requirements, the dominance of established brands, and the complexities of securing market access and distribution networks.

- **Manufacturing and quality compliance.** The production of pharmaceutical-grade allergy medications requires strict adherence to GMP and rigorous quality control standards encompassing facility design, production processes, and batch release. Establishing compliant manufacturing capabilities and robust supply chains necessitates substantial capital investment, specialized technical expertise, and extensive regulatory know-how, thereby limiting successful market entry to companies with proven operational capabilities.
- **Brand leadership and competitive landscape.** The allergic disease drug market is highly competitive and often dominated by multinational corporations and long-established domestic brands. These incumbents benefit from deep-rooted physician trust, extensive clinical evidence, and mature distribution infrastructures. Consequently, new entrants face significant challenges in overcoming entrenched brand recognition and patient loyalty. Achieving meaningful market penetration typically requires substantial, sustained investments in clinical data generation, academic marketing, and physician education.
- **Market access and distribution networks.** Successful commercialization relies heavily on securing placement in hospital formularies, pharmacy distribution networks, and medical insurance reimbursement systems. These procurement and distribution channels are typically dominated by incumbent players with long-standing institutional relationships and proven track records. New market entrants often lack the resources and historical relationships required to build these networks efficiently, which can significantly impede initial product uptake and limit early market share acquisition.

Market Drivers and Future Trends

We believe the growth of China’s allergic disease drug market will be driven by the following factors and trends.

- **Rising prevalence of allergic diseases.** The increasing incidence rates of conditions such as allergic rhinitis, urticaria, and asthma serve as primary catalysts for market growth. This trend is largely fueled by macro-environmental factors — including rapid industrialization, air pollution, and climate change — as well as shifting lifestyle patterns that heighten allergen exposure and immune sensitivities. The continuously expanding patient base generates sustained, long-term demand for effective therapeutics.
- **Increasing disease awareness and improved diagnostic capabilities.** Public and clinical awareness of allergic conditions continues to rise, supported by the broader availability and adoption of advanced diagnostic tools, such as allergen-specific IgE testing and skin prick tests. A higher recognition of allergic symptoms among both adult and pediatric populations encourages earlier medical consultation and intervention, thereby increasing overall treatment rates and driving market expansion.
- **Healthcare accessibility and expansion of out-of-hospital channels.** Ongoing improvements in healthcare infrastructure enable a growing number of patients to obtain timely diagnosis and treatment. The rapid development of e-commerce pharmacies, digital health platforms and direct-to-patient service models further facilitates access to allergy medications, particularly for acute conditions requiring swift intervention. The proliferation of these out-of-hospital channels is expected to continue improving patient reach and drive incremental market growth.

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Indication

Allergic Rhinitis

Allergic rhinitis (“AR”) is a common chronic respiratory disease characterized by sneezing, itching of the eyes, nose and throat, rhinorrhoea, and nasal congestion, typically accompanied by positive IgE test results for specific aeroallergens. The condition is driven by allergen-induced Th2 immune responses, which stimulate the production of allergen-specific IgE and sensitize mast cells. Upon re-exposure to the same allergen, IgE-mediated activation of mast cells and basophils triggers the release of inflammatory mediators, resulting in acute symptoms. Persistent eosinophilic infiltration and the secretion of cytokines such as IL-4 and IL-5 contribute to the maintenance of chronic inflammation and symptom recurrence.

In China, the prevalence of AR has remained high and continued to increase steadily in recent years. The number of patients affected by AR reached 245.5 million in 2024. Driven by rising allergen exposure, urbanization and increased awareness and diagnosis rates, the patient population is expected to further expand to 274.2 million by 2035.

Chronic Urticaria

Urticaria is a prevalent dermatological condition characterized by the recurrent presentation of wheals and pruritus. Chronic urticaria (“CU”), clinically defined by the persistence of symptoms for a duration exceeding six weeks, is primarily classified into two sub-types: chronic spontaneous urticaria (“CSU”) and chronic inducible urticaria (“CIndU”). CSU, which accounts for the majority of CU cases, is frequently associated with autoimmune mechanisms involving the IgG- or IgE-mediated activation of mast cells. This activation leads to the rapid release of histamine and other pro-inflammatory mediators. These underlying pathogenic processes drive the recurrent and persistent nature of the condition, ultimately resulting in a substantial clinical and economic burden on both patients and healthcare systems. According to F&S, the number of patients in China affected by chronic urticaria reached 39.2 million in 2024, and is expected to reach 42.2 million by 2035.

As of the Latest Practicable Date, 15 originator drugs had been approved for CU in China.

REPORT COMMISSIONED BY FROST AND SULLIVAN

In connection with the [REDACTED], we have engaged Frost & Sullivan to conduct a detailed analysis and prepare an industry report on the major markets for which our drug candidates are positioned. Frost & Sullivan is an independent global market research and consulting company which was founded in 1961 and is based in the United States. We have agreed to pay Frost & Sullivan a total fee of approximately RMB400,000 for the preparation of the Frost & Sullivan Report, and we believe that such fees are consistent with the market rate. The payment of such amount is not contingent upon our successful [REDACTED] or on the results of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the [REDACTED].

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

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business.

The Company Law and Regulations

The Company Law, which was amended by the Standing Committee of the National People’s Congress of the PRC (the “SCNPC”) on December 29, 2023 and became effective on July 1, 2024, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in the PRC.

Regulations in Relation to Foreign Direct Investment

Since January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) promulgated by the National People’s Congress of the PRC (the “NPC”) of the PRC has come into effect and has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors, while the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law and other laws. The PRC government implements the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Revision) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the National Development and Reform Commission (the “**NDRC**”) and the Ministry of Commerce of the PRC (the “**MOFCOM**”) on September 6, 2024 and came into effect on November 1, 2024, which lists the special management measures for foreign investment access for industries regulated by the Negative List, such as equity requirements and senior management requirements. While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM.

The foreign investment information reporting is subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the State Administration for Market Regulation of the PRC (the “**SAMR**”), which came into effect on January 1, 2020. According to the Foreign Investment Information Reporting Method, the MOFCOM is responsible for coordinating and guiding the reporting of foreign investment information nationwide, while the competent commercial department of the local people’s government at or above the county level are responsible for reporting information on foreign investment in the region. Foreign-invested listed companies may report information on changes in investors and their shareholdings only when the cumulative change in the foreign investors’ shareholding ratio exceeds 5% or the foreign parties’ shareholding or relative holding status has changed.

Major Regulatory Authorities of the Pharmaceutical Industry

The regulatory authorities of the drug industry in the PRC include: the National Medical Products Administration of the PRC (the “**NMPA**”), the National Health Commission (the “**NHC**”, formerly known as the National Health and Family Planning Commission) and the National Healthcare Security Administration (the “**NHSA**”).

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The NMPA is an authority under the SAMR and is primarily responsible for supervising and managing drugs, medical devices and cosmetics, including drafting relevant regulations and policies; undertaking standard management, registration regulation, quality management and post-market risk management for drugs, medical devices and cosmetics; organizing and guiding the supervision and inspection of drugs, medical devices and cosmetics; and undertaking management of qualifications for licensed pharmacists.

The NHC is primarily responsible for drafting national health policies, supervising and regulating public health, healthcare services, and health emergency systems, coordinating the reform of medical and health system, organizing the formulation of national drug policies and the national essential medicine system, launching an early warning mechanism for the monitoring of the use and clinical comprehensive evaluation of medicine as well as the drug shortage, giving suggestions on the pricing policy of national essential medicine, and regulating the operation of medical institutions and practicing of medical personnel.

The NHSA is primarily responsible for drafting and implementing policies and standards on medical insurance, maternity insurance and medical assistance; supervising and administering the healthcare security funds; organizing the formulation of a uniform medical insurance catalog and payment standards on drugs, medical disposables and healthcare services; and formulating and supervising the implementation of the bidding and tendering policies for drugs and medical disposables.

LAWS AND REGULATIONS IN RELATION TO DRUG RESEARCH AND REGISTRATION

Administration of Drug Registration

Pursuant to the provisions of the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), promulgated by the SAMR on January 22, 2020 and came into effect on July 1, 2020, the Measures for the Administration of Drug Registration shall apply to the development, registration, supervision and management activities carried out in the territory of the PRC for marketing of drugs. In accordance with the Measures for the Administration of Drug Registration, drugs registration refers to activities that a drug registration applicant files an application and other supplementary applications for clinical trials of drugs, approval for drug marketing, and re-registration, among others, under the legal procedures and according to the relevant requirements, and that the medical products administrative department examines the safety, effectiveness, and quality controllability based on the laws and regulations, and the existing scientific cognitions, to decide whether to agree with the activities applied for. A drug registration certificate shall be valid for five years.

Non-Clinical Research

The non-clinical safety evaluation study for drugs for the purpose of applying for drug registration and relevant activities shall be conducted in accordance with the Good Laboratory Practice for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》), which was promulgated on August 6, 2003 and revised on July 27, 2017 by the former China Food and Drug Administration (the “CFDA”), with the revised version effective as of September 1, 2017. On April 16, 2007, the former CFDA issued the Administrative Measures for the Certification of Good Laboratory Practice for Non-Clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), which were subsequently revised by the NMPA and became effective since July 1, 2023. It provides for the procedures for application and acceptance of Good Laboratory Practice certification by research institutions conducting non-clinical safety evaluation study for drugs, requirements for data review and on-site inspection, audit procedures and supervision and management.

Application for Clinical Trial

After completing the preclinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of new drug clinical trials. According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分

REGULATORY OVERVIEW

藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and came into effect on May 1, 2017, the decision on the approval of clinical trials of drugs enacted by the CFDA can be made by the Center for Drug Evaluation of NMPA (the “CDE”) from May 1, 2017. Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the “**Drug Administration Law**”) promulgated by the Standing Committee of the SCNPC in September 20, 1984 and recently amended in August 26, 2019 and came into effect on December 1, 2019, the dossier on a new drug research and development (R&D), including the manufacturing method, quality specifications, results of pharmacological and toxicological tests and the relevant data, files and samples, shall, in accordance with the regulations of the drug regulatory authority under the State Council be truthfully submitted to the said department for approval before clinical drug trial is conducted.

The drug regulatory authority under the State Council shall decide whether to approve the clinical trial application and notify the decision to the clinical trial applicant within sixty (60) business days from the date of accepting the clinical trial application. If the drug regulatory authority under the State Council fails to do so, the clinical trial application shall be deemed as approval, and if the bioequivalence test is conducted, it is required to report it to the drug regulatory authority under the State Council for filing.

Conduct of Clinical Trial

After obtaining clinical trial approval, the applicant shall choose institutions qualified for clinical trials of the drug to conduct clinical trials. Pursuant to the Administrative Regulations for Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), which came into effect in December 1, 2019, if engaging in drug development activities and conducting clinical trials of drugs (including bioequivalence test conducted after filing) approved by the NMPA within the territory of the PRC, they shall be conducted in the drug clinical trial institutions.

A drug clinical trial to be carried out shall be examined and approved by the ethics committee. A sponsor approved to carry out a drug clinical trial shall, before carrying out subsequent drug clinical trial by stages, develop corresponding plan for drug clinical trials, carry out drug clinical trial upon examination and with consent of the ethics committee, and submit a corresponding plan for drug clinical trial and supporting materials on the website of the CDE.

In compliance with the Measures for the Administration of Drug Registration, clinical trials are divided into phase 1, phase 2, phase 3 and phase 4 and bioequivalence trial. According to the Announcement of the National Medical Products Administration on Adjusting the Review and Approval Procedures for Drug Clinical Trials (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》), which came into effect on July 24, 2018, if a new drug clinical trial has been approved to be carried out, after the completion of phase 1 and phase 2 clinical trials and before the implementation of phase 3 clinical trials, the applicant shall submit an application for a communication meeting to the CDE to discuss with the CDE on key technical issues including the phase 3 clinical trial design. According to the Measures for the Administration of Drug Registration and the Measures for the Administration of Communication and Exchange in Drug Development and Technology Review (《藥物研發與技術審評溝通交流管理辦法》) promulgated by the CDE on April 1, 2026, effective as of the same date, the applicant can also apply for communication on key technical issues at different stages of clinical R&D.

Good Clinical Practices (GCP)

To improve the quality of clinical trials, the NMPA and NHC promulgated the Good Clinical Practices for Drug Trials (《藥物臨床試驗質量管理規範》) in April 23, 2020 and came into effect on July 1, 2020, which stipulates the criteria for the entire procedure of the clinical trial including preclinical trial preparation and the necessary conditions, protection of subjects’ rights and interests, trial protocols, duties of researchers, duties of sponsors, duties of monitors, trial record and report, data management and statistical analysis, administration of drug products for trial, guarantee for quality, polycentric trials, with reference to the internationally recognized principles. Pursuant to the Opinions on Deepening the Reform of the Evaluation and Approval System and Encouraging Innovation of Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) promulgated by the general offices of the

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Chinese Communist Party Central Committee and the State Council in October 2017 and further stipulated by the Administrative Regulations for Drug Clinical Trial Institutions, the qualification of clinical trial institutions shall be subject to record management. Clinical trials should follow GCP and protocols approved by the ethics committee of each research center.

Regulations on International Multi-Center Clinical Trials and Acceptance of Overseas Clinical Trial Data

According to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》), promulgated by the CFDA on January 30, 2015 and came into effect from March 1, 2015, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicants plan to use the data derived from the international multi-center clinical trials for approval of a drug registration in the PRC, it shall involve at least two countries, including China, and shall satisfy the requirements for clinical trials set forth in the Multi-Center Clinical Trial Guidelines and other related laws and regulations.

New Drug Application

Pursuant to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), which was issued by SAMR on 22 January 2020 and took effect on 1 July 2020 (“**Circular 27**”), after completing the pharmaceutical research, pharmacological and toxicological research, drug clinical trial, and other research supporting the marketing registration of a drug, determining the quality standards, completing the verification of commercial large-scale production process, and making sound preparation for the acceptance of drug registration inspection and examination, an applicant shall file an application for drug marketing authorization, and submit relevant research materials in accordance with the requirements of the application materials. After the formal examination of the application materials, an application that satisfies the requirements shall be accepted.

The CDE shall organize pharmaceutical, medical and other technical personnel to evaluate the accepted applications for drug marketing authorization as required. Where the comprehensive evaluation conclusion is adopted, the drug shall be approved for marketing, and a drug registration certificate shall be issued. If the comprehensive evaluation conclusion is not adopted, a disapproval decision shall be made. A drug registration certificate shall specify the drug approval number, holder, manufacturer and other information.

After an application for drug registration is accepted, the CDE shall conduct preliminary examination within forty (40) business days of acceptance, notify the Center for Food and Drug Inspection of NMPA (the “**Center for Inspection**”) of organizing inspection and provide the relevant materials required for inspection, where production site inspection for drug registration is required, and concurrently notify the applicant and the medical products administrative department of the province, autonomous region, or municipality in the place where the applicant or production enterprise is located. In principle, the Center for Inspection shall complete the inspection work forty (40) business days prior to the expiry of the time limit for inspection, and report the inspection information, inspection results and other relevant materials to the CDE.

The review period for an application for drug marketing authorization shall be 200 business days. Within this two hundred (200) business days period, the review period for the procedures for prioritized review and approval shall be one hundred and thirty (130) business days, and the review period for the procedures for prioritized review and approval for clinically and urgently needed overseas-marketed drug for a rare disease shall be seventy (70) business days.

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Re-registration and Change of the Registration for Post-Marketing Drugs

According to the Circular 27, the marketing authorization holder (the entity that obtains a drug registration certificate from the relevant drug regulatory authority, who is allowed to market and sell a drug in the approved region and is responsible for the entire lifecycle of the drug, including R&D, manufacturing, marketing, and usage, the “MAH”) must apply for the re-registration of drugs to the medical products administrative department of the province or the CDE no later than six months prior to the expiry of the drug registration licenses. After the medical products administrative department or the CDE receives such application, it shall conduct post-marketing evaluation and adverse drug reaction monitoring, review the change of information stated in the drug approval certificates and carry out other relevant works as required under the drug certificates and by the NMPA. If all requirements for the re-registration have been satisfied, a drug re-registration approval notification will be issued. The time limit for examination and approval of drug re-registration shall be 120 days, and an administrative approval decision shall be made within 20 days, subject to extension up to an additional half of the original time limit due to variety characteristics and special circumstances.

Besides, pursuant to the Circular 27 and the Trial Administrative Measures for the Change of the Registration for Post-marketing Drugs (《藥品上市後變更管理辦法(試行)》) which was promulgated by NMPA and became effective on January 12, 2021, within the validity of the drug registration license, if any registration information or management information of the drug changes (including but without limitation the holder of the drug registration certificate, the manufacturing process, the manufacturing site, the manufacturing devices, the API, other ingredients and packing materials of the drug, the content of the drug instruction, and technical specification changes), the MAH must go through certain procedures before they could implement such changes. To be specific, (1) with respect to (i) material changes during the drug manufacturing process; (ii) changes to the contents of the drug instructions concerning the effectiveness and other contents that increase the safety risks; (iii) transfer of market authorisation by the current holder; and (iv) other changes as required to be approved by NMPA, the MAH must submit the supplemental application for approval before implementation of the changes; (2) with respect to (i) medium changes during the drug manufacturing process; (ii) changes to the contents of the drug packaging label; (iii) sub-packaging of drugs; and (iv) other changes as required to be filed with NMPA, the MAH must file such changes for record with before implementation of the changes; and (3) with respect to (i) minor changes during the drug manufacturing process; and (ii) other changes as required to be reported to NMPA, the MAH must record such changes in the annual report of such drugs. The MAH must follow the relevant technical guiding principles to conduct corresponding research, comprehensively evaluate and verify the impact of such changes on the safety, effectiveness, and quality controllability of the drugs, and file supplementary applications and obtain approvals from, make filing with or report to the NMPA accordingly.

For the changes in the manufacturing process, the provincial NMPA shall conduct on-site check and technical review according to Circular 27 and the relevant technical guiding principles before they approve the application of MAH.

In addition, pursuant to the Trial Administrative Measures for the Change of the Registration for Post-marketing Drugs, if the technical guiding principles are unclear about a certain change, and the MAH is unable to determine which process is required, based on sufficient research, assessment, and necessary verification, (i) the domestic MAH may communicate with the provincial drug regulatory authority, which shall reply in writing within 20 days, and the domestic MAH shall (a) submit a supplementary application to the CDE, if the parties disagree on whether such change is subject to approval, or (b) make a filing with the provincial drug regulatory authority, if the parties disagree on whether the change is subject to filing, as applicable; (ii) the overseas MAH should communicate with the CDE.

Marketing Authorization Holder System

Pursuant to the Drug Administration Law and the Measures for the Administration of Drug Registration, the state implements the drug marketing authorization holder system for drug management. After obtaining a drug registration certificate, an applicant shall be the drug marketing authorization

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holder. During the validity period, a holder of a drug registration certificate shall continue to ensure the safety, effectiveness and quality controllability of the marketed drug, and apply for re-registration of the drug six months prior to the expiry of the validity period.

The drug marketing authorization holder shall proactively carry out post-marketing research on drugs, further confirm the safety, effectiveness and quality controllability of drugs, and strengthen the continuous management of marketed drugs. Where a drug registration certificate and its annex require the marketing authorization holder to carry out relevant research work after the drug is marketed, the marketing authorization holder shall complete the research within the prescribed time limit and file a supplementary application, undergo recordation formalities or report as required. After a drug is approved for marketing, the marketing authorization holder shall continue to conduct research on drug safety and effectiveness, undergo recordation formalities in a timely manner or file a supplementary application for revising the instructions according to the relevant data, and continuously update and improve the instructions and labels. According to the duties, the medical products administrative department may require the marketing authorization holder to revise the instructions and labels based on the monitoring of adverse drug reactions and the post-marketing reevaluation results of the drug.

Transfer of Drug Marketing Authorization

Pursuant to the Drug Administration Law, subject to the approval by the drug administrative department of the State Council, a drug marketing authorization holder may transfer its drug marketing authorization. The transferee shall possess the capability of quality management, risk prevention and control and liability compensation to ensure the safety, efficacy and quality controllability of the drug, and perform the obligations of the drug marketing authorization holder. According to the Measures for the Administration of Drug Registration, transfer of drug marketing authorization by the holder shall be declared by way of supplementary application, and be implemented upon approval.

Pursuant to the Administrative Measures for Drug Post-marketing Changes (for Trial Implementation) (《藥品上市後變更管理辦法(試行)》), drug post-marketing changes shall not have any adverse impact on the safety, effectiveness and quality controllability of drugs. In the case of an application for the change to a drug holder, the production site, prescription, production techniques and quality standards of the drugs shall be consistent with those of the original drugs. In the case of any change, after the change of the holder has been approved, the holder after the change shall conduct full study, evaluation and necessary verification and shall implement or report such changes upon approval or filing as required.

Laws and Regulations in Relation to Drug Manufacturing

Drug Manufacturing Permit

Pursuant to the Drug Administration Law, the state adopts an industry entry permit system for drug manufacturers. The conduct of drug manufacturing activities shall be approved and granted with a Drug Manufacturing License (《藥品生產許可證》) by the drug regulatory authority of the people's government at provincial, autonomous regional or municipal level. The Drug Manufacturing License shall indicate the validity period and the scope of production, and shall be reviewed for renewing upon expiration.

Good Manufacturing Practices (GMP)

Pursuant to the Drug Administration Law, and the Announcement on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), promulgated by the NMPA on November 29, 2019, when engaging in drug manufacturing activities, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing maintain to meet the statutory

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

The Good Manufacturing Practices (《藥品生產質量管理規範》), promulgated by the NHC in March 17, 1988, newly amended in January 17, 2011 and came into effect on March 1, 2011, provided guidance for the quality management, organization and staffing, production premises and facilities, equipment, material and products, recognition and inspection, documentation maintenance, manufacture management, quality control and quality assurance, contractual manufacture and contractual inspection for the products, product delivery and recalls of a manufacturer in a systematical manner.

Contract Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委託生產監督管理規定》) issued by the CFDA in August 14, 2014, and effective as of October 1, 2014, only when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities, could such drug manufacturer entrust the manufacturing of the drug to another domestic drug manufacturer. Such contract manufacturing arrangements shall be approved by the provincial branch of the NMPA.

The Administrative Measures on Supervision of Drug Manufacturing (《藥品生產監督管理辦法》) promulgated by SAMR on January 22, 2020 and came effective on July 1, 2020 further stipulates that drug marketing authorization holders entrusting others to manufacture drugs shall enter into outsourcing agreements and quality agreements with qualified drug manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing Certificate.

NMPA further issued the Announcement on Strengthening the Supervision and Administration of Entrusted Production by Drug Listing License Holders (《國家藥監局關於加強藥品上市許可持有人委託生產監督管理工作的公告》) in October 17, 2023, effective as of October 17, 2023 and the Announcement on Strengthening the Supervision and Management of Entrusted Production of Drugs (《國家藥監局關於加強藥品受託生產監督管理工作的公告》) in December 30, 2025, effective as of December 30, 2025, regarding the supervision and administration of contract manufacturing of drugs.

Laws and Regulations on Drug Supply

Drug Supply Permit

According to the Drug Administration Law and the Measures for the Supervision and Administration of Drug Supply and Usage (《藥品經營和使用質量監督管理辦法》) took into effect on January 1, 2024, the operation of drug business, including drug wholesale and drug retail, is prohibited without a Drug Supply Permit. A Drug Supply Permit is valid for five years. Each holder of the Drug Supply Permit must apply for an extension of its permit six months to two months prior to expiration.

Good Supply Practice

The Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) (the “**GSP Rules**”) was recently amended and came into effect on July 13, 2016. The GSP Rules set forth the basic standards in management of drug supply and apply to enterprises engaged in drug supply in the PRC, which require drug suppliers to implement strict controls on its supply of pharmaceutical products, including standards regarding staff qualifications, premises, warehouses, inspection equipment and facilities, management and quality control.

The Administrative Measures on Internet Drug Information Service (《互聯網藥品信息服務管理辦法》) was promulgated by the SFDA in July 8, 2004 and amended and effective on November 17, 2017, pursuant to which the internet drug information services is to provide drug (including medical device)

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information services to online users; services are divided into commercial internet drug information services and non-commercial internet drug information services. The website operator that provides drugs (including medical devices) information services must obtain an Internet Drug Information Service Qualification Certificate from the competent counterpart of the NMPA. The valid term for an Internet Drug Information Service Qualification Certificate is five years and may be renewed at least six months prior to its expiration date upon a re-examination by the relevant governmental authorities. Furthermore, as requested by Internet Drug Measures, the information relating to drugs shall be accurate and scientific in nature, and its provision shall comply with the relevant laws and regulations. No product information of stupeficient, psychotropic drugs, medicinal toxic drugs, radiopharmaceutical, detoxification drugs and pharmaceuticals made by medical institutes shall be distributed on the website. In addition, advertisements relating to drugs (including medical devices) shall be approved by the NMPA or its competent counterparts.

Other Laws and Regulations in Relation to Medical Industry

Volume-based Procurement Scheme (VBP) and Bidding Process

On 20 May 2024, the NHSA published the Notice of the National Healthcare Security Administration on Further Promotion of the Experience of Medical Reform in Sanming City and to Continuously Promote the Innovative Development of Medical Insurance (《國家醫療保障局關於進一步推廣三明醫改經驗持續推動醫保工作創新發展的通知》), providing guidance on volume-based procurement practices, aiming to aggressively promote the volume-based procurement of drugs and high-value medical consumables organized by national authorities. It emphasises the need to strengthen coordination among regions, guide and promote local governments to conduct volume-based procurement in a regulated manner, and support the targeted expansion of the range of drugs and medical consumables under the volume-based procurement scheme. This expansion is to be led by willing and responsible provinces, with the participation of all provinces. The notice aims to establish a new pattern of volume-based procurement, where the provinces organize the volume-based procurement of drugs and high-value medical supplies, the national alliance, led by provinces, acts as the main body, and provincial-level centralized procurement serves as a supplement.

On 14 May 2024, the National Healthcare Security Administration published the Notice of the National Healthcare Security Administration on Strengthening Regional Coordination to Improve the Quality and Coverage of Volume-based Procurement of Pharmaceuticals in 2024 (《國家醫療保障局辦公室關於加強區域協同做好2024年醫藥集中採購提質擴面的通知》), aiming to improve the centralized pharmaceutical procurement system, promote the quality and coverage of centralized VBP, and further enhance the capacity and scale of local procurement alliances.

Basic Medical Insurance Policy

Pursuant to the Decision on the Establishment of the Urban Employee Basic Medical Insurance Program (《關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council and effective on December 14, 1998 and the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) promulgated by the NDRC, the SFDA and other authorities, came into effect on May 12, 1999, all employers in cities and towns, including enterprises (state-owned enterprises, collective enterprises, foreign-invested enterprises, private enterprises, etc.), institutions, public institutions, social organizations, private non-enterprise units and their employees are required to participate in basic medical insurance. Pursuant to the Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) promulgated by the State Council and effective on January 3, 2016, a unified basic medical insurance system for urban and rural residents was established, including the existing urban residents' medical insurance and all the insured personnel of New Rural Cooperative Medical System, covering all urban and rural residents except those who should be covered by the employee's basic medical insurance.

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National Reimbursement Drug List of China

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**”) sets out the standards for payment of medicines by the basic medical insurance, work injury insurance and maternity insurance funds. The NHSA and other governmental organizations have the authority to determine the drugs to be included in the NRDL. Drugs listed in the NRDL are divided into two parts: Class A and Class B. Class A drugs are widely used for clinical treatment, with favorable efficacy and lower prices than their counterparts, while Class B drugs are used for clinical treatment, with favorable efficacy and slightly higher prices than Class A drugs.

On July 30, 2020, the NHSA issued the Provisional Measures for the Administration of Medicines for Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) (the “**Measures for the Administration of the NRDL**”), which came into effect on September 1, 2020. The Measures for the Administration of the NRDL provides guidance on the inclusion and adjustment of the NRDL and the payment, management and supervision of basic medical insurance. According to the Measures for the Administration of the NRDL, a dynamic adjustment mechanism shall be established for the NRDL, which shall be adjusted annually in principle. According to the Opinions of the NHSA and the Ministry of Finance on Establishing a List-Based System for Healthcare Security Benefits (《國家醫保局、財政部關於建立醫療保障待遇清單制度的意見》), which came into effect in January 19, 2021, all provinces shall implement the NRDL in a strict manner, and shall not have the discretion to formulate the catalog or increase the drugs in any form, or adjust the scope of limited payment unless explicitly stipulated. On December 5, 2025, the NHSA and the Ministry of Human Resources and Social Security of the PRC released the latest NRDL (effective from January 1, 2026), which has been expanded to cover a total of 3,253 drugs. Inclusion in the NRDL will generally result in increased sales volume and lower drug prices (which are determined on a case-by-case basis and negotiated based on factors such as the initial drug price).

National Basic Drug Catalogue

Pursuant to the Opinions of the General Office of the State Council on Improving the National Basic Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》) issued and effective on 13 September 2018 and the Circular on the Printing and Issuance of the Measures for the Administration of the National Basic Drug Catalogue (《關於印發國家基本藥物目錄管理辦法的通知》) newly issued, promulgated and effective on 27 January 2026, primary healthcare institutions operated by the government (mainly including county hospitals, county hospitals of traditional Chinese medicine, township health centers and community outpatient clinics) shall be equipped with and use the drugs listed in the National Basic Drug Catalogue. Drugs in the National Basic Drugs Catalogue must be procured through a centralized bidding process and are subject to price control by the NDRC. Therapeutic drugs in the National Basic Drug Catalogue are included in the medical insurance catalogue and the full cost of purchasing such drugs is reimbursed.

Drug Price

Pursuant to the Drug Administration Law, for drug products with market-regulated prices in accordance with the law, the drug marketing authorization holder, the drug manufacturer, the drug distributor and medical institution shall determine the price pursuant to the principles of fairness, reasonableness, integrity and trustworthiness as well as quality for value in order to supply drug users with reasonably priced drug products; and shall comply with the requirements relating to drug price administration promulgated by the State Council’s pricing authorities, determine and clearly mark the retail prices of drug products. Pursuant to the Notice on Issuing Opinions on Promoting Drug Price Reform (《關於印發〈推進藥品價格改革意見〉的通知》) jointly promulgated by NDRC, NHC, the Ministry of Human Resources and Social Security, Ministry of Industry and Information Technology (the “**MIIT**”), the MOFCOM and the CFDA on May 4, 2015 and came into effect on June 1, 2015, from June 1, 2015, except for narcotic drugs and first-class psychotropic drugs, the price of drugs set by the government will be canceled.

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Drug Purchases by Hospitals

According to the Guiding Opinions concerning the Urban Medical and Health System Reform (《關於城鎮醫藥衛生體制改革的指導意見》) promulgated and came into effect on February 21, 2000, and the Opinions on the Implementation of Classification Management of Urban Medical Institutions (《關於城鎮醫療機構分類管理的實施意見》) promulgated on July 18, 2000 and came into effect on September 1, 2000, a medical institution must be defined as a for-profit or not-for-profit institution at the time of its establishment. A not-for-profit medical institution refers to a medical institution established for the purpose of public interest services, which maintains and develops the institution with its income, while a for-profit medical institution is established by investors for the purpose of investment return.

According to the Notice on the Trial Implementation of the Centralized Tender with Respect to Drug Purchases by Medical Institutions (《關於印發醫療機構藥品集中招標採購試點工作若干規定的通知》) promulgated and came into effect on July 7, 2000, the Notice on the Further Standardizing of the Centralized Tender with respect to Drug Purchases By Medical Institutions (《關於進一步做好醫療機構藥品集中招標採購工作的通知》) promulgated and came into effect on July 23, 2001 and the Opinions concerning Further Regulating Drug Purchases by Medical Institutions through Centralized Tendering (《關於進一步規範醫療機構藥品集中採購工作的意見》) promulgated and came into effect on January 17, 2009, any not-for-profit medical institutions established and/or controlled by any government at the county level or above must use a centralized tender system for the procurement of drugs which are listed in the Catalog of Drugs for National Basic Medical Insurance (《國家基本醫療保險藥品目錄》) and are generally for clinical use and bulk purchase.

The Good Practice of Medical Institutions with respect to Centralized Procurement of Drugs (《醫療機構藥品集中採購工作規範》) promulgated and came into effect on July 7, 2010, provides detailed provisions on the catalog and procurement methods of centralized procurement of drugs, the procedures of centralized procurement of drugs, the evaluation methods of centralized procurement of drugs, and the construction and management of the expert pools, further regulates the centralized procurement of drugs and clarifies the code of conduct of the parties involved in centralized procurement of drugs.

According to the Guidance Opinion of the General Office of the State Council on the Improvement of the Drug Centralized Procurement Work of Public Hospitals (《國務院辦公廳關於完善公立醫院藥品集中採購工作的指導意見》) promulgated and came into effect on February 9, 2015, the centralized procurement work of public hospitals will be improved through the purchase of drugs by classification. All drugs used by public hospitals (with the exception of traditional Chinese medicine decoction pieces) should be procured through a provincial centralized pharmaceutical procurement platform. The provincial drug procurement agency should work out a summary of the procurement plans and budget submitted by hospitals and compile reasonably a drug procurement catalog of the hospitals within its own administration region, listing by classification the drugs to be procured through bids, negotiations, direct purchases by hospitals or to be manufactured by appointed pharmaceutical manufacturers.

Drug Distribution and Two-Invoice System

According to the Implementing Opinions on Promoting the “Two-Invoice System” for Drug Procurement By Public Medical Institutions (For Trial Implementation) (《關於在公立醫療機構藥品採購中推行「兩票制」的實施意見(試行)》) which was issued and effective on December 26, 2016, the Two-Invoice System is a system under which invoices are issued by drug manufacturers to drug distributors on a once-off basis while invoices are issued by drug distributors to medical institutions on a once-off basis. Wholly-owned or holding commerce companies (there shall be only one commerce company throughout the country) and domestic general agents of overseas drugs (there shall be only one domestic general agent throughout the country) that are established by drug manufacturers or group enterprises integrating scientific research, manufacture, and trade to sell the drugs of these enterprises (groups) may be regarded as manufacturers. Within an enterprise that is a drug circulation group, the allocation of drugs between the group and wholly-owned (holding) subsidiaries or between wholly-owned (holding) subsidiaries should not be regarded as invoicing, but invoicing is allowed once at most.

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According to the Notice on Promulgation of the Key Points for the Special Campaign to Rectify the Misconduct in the Medicine Purchase and Sales Field and Medical Services in 2018 (《關於印發<2018年糾正醫藥購銷領域和醫療服務中不正之風專項治理工作要點>的通知》), which was issued and effective on August 15, 2018, the Two-Invoice System shall be fully implemented for drug purchase and sale among public medical institutions. Pharmaceutical companies must comply with the Two-Invoice System in order to engage in procurement processes with public hospitals.

Advertising of Pharmaceutical Products

Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which was promulgated by the SAMR in December 24, 2019 and came into effect on March 1, 2020, advertisements for drugs, medical devices, health food and formula food for special medical purposes shall be true and legitimate, and shall not contain any false or misleading contents. Holders of registration certificates or filing certificates of drugs, medical devices, health food and formula food for special medical purposes as well as the production enterprises and operating enterprises authorized by such holders of certificates shall be applicants for advertising (the “**Applicants**”). The advertisement review authorities shall review the materials submitted by the Applicants and shall complete the review within ten business days from the date of acceptance. After review, for advertisements that are in line with laws, administrative regulations and these Measures, approval decisions of review shall be made and advertisement approval numbers shall be issued. The validity period of the advertisement approval number for drugs, medical devices, health food and formula food for special medical purposes shall be consistent with the shortest validity period of the product registration certificate, filing certificate or production license. If no valid period is prescribed in the product registration certificate, filing certificate or production license, the valid period of the advertisement approval number shall be two years.

Insert Sheet, Labels and Packaging of Pharmaceutical Products

Pursuant to the Measures for the Administration of the Insert Sheets and Labels of Drugs (《藥品說明書和標籤管理規定》), which was promulgated by the SFDA on March 15, 2006 and came effective on June 1, 2006, the insert sheets and labels of drugs should be reviewed and approved by the SFDA. Pursuant to the Measures for The Administration of Pharmaceutical Packaging (《藥品包裝管理辦法》) which came effective on September 1, 1988, pharmaceutical packaging must comply with the national and professional standards.

Pursuant to the Procedures and Requirements for the Record-filing of Repackaging of Drugs Manufactured Overseas (《國家藥監局藥審中心關於發佈《境外生產藥品分包裝備案程序和要求》的通告》), which was issued by the NMPA on 6 August 2020 and took effect on the same day, repackaging of overseas-manufactured drugs in the PRC is regulated under a record-filing regime. Prior to the implementation of the Circular 27, import drug repackaging that had already obtained an approval for a supplemental drug application and had a valid approval number shall remain valid. After the implementation of the Circular 27, if the packaging specifications of the bulk packaging used for drug repackaging have already obtained the Drug Import Registration Certificate (進口藥品註冊證) and remain valid, the repackaging of drugs manufactured overseas may be directly filed.

Regulations in Relation to Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and latest amended and effective on December 29, 2018 (the “**Product Quality Law**”), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller.

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Pursuant to the PRC Civil Code (《中華人民共和國民法典》) (the “**Civil Code**”) promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, where a patient suffers damage due to defects in drugs, he may seek compensation from the drug marketing authorization holder, producer or also from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder or producer.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and latest amended on October 25, 2013 and came into effect on March 15, 2014 to protect consumers’ rights when they purchase or use goods and accept services. All business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. All business operators must pay high attention to protecting customers’ privacy and must strictly keep confidential any consumer information they obtain during their business operations.

Laws and Regulations relating to the Construction Industry

The laws, administrative regulations and departmental rules relating to the construction industry that we apply mainly include the Construction Law of the PRC (《中華人民共和國建築法》), the Regulations on the Administration of Construction Engineering Quality (《建設工程質量管理條例》), the Provisions on the Management of Qualifications for Construction Enterprises (《建築業企業資質管理規定》), and the Measures for the Administration of Completion, Final Inspection and Acceptance, and Registration of Building and Municipal Infrastructure Construction Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》).

Construction Law

The Construction Law of the People’s Republic of China (the “**Construction Law**”) was adopted on November 1, 1997 by the 28th session of the Standing Committee of the Eighth National People’s Congress, and was amended for the first time in accordance with the Decision on the Amendment of the Construction Law of the PRC (《關於修改〈中華人民共和國建築法〉的決定》) of the 20th session of the Standing Committee of the Eleventh National People’s Congress dated April 22, 2011 and amended for the second time in accordance with the Decision on the Amendment of Eight Laws (including the Construction Law of the PRC) (《關於修改〈中華人民共和國建築法〉等八部法律的決定》) of the 10th session of the Standing Committee of the Thirteenth National People’s Congress dated April 23, 2019. Enterprise engaged in construction activities and implementing supervision and management of construction activities within the territory of the PRC shall comply with the Construction Law. Our products relating to steel structure building system are applied in construction activities and construction projects and therefore, we shall comply with the provisions of the Construction Law.

Regulations on the Administration of Construction Engineering Quality

Pursuant to the Construction Law, stipulations pertinent to construction permit, examination of the qualifications for construction enterprises, awarding, contracting and ban on subcontracting of construction projects as well as supervision, safety and quality management of the construction projects shall be applicable to the construction of other special construction projects, with details formulated by the State Council. Accordingly, the State Council has formulated the Regulations on the Administration of Construction Engineering Quality, which were promulgated by the Decree No. 279 of the State Council of the People’s Republic of China and effective on January 30, 2000, and amended for the first time in accordance with the Decision of the State Council on the Amendment of Certain Administrative Regulations (《國務院關於修改部分行政法規的決定》) dated October 7, 2017, and amended for the second time in accordance with the Decision of the State Council on the Amendment of Certain Administrative Regulations dated April 23, 2019. All those engaged in the new construction, expansion, reconstruction and other related activities of construction works and the implementation of supervision and management of construction engineering quality within the territory of the PRC shall comply with the Regulations on the Administration of Construction Engineering Quality.

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According to the Regulations on the Administration of Construction Engineering Quality, the owner, survey entity, design entity, construction entity and engineering supervisory entity of a construction project shall be responsible for the quality of such construction project in accordance with the law. If the general contractor subcontracts the construction project to other entities in accordance with the law, the subcontractors shall be accountable to the general contractor for the quality of the subcontracted works under the subcontractor agreement, and the general contractor and the subcontractors shall be jointly and severally liable for the quality of the subcontracted works. The competent administrative department for construction under the State Council implements unified supervision and management of the quality of all construction projects in the country, and the competent administrative departments for construction under the local people’s governments at or above the county level implements supervision and management of the quality of construction projects in the corresponding administrative areas.

Laws and Regulations in Relation to Intellectual Property

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》), latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the “**Implementation Rules**”), latest amended on December 11, 2023 and came into effect on January 20, 2024. The Patent Law and the Implementation Rules provide for three types of patents, namely “invention,” “utility model” and “design.” The duration of a patent right for “invention” is twenty (20) years; the duration of a patent right for “utility model” is ten (10) years; and the duration of a patent right for “design” is fifteen (15) years, all of which duration is from the date of application.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 last amended on January 30, 2013, and became effective on March 1, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and latest amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014 and came into effect on May 1, 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal within twelve (12) months before the expiration in accordance with the requirements. If such an application cannot be filed within that period, an extension period of six months may be granted. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

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Domain Names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT, on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as amended as of June 27, 2025 and effective on October 15, 2025, the term “trade secrets” refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others’ trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i) above; (iii) disclosing, using, or allowing another person use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Laws and Regulations in Relation to Real Properties

Real Estate Leasing

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

According to Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of PRC on December 1, 2010 and became effective on February 1, 2011, the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the People’s Government of the centrally-administered municipality, municipality or county where the leased property is located. Failure to comply with the above requirements may subject the relevant lessors and lessees to administrative penalties, including orders to make corrections within a certain period of time and fines.

Regulations in Relation to Environment, Health and Safety

Environmental Impact Assessment

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), latest amended on April 24, 2014 and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), latest amended and effective on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction

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Project (《建設項目環境保護管理條例》), latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

Pollutant Discharge

According to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, and the Administrative Measures on Pollutant Discharge Permit (《排污許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of biological drugs and products falls into the classification management scope for fixed source pollution permits.

Discharge of Urban Sewage

Enterprises that engage in the activities of industry, construction, catering, and medical treatment, etc. that discharges sewage into urban drainage facilities shall apply to the relevant competent urban drainage department for the permit for discharging sewage into drainage pipelines under relevant laws and regulations, including the Regulations on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated on October 2, 2013 and came into effect on January 1, 2014, and the Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), recently amended on December 1, 2022 and came into effect on February 1, 2023. Where a drainage entity needs to discharge sewage into urban drainage facilities, it shall apply for a drainage license in accordance with the provisions of these Measures.

Disposal of Hazardous Wastes

According to the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), which was recently amended on April 29, 2020 and came into effect on September 1, 2020, entities generating hazardous wastes shall store, utilize and dispose of hazardous wastes pursuant to the relevant provisions of the State and the requirements of environmental protection standards, and shall not arbitrarily dump or pile up such wastes. Entities that undertake the collection, storage, utilization and treatment of hazardous wastes shall apply for and obtain a permit. The hazardous wastes shall be defined by the National Catalogue of Hazardous Wastes (《國家危險廢物名錄》), of which the latest version was issued by the Minister of Ecology and Environment and other authorities on November 11, 2024 and entered into force as of January 1, 2025.

Fire Safety

According to the Fire Safety Law of the PRC (《中華人民共和國消防法》) last amended and effective on April 29, 2021, and the Interim Provisions on Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the “**Interim Provisions**”) last amended on August 21, 2023 and effective on October 30, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction and construction projects shall undergo the fire protection design review and acceptance system. The special construction projects as defined in the Interim Provisions must apply to the fire control department for fire protection design review, and complete the fire protection acceptance procedures after the completion of the construction project. The construction

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unit of other construction projects must complete the fire protection filing of the fire protection design and the completion acceptance within five (5) business days after the completion acceptance of the construction project. If a construction project fails to pass the fire safety inspection before it is put into use, or does not meet the fire safety requirements after the inspection, it will be ordered to suspend the construction and use of such project, or suspend production and business, and be imposed a fine.

Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021 and came into effect on September 1, 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. The production and business operation entities shall educate and train employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety, are familiar with the relevant regulations and rules for safe production and the rules for safe operation, master the skills of safe operation in their own positions, understand the emergency measures, and know their own rights and duties in terms of production safety. Employees who fail the education and training programs on production safety may not commence working in their positions. Safety facilities of new building, rebuilding or expanding project (as the construction project) shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the construction project.

Hazardous Chemicals

The Regulation on Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) (the “**Hazardous Chemicals Regulation**”) was promulgated by the State Council on January 26, 2002 and newly revised and effective on December 7, 2013. The Hazardous Chemicals Regulation provides regulatory requirements on the safe production, storage, use, operation and transportation of hazardous chemicals. An enterprise that has obtained a work safety permit of hazardous chemicals, safety use permit of hazardous chemicals or operation permit of hazardous chemicals according to law shall purchase hyper-toxic chemicals or hazardous chemicals that can be used to make explosives upon the strength of relevant permits or certificates. A producer of civil explosives shall purchase hazardous chemicals that can be used to make explosives upon the strength of the permit for production of civil explosives. Any entity other than those as prescribed in the preceding paragraph, when purchasing hyper-toxic chemicals, shall apply to the public security organ of the local people’s government at the county level for a permit for purchasing hyper-toxic chemicals; when hazardous chemicals that can be used to make explosives are purchased, the explanations on the legal use of such chemicals issued by such entity shall be presented.

The Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) promulgated by the State Council on August 26, 2005 and latest revised and effective on September 18, 2018, stipulates and regulates the production, operation, purchase, transportation, import and export of precursor chemicals. The precursor chemicals are classified into three categories. Category I refers to the major materials that may be used to produce drugs. Categories II and III refer to the chemical auxiliary substances that may be used to produce drugs. An enterprise that applies for purchasing the precursor chemicals in Category I shall submit the related certificates and shall obtain the purchase license upon the examination and approval of the supervisory and administrative department of drugs of the people’s government of the province, autonomous region or centrally administered municipality where the applicant is located. An entity that purchases any precursor chemicals in Category II or III shall, before the purchase, report the variety and quantity in demand to the public security organ of the local people’s government at the county level for archival filing.

According to the Measures for the Public Security Management of Explosives Precursors (《易製爆危險化學品治安管理办法》) issued by the Ministry of Public Security on July 6, 2019 and effective on August 10, 2019, enterprises which have obtained permits for safe production of hazardous chemicals, permits for the safe use of hazardous chemicals and permits for business operation of hazardous chemicals in accordance with the law shall purchase explosive precursor hazardous chemicals with the corresponding

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licenses. A buyer of explosives precursors shall, within five days after purchasing, report the information about the types, quantity and flowing direction of explosives precursors purchased to the local county-level public security organ for filing through the Explosive Precursors Information System.

Prevention and Control of Occupational Diseases

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

According to the Law of the PRC on the Prevention and Control of Occupational Diseases, in the event that any newly built, expanded or renovated construction project, or technology renovation or introduction project (as the construction project) may generate occupational disease hazards, the owner shall conduct the assessment of occupational disease hazards during the feasibility study stage. The occupational disease hazard pre-assessment report shall assess the construction project as to possible occupational disease hazard factors and their impact on the workplace and health of the workers, and determine the type of the hazards and the measures for protection against occupational diseases.

Regulations in Relation to Employment and Social Securities

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and latest amended and effective on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012 and came into effect on July 1, 2013, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, working location, occupational hazards, and status of safe production as well as remuneration and other conditions.

According to the Social Security Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010 and amended on December 29, 2018, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer to make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》), which was promulgated on April 3, 1999 and latest amended and effective on March 24, 2019, employers are required to make contribution to housing provident funds for their employees. Where an

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employer fails to pay up housing provident funds, the housing provident fund administration center may order it to make payment within a prescribed time limit. If the employer still fails to do so, the housing provident fund administration center may apply to the court for compulsory enforcement of the unpaid amount.

Regulations in relation to the Import and Export of Drugs

Import and Export of Goods

Pursuant to the Administrative Provisions on the Registration of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位註冊登記管理規定》) (effective on March 13, 2014, last amended with effect from July 1, 2018 and abrogated on January 1, 2022), the import and export of goods shall be declared by the consignor or consignee itself, or by a customs declaration enterprise entrusted by the consignor or consignee and duly registered with the customs authority. Consignors and consignees of imported and exported goods shall go through customs declaration entity registration formalities with the competent customs departments in accordance with the applicable provisions. After completing the registration formalities with the customs, consignors and consignees of the imported and exported goods may handle their own customs declarations at customs ports or localities where customs supervisory affairs are concentrated within the customs territory of the PRC.

The Provisions on the Filing of Customs Declaration Entities of PRC (《中華人民共和國海關報關單位備案管理規定》), which became effective on January 1, 2022 and replaced the Administrative Provisions on the Registration of Customs Declaration Entities of the PRC, changed the registration of consignors and consignees into record-filing and further simplified the regulatory regime for the import and export of goods.

Import of Drugs

According to the Drug Administration Law, drugs shall be imported through the specific ports for the import of drugs, and the drug importation enterprise shall make a filing with the local NMPA where the port is located. Such local NMPA shall notify the pharmaceutical inspection institution to carry out selective inspections on the imported drugs according to relevant laws and regulations.

Pursuant to the Administrative Measures for the Import of Drugs (《藥品進口管理辦法》), which was promulgated by NMPA and the General Administration of Customs on 18 August 2003, as amended with effect from August 24, 2012, the enterprise must obtain the Drug Import Registration Certificate (進口藥品註冊證) (or Pharmaceutical Products Registration Certificate (醫藥產品註冊證)) or Approval Document for Import of Drugs (進口藥品批件) before it can make the import filings for the imported drugs. However, on July 1, 2020, the NMPA published the Announcement on Launching the Use of the Drug Registration Certificate, the Approval Notice for Drug Re-registration and the Approval Notice for Supplementary Drug Application (2020 Edition) (No. 265) (《關於啟用《藥品註冊證書》《藥品再註冊批准通知書》《藥品補充申請批准通知書》(2020版)的公告(第265號)》), which stipulates that for the purposes of implementing the Administrative Measures for Drug Registration and regulating the format of proof documents for examination and approval results of drug administrative licensing matters, a decision has been made to launch the use of the Drug Registration Certificates (藥品註冊證書), the Approval Notice for Drug Re-registration (藥品再註冊批准通知書) and the Approval Notice for Drug Supplementary Applications for drugs (藥品補充申請批准通知書) manufactured domestically and overseas as at July 1, 2020.

Regulations in Relation to Information Security and Data Privacy

Data Security and Export

The SCNPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) on June 10, 2021 (effective from September 1, 2021), for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data.

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Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) issued by the Cyberspace Administration of China and effective on March 22, 2024, a data handler that is not a critical information infrastructure operator, will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal protection certification, if such data handler accumulatively transfers overseas ordinary personal information of less than 100,000 individuals since the January 1 of the current year.

Personal Information Protection

According to the Civil Code, personal information of natural persons is protected by law. If any organization or individual needs to obtain other people’s personal information, they should obtain it in accordance with the law and ensure the security of the information. They must not illegally collect, use, process, or transmit other people’s personal information, and must not illegally buy, sell, provide, or disclose the information. The Personal Information Protection Law of the People’s Republic of China promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, 2016, which was amended on October 28, 2025 and became effective on January 1, 2026, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected.

Laws and Regulations in Relation to Anti-money Laundering, Anti-corruption and Anti-bribery

Anti-money Laundering

According to the Anti-money Laundering Law of the People’s Republic of China (《中華人民共和國反洗錢法》) promulgated by the SCNPC on November 8, 2024 and effective from January 1, 2025, financial institutions shall, according to the provisions of the present law, establish a sound internal control system for anti-money laundering, set up a special body or designate an internal body to take the lead to take charge of the anti-money laundering work. The entities and individuals in business relationship with a financial institution shall cooperate with the financial institution in conducting customer due diligence by providing authentic and valid identity documents or other identity certificates, filling in identity information accurately and completely, and faithfully providing materials relating to transactions and funds. Where an entity or individual refuses to cooperate with the financial institution in taking reasonable measures for customer due diligence according to the present law, the financial institution may take money laundering risk management measures, such as limiting or refusing to handle business and terminating business relationship under the prescribed procedures, and submit a report on doubtful transactions in the light of the situation.

Anti-corruption

According to the Criminal Law of the People’s Republic of China (《中華人民共和國刑法》), as last amended by the SCNPC on December 29, 2023 and effective on March 1, 2024, the crime of job appropriation means that an employee of any company, enterprise or any other organization unlawfully takes possession of the money or property of the organization by taking advantage of office, if the amount is relatively large, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention and shall be fined concurrently; if the amount is huge, he shall be sentenced to

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fixed-term imprisonment of not less than three years but not more than 10 years and shall be fined concurrently; or if the amount is extremely huge, he shall be sentenced to fixed-term imprisonment of not less than 10 years or life imprisonment and shall be fined concurrently.

Anti-bribery

According to the Anti-Unfair Competition Law of the PRC and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the SAMR (formerly known as the State Administration for Industry and Commerce of the PRC) and effective on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

Pursuant to the Provisions on the Establishment of Adverse Records of Commercial Briberies in the Medicine Purchase and Sales Industry (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》), which was promulgated by the NHC on December 25, 2013 and came into effect on March 1, 2014, any medicine production and operation enterprises or agents that are involved in criminal, investigational or administrative procedures for commercial bribery will be listed in the adverse records of commercial bribery by the relevant government authorities, as a result of which, for two years from the date the list of adverse records of commercial bribery is published, (i) their products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies within the relevant provinces, and (ii) the scores of their products in the centralized tender processes of public medical institutions or medical and health institutions receiving financial subsidies in other provinces will be reduced. As for those enterprises or agents listed in adverse records twice within five years, their products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies throughout China for two years from the date the list of adverse records of commercial bribery is published.

Regulations on Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), which was promulgated by the SCNPC and was latest amended and effective on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council and was latest amended on December 6, 2024 and effective on January 20, 2025, a uniform 25% enterprise income tax rate is imposed on both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. Key high-tech enterprises that are supported by the PRC's government may enjoy a reduced tax rate of 15% for enterprise income tax.

Value-added Tax (VAT)

According to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the NPC on December 25, 2024 and effective on January 1, 2026, the Regulation on the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》), which was promulgated by the State Council on December 25, 2024 and effective on January 1, 2026, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the VAT.

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According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部稅務總局關於調整增值稅稅率的通知》) effective in May 1, 2018, the VAT rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部稅務總局海關總署關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the VAT rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

According to the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the NPC on December 25, 2024 and effective on January 1, 2026, the tax rate for taxpayers engaging in sale of services and intangible assets shall be 6%, except for the Article 10, Subparagraphs one, two and five of the Value-added Tax Law of the PRC.

According to the Notice on the Application of Low Value Added Tax Rates and Simplified Methods for Collecting Value Added Tax on Some Goods (《關於部分貨物適用增值稅低稅率及簡易辦法徵收增值稅政策的通知》) which was lately revised by the Notice of the Ministry of Finance and the State Taxation Administration on the Policy of Streamlining and Adjusting the Value Added Tax Collection Rates (《財政部、稅務總局關於簡併增值稅徵收率政策的通知》) on 13 June 2014, VAT general taxpayers who sell self-produced biological products made from microorganisms, microbial metabolites, animal toxins, human or animal blood or tissues may choose to compute and pay VAT at a rate of 3% under the simplified method.

Regulation on Foreign Exchange

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

Later, the State Administration of Foreign Exchange of the PRC (the “SAFE”) promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 13, 2015 and effective on June 1, 2015, prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

The SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), which was latest amended by the Notice of the SAFE on Announcing the Abolishment and Invalidation of Certain Foreign Exchange Regulatory Documents and Relevant Provisions (《國家外匯管理局關於公佈廢止和失效部分外匯管理規範性文件及相關條款的通知》) on October 10, 2018, specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

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According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行 國家外匯管理局發佈《關於境內企業境外上市資金管理有關問題的通知》》) issued by the People’s Bank of China and the SAFE on December 24, 2025 and effective on April 1, 2026, the domestic companies that conduct an overseas listing shall, within 30 working days from the first trading day of the overseas listing or the completion of the [REDACTED], apply to a bank within the province or the separately-listed municipality where it is registered (hereinafter referred to as the local bank) for overseas listing registration.

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which became effective on the same date (except for Article 8.2, which became effective on January 1, 2020), and partially amended by the Notice of the SAFE on Further Deepening Reform to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) on December 4, 2023 and effective since then. The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors’ security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 and effective on June 1, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

Regulations in Relation to Overseas Securities Offering and Listing by Domestic Companies

According to the Overseas Listing Trial Measures issued by the China Securities Regulatory Commission (the “CSRC”) on February 17, 2023 and effective from March 31, 2023, where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People’s Republic of China and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department

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with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

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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.

The history of our Group can be traced back to early 1997, when UCB Zhuhai was jointly established in the PRC by UCB Pharma GmbH (formerly known as Schwarz Pharma AG), a German subsidiary of UCB, and Zhuhai Special Economic Zone Erkang Pharmaceutical Co., Ltd. (珠海經濟特區爾康藥業有限公司) (formerly known as Zhuhai Special Economic Zone Erkang Pharmaceutical Industry and Trade Company (珠海經濟特區爾康藥業工貿公司)) (“**Erkang Pharmaceutical**”), marking the beginning of a longstanding commercial presence in the PRC market for UCB’s neurology and allergy product portfolio.

Our Company was incorporated in June 2024 under the laws of the British Virgin Islands, jointly founded by CBC Group and Mubadala with the specific strategic objective of acquiring, operating, and expanding UCB’s mature neurology and allergy product portfolio and the related assets, together with the licensed rights in certain licensed IPs of UCB, within the PRC market. In November 2024, our Company, through its wholly-owned subsidiary NeuroGen HK, completed the acquisition of UCB’s mature neurology and allergy business in China, including UCB Zhuhai, thereby bringing UCB’s mature neurology and allergy business in China under our Group. On April 30, 2026, our Company was re-domiciled from the British Virgin Islands to the Cayman Islands. On May 1, 2026, our Company was renamed as NeuroGen Pharma Limited (神基製藥有限公司).

For further details of the incorporation and major shareholding changes of our Company, see “—Corporate Development and Major Shareholding Changes” below.

MILESTONES

The following table summarizes various key milestones in our corporate and business development.

Year	Milestone
1997	UCB Zhuhai was established in the PRC, marking the beginning of UCB’s commercial presence in the PRC market for its neurology and allergy product portfolio.
2024	Our Company was incorporated in June with the specific strategic objective of acquiring, operating, and expanding the mature neurology and allergy business of UCB in China. Our Company, through NeuroGen HK, completed the acquisition of UCB’s mature neurology and allergy business in China in November, bringing UCB Zhuhai’s established operations, product portfolio and Zhuhai manufacturing site under our Group. UCB Zhuhai became a wholly-owned subsidiary of our Group and was subsequently renamed NeuroGen Zhuhai.
2025	We entered into a marketing authorization transfer agreement in May with Anbison for Keppra SR, a sustained-release granule formulation of levetiracetam for the treatment of epilepsy in the Chinese Mainland. We entered into a license and cooperation agreement in July with Xgene for NG1706, an innovative oral non-opioid analgesic for multiple pain indications, including peri-operative pain, cancer pain and osteoarthritis pain, in Chinese Mainland, Hong Kong and Macau.

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Year	Milestone
2026	We entered into a cooperation agreement in January with Hui Zhong Ji Shi for NG1806, a long-acting, dual-mechanism non-opioid analgesic for peri-operative pain management in the Chinese Mainland, Hong Kong, Macau and Taiwan. We entered into a license and supply agreement in April with Teva for AJOVY, a humanized monoclonal antibody targeting CGRP for migraine in Chinese Mainland. We were recognized as a Key Sci-Tech & High-Growth Enterprise of Hongkou District, Shanghai. We entered into a marketing authorization transfer agreement with Shanghai Sinopeak Pharmaceutical Co., Ltd. for NG1807, a brexpiprazole oral soluble film for psychiatric and neurological indications in Chinese Mainland, Hong Kong, Macau and Taiwan.

OUR MAJOR SUBSIDIARIES

Below are the major subsidiaries and operating entities that made material contributions to our results of operations during the Track Record Period.

Name	Date of establishment and commencement of business	Place of establishment	Principal business activities ⁽¹⁾
NeuroGen Zhuhai	April 8, 1997	PRC	Manufacturing and distribution of pharmaceutical products
NeuroGen Shanghai Trading . .	September 26, 2024	PRC	Trading of goods through bonded areas; promotion services
NeuroGen Shanghai	July 8, 2025	PRC	Pipeline management; research and development of pharmaceutical products
NeuroGen HK	July 19, 2024	Hong Kong, PRC	Investment holding; IP holding; importing

Note:

- (1) For details of the principal business activities of other subsidiaries of our Group, see Note 37 to the Accountants’ Report as set out in Appendix IA.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Early Development and Shareholding Changes

UCB Zhuhai

On January 18, 1997, UCB, a limited liability company established under the laws of Germany, and Erkang Pharmaceutical, a limited liability company established under the laws of PRC, entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”), pursuant to which the parties thereto agreed to establish a company to engage in the manufacturing of pharmaceutical products and the sale of such products to qualified first-tier distributors in China. UCB is a global biopharmaceutical company headquartered in Belgium focused on developing medicines for neurological and autoimmune conditions and is listed on the Euronext Brussels stock exchange under the ticker symbol UCB. Pursuant to the Cooperation Framework Agreement, and as approved by the Foreign Economic and Trade Committee of Xiangzhou District, Zhuhai (珠海市香洲區對外經濟貿易委員會), UCB and Erkang Pharmaceutical committed to a total investment amount of US\$16 million and an initial registered capital of US\$8.5 million.

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On April 8, 1997, UCB Zhuhai was established in the PRC with the funds contributed pursuant to the Cooperation Framework Agreement, of which Erkang Pharmaceutical contributed existing equipment valued at US\$1.125 million and cash of US\$1 million, and UCB contributed cash of US\$6.375 million. The investment amount of each party under the Cooperation Framework Agreement was determined based on arm’s length negotiations between the parties and approved by relevant foreign investment authority.

Upon the incorporation, UCB Zhuhai was held as to 75% by UCB and 25% by Erkang Pharmaceutical, respectively. The investment amounts have been fully settled by the parties to the Cooperation Framework Agreement.

On May 31, 2012, UCB Zhuhai, Erkang Pharmaceutical and UCB entered into an equity transfer agreement, pursuant to which UCB agreed to acquire from Erkang Pharmaceutical the remaining 25% equity interest in UCB Zhuhai for a consideration of RMB88,000,000 (the “**2012 Equity Transfer**”). The consideration was determined after arm’s length negotiations between the parties and was approved by the board of UCB Zhuhai. Upon completion of the 2012 Equity Transfer, UCB Zhuhai became a wholly owned subsidiary of UCB.

Incorporation of our Company

On June 11, 2024, our Company was incorporated as a BVI business company in the British Virgin Islands.

On June 24, 2024, our Company allotted and issued one ordinary share to C-Bridge V Investment Fifteen Limited, a BVI business company incorporated in the British Virgin Islands and a member of CBC Shareholding Group, our Controlling Shareholder, at US\$1.00 per share as fully paid. On November 20, 2024, our Company further allotted and issued (i) 229,999,999 ordinary shares to C-Bridge V Investment Fifteen Limited and (ii) 230,000,000 ordinary shares to ATIC Second International Investment Company LLC, a limited liability company established in the United Arab Emirates and a member of Mubadala Shareholding Group, our Controlling Shareholder, in each case at US\$1.00 per share as fully paid.

Upon completion of the foregoing issuances, our Company was owned as to 50% by C-Bridge V Investment Fifteen Limited and 50% by ATIC Second International Investment Company LLC. For details of CBC Group and Mubadala, please refer to “— Information about our Shareholders” below.

NeuroGen HK

On July 19, 2024, NeuroGen HK was incorporated as a limited liability company in Hong Kong with an initial share capital of HK\$1.00 divided into one ordinary share with par value of HK\$1.00. On the same day, one ordinary share of NeuroGen HK was allotted and issued to our Company as fully paid at par value. Subsequently, on November 22, 2024, NeuroGen HK allotted and issued 3,503,115,000 shares to our Company as fully paid at par value. As of the Latest Practicable Date, NeuroGen HK remained a wholly-owned subsidiary of our Company.

2024 Acquisition of UCB’s Mature Neurology and Allergy Business in China

In November 2024, our Company, through its wholly-owned subsidiary NeuroGen HK, acquired UCB’s mature neurology and allergy business in China from UCB. The acquired business included (i) UCB’s mature neurology and allergy product portfolio: UCB’s mature neurology portfolio comprising Keppra® (levetiracetam), Vimpat® (lacosamide) and Neupro® (rotigotine), and its allergy portfolio comprising Zyrtec® (cetirizine) and Xyzal® (levocetirizine), and (ii) the Zhuhai manufacturing site (the “**Acquisition**”).

The Acquisition conducted through (a) the purchase of 100% equity interest in UCB Zhuhai (currently known as NeuroGen Zhuhai); (b) the purchase of certain assets in relation to UCB’s mature neurology and allergy product portfolio, including certain registered patents and registered trademarks in the PRC, domain names, know-how, business information or other unregistered IP rights, business

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contracts, transferable rights under relevant marketing authorizations, and transferable books and records in relation to certain product portfolio; and (c) the licensed and/or sub-licensed right in licensed IPs in relation to certain product portfolio for the manufacturing and commercialization thereof in the PRC.

The consideration for the Acquisition was determined with reference to an aggregate “Debt Free/Cash Free Price” enterprise value of US\$680.00 million for UCB’s mature neurology and allergy business in China, including UCB Zhuhai, the related assets and the licensed rights in certain licensed IPs of UCB within the PRC market, as agreed under a share and asset purchase agreement dated August 22, 2024 between, among others, NeuroGen HK as purchaser and UCB as share seller (the “**Share and Asset Purchase Agreement**”). Such amount represented the reference enterprise value for the Acquisition, rather than the final cash consideration payable at closing. Pursuant to the Share and Asset Purchase Agreement, the initial purchase price payable at closing was calculated by adjusting the “Debt Free/Cash Free Price” enterprise value by reference to, among other things, estimated financial debt, estimated inter-company non-trading payables and receivables, estimated cash and the difference between estimated working capital and target working capital. Based on such mechanism, our Company, through NeuroGen HK, paid an aggregate initial purchase price of US\$652.99 million on November 29, 2024.

Following closing, the initial purchase price was subject to customary post-closing financial adjustments based on the final closing statement. The final purchase price was lower than the initial purchase price due to the net effect of adjustments to closing financial debt, closing inter-company non-trading payables and receivables, closing cash and the difference between closing working capital and target working capital. Accordingly, UCB refunded US\$13.73 million to our Group from June to August 2025 in accordance with the price adjustment mechanism under the Share and Asset Purchase Agreement. After giving effect to such refund, the aggregate amount paid by our Group in connection with the Acquisition was US\$639.26 million.

The consideration was determined after arm’s length negotiations between the parties with reference to, among other things, the established commercial presence and historical sales performance of UCB’s mature neurology and allergy product portfolio in China, the Zhuhai manufacturing site and the strategic value of the acquired business to our Group.

The Acquisition was undertaken in line with our Group’s strategy to establish and develop a CNS-focused biopharmaceutical platform in China. The acquired portfolio served as an anchor asset for our Group, enabling us to establish a business foundation with a portfolio of well-recognized neurology and allergy products in China and a manufacturing site in Zhuhai. The Acquisition also enabled our Group to continue making these trusted treatments available to patients in China.

Capital Injection by Existing Shareholders

On October 31, 2025, our Company, C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC entered into a share subscription agreement (the “**Share Subscription Agreement**”), pursuant to which our Company agreed to allot and issue, and C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC agreed to subscribe for, ordinary shares of our Company on a pro rata basis according to their respective 50% shareholding proportions at US\$1.00 per share. In connection with such subscription arrangement, our Company increased its authorized share capital to US\$583,000,000 divided into 583,000,000 ordinary shares with a par value of US\$1.00 each to facilitate the potential capital injection under the Share Subscription Agreement. Under the Share Subscription Agreement, each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC may subscribe for up to 50,000,000 ordinary shares for an aggregate subscription price of up to US\$50,000,000.

The proceeds from the issuance of such subscription shares are intended to be used for relevant in-licensing projects, bolt-on acquisitions or other purposes as approved by the Board. The timing and amount of the capital injection will depend on the actual funding needs of our Group, including the timing and capital requirements of any relevant in-licensing projects, bolt-on acquisitions or other purposes approved by the Board. As our Group had not identified any immediate cash funding needs following the execution of the Share Subscription Agreement, no capital had been injected pursuant to the Share Subscription Agreement as of the Latest Practicable Date.

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On June 24, 2026, our Company, C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC entered into a supplemental agreement to the Share Subscription Agreement, pursuant to which the parties agreed that the subscriptions contemplated under the Share Subscription Agreement, up to the applicable subscription price cap of US\$50,000,000 for each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC, shall be completed on or before August 15, 2026. Any portion of the subscription commitment that has not been completed by such date will automatically lapse, and the relevant Shareholder will no longer be entitled to subscribe for, and our Company will no longer be required to issue, any further Shares in respect of such unutilized portion.

Establishment of ESOP Holdcos in 2025 and 2026

In recognition of employee contributions and to support our long-term growth, we have established ThriveCap Ltd. and AxisPoint Holdings Ltd., each incorporated under the laws of the British Virgin Islands on August 27, 2025, to serve as holding vehicles for the ordinary shares corresponding to incentives granted to eligible participants under our Pre-[REDACTED] Equity Incentive Plan.

The maximum number of ordinary shares underlying the options and RSUs available for grant under the Pre-[REDACTED] Equity Incentive Plan is 23,000,000. As of the Latest Practicable Date, a total of 22,701,000 options and RSUs had been granted to 25 eligible participants. The Company expects to grant the remaining 299,000 options to eligible participants before the [REDACTED], in accordance with its actual incentive needs. On December 29, 2025, our Company issued and allotted 15,456,000 ordinary shares of par value US\$1.00 to ThriveCap Ltd., with the consideration for the shares remaining unpaid. On March 31, 2026, our Company further issued and allotted 7,544,000 ordinary shares of par value US\$1.00 to AxisPoint Holdings Ltd., with the consideration for the shares remaining unpaid. Upon completion of the foregoing issuances, an aggregate of 23,000,000 ordinary shares were held by the ESOP Holdcos, representing approximately 4.76% of the issued share capital of our Company as of the Latest Practicable Date. As all such ordinary shares underlying the options and RSUs had been issued and allotted to the ESOP Holdcos prior to the [REDACTED], there will be no further dilution effect on the shareholding of our Shareholders upon the exercise of the options or vesting of the RSUs under the Pre-[REDACTED] Equity Incentive Plan. An independent trustee has been appointed by our Company to manage the ordinary Shares underlying the options and RSUs issued to the ESOP Holdcos in accordance with the terms of the Pre-[REDACTED] Equity Incentive Plan.

Re-domiciliation

On April 30, 2026, our Company was re-domiciled from the British Virgin Islands to the Cayman Islands.

INFORMATION ABOUT OUR SHAREHOLDERS

Set out below are details of our Shareholders as of the Latest Practicable Date. To the best of our Company’s knowledge, information and belief and having made all reasonable enquiries, all of our Shareholders are connected persons of our Company as (i) C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will be the Controlling Shareholders of our Company upon [REDACTED], respectively; and (ii) ThriveCap Ltd. and AxisPoint Holdings Ltd. are special purpose vehicles managed by the external independent trustee engaged by our Company to hold Shares issued to satisfy the options and RSUs granted under the Pre-[REDACTED] Equity Incentive Plan.

CBC Group

C-Bridge V Investment Fifteen Limited, one of our Controlling Shareholders, is a BVI business company incorporated under the laws of the British Virgin Islands. As of the Latest Practicable Date, C-Bridge V Investment Fifteen Limited held as to 47.62% equity interest in our Company. C-Bridge V Investment Fifteen Limited was owned as to (i) 67.83% by C-Bridge V Investment Holdings Pte. Ltd. and 20.00% by C-Bridge IV Investment Twenty-three Limited, both members of the CBC Shareholding Group (as defined below) and (ii) as to 12.17% by an Independent Third Party. C-Bridge V Investment Holdings Pte. Ltd. was wholly owned by C-Bridge Healthcare Fund V, L.P., which was controlled by its general

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partner, C-Bridge Healthcare Fund GP V, L.P. The general partner of C-Bridge Healthcare Fund GP V, L.P. was C-Bridge Capital GP V Ltd., which was wholly controlled by Nova Aqua Limited. Nova Aqua Limited was held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. FU Wei as settlor for the benefit of Mr. FU Wei and his family. C-Bridge IV Investment Twenty-three Limited was wholly owned by Shanghai Kangzhichuan Enterprise Management Consulting Partnership (Limited Partnership) (上海康之川企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Kangzhichuan**”), whose general partner, Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司) (“**Shanghai Kangshida**”), was wholly owned by CBC Group (HK) Limited. CBC Group (HK) Limited was in turn owned as to 92.5% by Nova Aqua Limited and was therefore controlled by Mr. FU Wei. None of the single limited partners of C-Bridge Healthcare Fund V, L.P., C-Bridge Healthcare Fund GP V, L.P., and Shanghai Kangzhichuan holds more than 30% interest therein. None of the single limited partners of C-Bridge Healthcare Fund V, L.P., C-Bridge Healthcare Fund GP V, L.P., and Shanghai Kangzhichuan holds more than 30% interest therein. C-Bridge V Investment Fifteen Limited, C-Bridge V Investment Holdings Pte. Ltd., C-Bridge Healthcare Fund V, L.P., C-Bridge Healthcare Fund GP V, L.P., C-Bridge Capital GP V Ltd., Nova Aqua Limited, C-Bridge IV Investment Twenty-three Limited, Shanghai Kangzhichuan, Shanghai Kangshida, CBC Group (HK) Limited and Mr. FU Wei are collectively referred to as the “CBC Shareholding Group.”

The CBC Shareholding Group forms part of CBC Group, a healthcare-dedicated asset management platform headquartered in Singapore. CBC Group is Asia’s largest healthcare-dedicated asset management firm, with assets under management of approximately US\$10.8 billion. With a diversified multi-product strategy, CBC Group focuses on platform-building, buyout, private credit and royalties, and real estate across the healthcare sector, including pharmaceuticals, biotechnology, medical technology and healthcare services.

Mubadala

ATIC Second International Investment Company LLC, one of our Controlling Shareholders, is a sole proprietorship limited liability company established under the laws of the United Arab Emirates. As of the Latest Practicable Date, ATIC Second International Investment Company LLC was wholly owned by Mubadala Technology Investments (Mubadala Technology) LLC, which was in turn wholly owned by Mamoura Diversified Global Holding PJSC, and Mamoura Diversified Global Holding PJSC was wholly owned by Mubadala Investment Company PJSC (“**Mubadala**”), whose sole shareholder is the Government of Abu Dhabi. Accordingly, ATIC Second International Investment Company LLC, Mubadala Technology Investments (Mubadala Technology) LLC, Mamoura Diversified Global Holding PJSC and Mubadala are collectively referred to as the “Mubadala Shareholding Group.”

Mubadala is a sovereign investor managing a diverse portfolio of assets in the United Arab Emirates and abroad. Mubadala manages a global portfolio of approximately US\$385 billion (AED1,414 billion), spanning six continents across multiple sectors and asset classes.

For further details of CBC Group and Mubadala, please refer to the sections headed “Substantial Shareholders” and “Relationship with Our Controlling Shareholders” in this document.

ThriveCap Ltd.

ThriveCap Ltd. is a limited liability company incorporated under the laws of the British Virgin Islands on August 27, 2025 and is one of our ESOP Holdcos. As of the Latest Practicable Date, the entire issued share capital of ThriveCap Ltd. was wholly owned by Trident Trust Company (HK) Limited, acting in its capacity as trustee of NeuroGen Executive Share Trust, a dedicated trust established for the benefit of executives who have been granted options and/or RSUs under the Pre-[REDACTED] Equity Incentive Plan.

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AxisPoint Holdings Ltd.

AxisPoint Holdings Ltd. is a limited liability company established under the laws of British Virgin Islands on August 27, 2025 and is one of our ESOP Holdcos. As of the Latest Practicable Date, the entire share capital of AxisPoint Holdings Ltd. was wholly owned by Trident Trust Company (HK) Limited, acting in its capacity as trustee of NeuroGen Employee Share Trust, a dedicated trust established for the benefit of our employees other than executives who have been granted options under the Pre-[REDACTED] Equity Incentive Plan.

Shareholders Agreement and Termination of Special Rights upon [REDACTED]

Our Company, C-Bridge V Investment Fifteen Limited (“**C-Bridge V**”) and ATIC Second International Investment Company LLC (“**ATIC Second**”) entered into a shareholders agreement dated November 20, 2024, as amended by the first amendment dated October 31, 2025 (the “**Shareholders Agreement**”), to regulate their cooperation and their respective rights and obligations in respect of the operation, management and governance of our Group. Under the Shareholders Agreement, C-Bridge V and ATIC Second were granted certain shareholder rights, including, among others, (i) rights to appoint Directors and board observers; (ii) consent rights over certain qualified majority matters; (iii) information rights; (iv) pre-emptive rights; (v) rights of first offer; (vi) tag-along rights; and (vii) drag-along rights. No redemption rights were granted to C-Bridge V or ATIC Second under the Shareholders Agreement.

In connection with the [REDACTED], our Company, C-Bridge V and ATIC Second entered into the second amendment to the Shareholders Agreement dated June 24, 2026, pursuant to which, the parties agreed that any right or provision contained in, or granted pursuant to, the Shareholders Agreement that is inconsistent with, contravenes or is required to be terminated upon [REDACTED] under the Listing Rules and/or the Guide for New Listing Applicants will automatically and irrevocably terminate and cease to have any further force or effect with effect from the [REDACTED].

Accordingly, all special rights granted to C-Bridge V and ATIC Second under the Shareholders Agreement that are not permitted to survive [REDACTED] will terminate upon [REDACTED].

Lock-up Arrangement

As of the Latest Practicable Date, the Shares held by the existing Shareholders were not subject to any lock-up undertakings. However, the [REDACTED] appointed in connection with the [REDACTED] may impose a contractual lock-up in connection with the [REDACTED] on the Shares held by our existing Shareholders.

SHARE INCENTIVE SCHEME

Pre-[REDACTED] Equity Incentive Plan

In recognition of employee contributions and to support our long-term growth, we have established the ESOP Holdcos (namely, ThriveCap Ltd. and AxisPoint Holdings Ltd.) to facilitate the implementation of our Pre-[REDACTED] Equity Incentive Plan. The maximum number of ordinary shares underlying the options and RSUs available for grant under the Pre-[REDACTED] Equity Incentive Plan is 23,000,000 Shares. As of the Latest Practicable Date, a total of 22,701,000 options and RSUs had been granted to 25 eligible participants. The Company expects to grant the remaining 299,000 options to eligible participants before the [REDACTED], in accordance with its actual incentive needs. On December 29, 2025, our Company issued and allotted 15,456,000 ordinary shares of par value US\$1.00 each to ThriveCap Ltd., with the consideration for the shares remaining unpaid. On March 31, 2026, our Company further issued and allotted 7,544,000 ordinary shares of par value US\$1.00 each to AxisPoint Holdings Ltd., with the consideration for the shares remaining unpaid. Upon completion of the foregoing issuances, an aggregate of 23,000,000 ordinary shares underlying the options and RSUs under the Pre-[REDACTED] Equity Incentive Plan are held by the ESOP Holdcos.

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Trident Trust Company (HK) Limited, an independent professional trustee, has been appointed to manage the Shares held by the ESOP Holdcos. In compliance with Rule 17.05A of the Listing Rules, upon [REDACTED], such trustee holding unvested Shares shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owners’ instructions and such instructions are given in compliance with Rule 17.05A of the Listing Rules.

For further details of the Pre-[REDACTED] Equity Incentive Plan, please see “Statutory and General Information — C. Share Incentive Plan” in Appendix V to this document.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

In November 2024, our Company, through its wholly-owned subsidiary NeuroGen HK, acquired UCB’s mature neurology and allergy business in China from UCB. For details, please refer to “— Corporate Development and Major Shareholding Changes — 2024 Acquisition of UCB’s Mature Neurology and Allergy Business in China” above. Upon completion of the Acquisition, UCB Zhuhai became a wholly-owned subsidiary of our Group and was subsequently renamed as NeuroGen Zhuhai. In connection with the Acquisition, our Company also implemented certain management restructuring arrangements at NeuroGen Zhuhai, pursuant to which certain new management members were nominated by our Company, while a majority of the management team of UCB Zhuhai prior to the Acquisition was retained to ensure operational continuity and stability. For the full biographical details of the members of the core management team of NeuroGen Zhuhai, please refer to Appendix IV to this document.

Reasons and Benefits of the Acquisition

Considering UCB Zhuhai’s established operations and well-recognized product portfolio in the neurology and allergy therapeutic areas, our Company believes that the Acquisition was in line with our business strategy by enabling our Group to leverage UCB Zhuhai’s existing manufacturing capabilities, distribution networks and brand recognition in the PRC, which would in turn enable our Group to benefit from enhanced business synergy and improved operational efficiency.

Following the completion of the Acquisition, UCB Zhuhai, which was subsequently renamed NeuroGen Zhuhai, became the operational core of our Group. The acquired business provided our Group with immediate business scale, established revenue generation capability, experienced management and operational teams, and a well-developed distribution network across the PRC.

The Acquisition also strengthened our Group’s market presence and operational capabilities. NeuroGen Zhuhai’s long-established relationships with hospitals, distributors and healthcare institutions across China provided our Group with immediate access to an extensive commercial infrastructure, which our Directors believe would have required significant time and capital to develop independently. In addition, NeuroGen Zhuhai’s GMP-compliant manufacturing facility in Zhuhai enhanced our Group’s production capabilities and supports our ability to accommodate future product launches and market demand without significant near-term capital expenditure on new production facilities. Furthermore, the retention of NeuroGen Zhuhai’s experienced core management team facilitated a smooth operational transition and preserved institutional knowledge, including professional expertise and established relationships with the relevant authorities. Our Directors believe that the continuity of this management team has been instrumental in maintaining stable operations and customer relationships after the Acquisition.

From a financial perspective, the results of the acquired business have been consolidated into our Group’s financial statements following the completion of the Acquisition, reflecting that the acquired business became the substantive operating business of our Group after the Acquisition.

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Loan Facility Arrangements

In connection with the Acquisition, NeuroGen HK, as borrower, our Company, as parent company, and Ping An Bank Co., Ltd. Shanghai Branch (“**Ping An Bank**”), as the lender, entered into a facility agreement on November 1, 2024, as amended and supplemented from time to time (the “**Offshore Facility Agreement**”). Pursuant to the Offshore Facility Agreement, Ping An Bank made available to NeuroGen HK a RMB-denominated term loan facility in an aggregate principal amount of up to RMB2,000,000,000, subject to a cap of 45% of the total consideration payable in respect of the Acquisition. The proceeds under the Offshore Facility Agreement were applied towards payment of the consideration for the Acquisition and related costs. The facility has a term of 84 months from the first utilization date (being November 28, 2024). Following the Debt Push-Down (as defined below), part of the indebtedness originally incurred under the Offshore Facility Agreement shall be pushed down onshore to NeuroGen Beijing Holding, while the remaining offshore indebtedness shall continue to subsist. As of the Latest Practicable Date, the Debt Push-Down had not yet been completed. The Company expects it to be completed by the end of 2026.

Interest rate. The Offshore Facility Agreement bears interest at a rate equal to the applicable LPR plus a margin, with interest payable quarterly on each interest payment date.

Repayment schedule. NeuroGen HK is required to repay the facility by instalments on the prescribed repayment dates during the term of the facility, with the remaining outstanding amount payable on the termination date (being November 28, 2031). The repayment schedule is structured with smaller instalments in the earlier repayment periods and increasing instalments in the later repayment periods.

Security. The original security for the Offshore Facility Agreement comprised, among others, (a) a first-ranking Hong Kong law-governed share charge over all of the shares in NeuroGen HK granted by our Company; and (b) an account pledge granted by NeuroGen HK over the loan account, the debt service reserve account and the dividend account. In addition, as conditions subsequent, NeuroGen HK was required to procure security over, among others, (i) all of the equity interests in NeuroGen Zhuhai and any onshore material subsidiary; (ii) all of the equity interests in any offshore material subsidiary; (iii) all of the equity interests in each offshore market authorization holding company, being a Group member that holds or will hold marketing authorizations (each, an “**MA Holding Company**”); and (iv) the dividend accounts of such offshore material subsidiaries and each MA Holding Company. The offshore MA Holding Company was also required to accede as a guarantor.

Change of control and mandatory prepayment. The Offshore Facility Agreement requires CBC Group and ATIC Second to maintain their controlling interest in NeuroGen HK. A “Change of Control” constitutes a mandatory prepayment trigger and occurs if, among others:

- (i) prior to the occurrence of an [REDACTED] of NeuroGen HK or any other Group member, CBC Group and ATIC Second collectively cease to (a) directly or indirectly hold more than 50% of the issued share capital, equity interests or voting rights of NeuroGen HK, (b) have the right to appoint or remove the majority of the directors or equivalent senior personnel of NeuroGen HK, or (c) control the majority of votes that may be cast at the board of directors of NeuroGen HK;
- (ii) following an [REDACTED] of NeuroGen HK or any other Group member, CBC Group and ATIC Second collectively cease to directly or indirectly hold more than 30% of the issued share capital of the [REDACTED] entity or cease to be the single largest shareholder of the [REDACTED] entity; or
- (iii) at any time before the facility is repaid in full, CBC Group ceases to directly or indirectly hold more than 30% of the issued share capital of NeuroGen HK.

Upon the occurrence of a Change of Control, NeuroGen HK is required to notify Ping An Bank, and Ping An Bank may cancel all commitments and declare all outstanding loans, together with accrued interest and other amounts, immediately due and payable.

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Financial covenants and dividend restrictions. The Offshore Facility Agreement contains financial covenants requiring the Group to maintain prescribed leverage levels and positive annual operational cash flow. It also contains restrictions on distributions. In particular, distributions are subject to customary conditions, including that no event of default is continuing or would result from such distribution, and that the applicable leverage and debt service reserve requirements are satisfied.

Events of default. The Offshore Facility Agreement contains customary events of default, including, among others, non-payment, breach of financial covenants or other obligations, misrepresentation, cross-default, insolvency and insolvency proceedings, creditors’ process, unlawfulness or invalidity of finance documents or security, repudiation or rescission, litigation or failure to comply with final judgments, failure of transaction security to remain effective, cessation of business, material adverse change, audit qualification and expropriation. Upon the occurrence of an event of default which is continuing, Ping An Bank may, among other things, cancel the commitments, declare all or part of the loans together with accrued interest and other amounts immediately due and payable or payable on demand, and exercise its rights and remedies under the finance documents, including enforcement of the relevant security.

Subsequently, in connection with a structural subordination of the debt under the Offshore Facility Agreement (the “**Debt Push-Down**”) and an internal shareholding reorganization, and with the consent of Ping An Bank, NeuroGen HK transferred its 100% equity interests in NeuroGen Zhuhai and NeuroGen Shanghai Trading to NeuroGen Beijing Holding. In furtherance of the Debt Push-Down, on March 27, 2026, Ping An Bank, NeuroGen HK and NeuroGen Beijing Holding entered into a new facility agreement (the “**Onshore Facility Agreement**”), under which Ping An Bank agreed to make available to NeuroGen Beijing Holding a RMB-denominated term loan facility in an amount not exceeding the lesser of RMB1,680,000,000 and 60% of the consideration for the relevant acquisition. The facility is scheduled to mature on November 28, 2031. The Debt Push-Down did not represent a new incremental financing in addition to the existing RMB2,000,000,000 acquisition financing. Instead, it involved a partial replacement and restructuring of the indebtedness under the Offshore Facility Agreement, pursuant to which approximately RMB1.57 billion of the acquisition financing shall be pushed down onshore to NeuroGen Beijing Holding, while the remaining offshore indebtedness under the Offshore Facility Agreement shall continue to subsist. As of the Latest Practicable Date, the Debt Push-Down had not yet been completed. The Company expects it to be completed by the end of 2026.

Interest rate. The Onshore Facility Agreement bears interest at a rate equal to the applicable LPR plus a margin, with interest payable quarterly on each interest payment date.

Repayment schedule. NeuroGen Beijing Holding is required to repay the facility by instalments on the prescribed repayment dates, with the remaining outstanding amount payable on the termination date. Unlike the Offshore Facility Agreement, the repayment schedule under the Onshore Facility Agreement provides for no repayments during the first 30 months, with instalments commencing thereafter and increasing repayment percentages over time.

Security. As a result of the Debt Push-Down and related internal equity restructuring, the original pledges over the equity interests in NeuroGen Zhuhai and NeuroGen Shanghai Trading previously granted in favor of Ping An Bank were released and subsequently replaced by a new series of equity pledge arrangements. As of the Latest Practicable Date, the entire issued shares/equity interests in NeuroGen HK, NeuroGen Beijing Holding, NeuroGen Zhuhai, NeuroGen Shanghai Trading and NeuroGen Switzerland, being the offshore MA Holding Company, were pledged in favor of Ping An Bank to secure the obligations under the Offshore Facility Agreement and the Onshore Facility Agreement. As disclosed in “Risk Factors”, if an event of default occurs under the relevant financing arrangements, Ping An Bank may exercise its rights and remedies under the finance documents, including enforcement of the relevant equity pledges. In such circumstances, we may lose control over the relevant pledged subsidiaries, which could materially and adversely affect our business, financial condition and results of operations.

Financial covenants, dividend restrictions and events of default. The Onshore Facility Agreement contains substantially similar financial covenants, distribution restrictions and events of default to those under the Offshore Facility Agreement, including leverage and operational cash flow requirements,

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restrictions on distributions, and customary events of default such as non-payment, breach of obligations, misrepresentation, cross-default, insolvency, invalidity of finance documents or security, cessation of business, material adverse change and other events customary for facilities of this nature.

Source of repayment. Our Group expects to repay the loans under the Offshore Facility Agreement and the Onshore Facility Agreement primarily using cash generated from operating activities, cash balances and funds upstreamed from our subsidiaries, and, where appropriate, refinancing or other financing arrangements, subject to compliance with the terms of the relevant facility agreements.

Regulatory Compliance and Listing Rules Implications

The Acquisition was completed following the satisfaction of closing conditions, including anti-trust clearance. As advised by our PRC Legal Advisor, the acquisition of UCB Zhuhai’s equity interest has been properly and legally completed and settled, and all applicable regulatory approvals, registrations and filings required under PRC laws and regulations in respect of the acquisition of UCB Zhuhai’s equity interest have been obtained or completed in all material respects.

To the best knowledge, information and belief of our Directors having made all reasonable enquiries, UCB and its ultimate beneficial owners are Independent Third Parties. The acquisition of UCB’s mature neurology and allergy business in China during the Track Record Period falls within the scope of Rule 4.05A of the Listing Rules. For further details of the financial information of NeuroGen Zhuhai, please refer to the accountants’ reports set out in Appendix IB (Accountants’ Report of NeuroGen Zhuhai for the year ended December 31, 2023, 2024 and 2025) and Appendix IC (Accountants’ Report of the Pre-Acquisition Financial Information of NeuroGen Zhuhai) to this document.

The Offshore Facility Agreement and the Onshore Facility Agreement impose certain specific performance obligations on our Controlling Shareholders, including requirements for CBC Group and ATIC Second to maintain specified levels of ownership and control over the relevant Group members. A breach of such obligations would constitute a change of control event and may result in Ping An Bank cancelling the relevant commitments and declaring the outstanding loans, together with accrued interest and other amounts, immediately due and payable. As such obligations relate to facilities that are material to our Group, our Company will comply with the applicable disclosure requirements under Rules 13.18 and 13.21 of the Listing Rules after [REDACTED], including disclosure of the aggregate level and term of the relevant facilities and the specific performance obligations imposed on our Controlling Shareholders, where applicable.

Save as disclosed above, we did not conduct any other material acquisition, disposal or merger during the Track Record Period.

REASON FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its Shares on the Stock Exchange to support the continued growth of our integrated specialty pharmaceutical platform in China, including the development of our pipeline products, expansion of our commercialization and manufacturing capabilities, pursuit of potential in-licensing and acquisition opportunities, and general working capital needs, as described in more details in “Future Plans and [REDACTED]” in this document.

PUBLIC FLOAT AND FREE FLOAT

Public Float

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which Listing is sought. This will normally mean that for a class of securities new to Listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of Listing. [REDACTED].

Based on (i) an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] (being the low end, mid-point and high end of our indicative [REDACTED] range, respectively), and (ii) [REDACTED] Shares in issue immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), it is expected that the market value of our Shares at the time of [REDACTED] will be HK\$[REDACTED] billion, HK\$[REDACTED] billion and HK\$[REDACTED] billion, respectively. Accordingly, at least [REDACTED]%, [REDACTED]% and

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[REDACTED]% of the total number of issued Shares must be held by the public at the time of [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED], being the low end, mid-point and high end of our indicative [REDACTED] range, respectively).

Upon completion of the [REDACTED], all the shares held by C-Bridge V Investment Fifteen Limited, ATIC Second International Investment Company LLC, ThriveCap Ltd. and AxisPoint Holdings Ltd., representing [REDACTED]% of the total issued Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards the [REDACTED] of the Company.

Free Float

Rule 8.08A of the Listing Rules provides that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: [REDACTED].

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

OUR CAPITALIZATION

The below table is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the Capitalization Issue and the [REDACTED].

Name of Shareholders	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
C-Bridge V Investment Fifteen Limited	230,000,000	47.62% ⁽²⁾	280,000,000 ⁽¹⁾	[REDACTED]%
ATIC Second International Investment Company LLC	230,000,000	47.62% ⁽²⁾	280,000,000 ⁽¹⁾	[REDACTED]%
ThriveCap Ltd.	15,456,000	3.20% ⁽²⁾	15,456,000	[REDACTED]%
AxisPoint Holdings from the [REDACTED] from the [REDACTED]	7,544,000	1.56% ⁽²⁾	7,544,000	[REDACTED]%
[REDACTED]	—	—	[REDACTED]	[REDACTED]%
Total	483,000,000	100.0%	[REDACTED]	100.0%

Notes:

- (1) Assuming that the full amount of the proposed capital injection under the Share Subscription Agreement will be completed on or before August 15, 2026, pursuant to which each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will subscribe for 50,000,000 Shares for an aggregate subscription price of US\$50.0 million. For details, please see “— Corporate Development and Major Shareholding Changes — Capital Injection by Existing Shareholders” above.
- (2) Immediately prior to the [REDACTED], the shareholding percentage of C-Bridge V Investment Fifteen Limited, ATIC Second International Investment Company LLC, ThriveCap Ltd. and AxisPoint Holdings Ltd. will be 48.03%, 48.03%, 2.65% and 1.29% respectively. For details, please see “— Our Shareholding and Corporate Structure — Immediately Prior to the [REDACTED]” below.

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PRC LEGAL COMPLIANCE

Our PRC Legal Advisor has confirmed that (i) the acquisition of UCB Zhuhai’s equity interest; (ii) the incorporation and the transfer of equity interest of our other PRC subsidiaries as described above in this section have been legally completed and the requisite regulatory approvals or filings in all material respects, as applicable, have been obtained in accordance with PRC laws and regulations.

M&A Rules

Under the M&A Rules, a foreign investor is required to obtain necessary approvals when (i) a foreign investor acquires equity in a domestic non-foreign invested enterprise, thereby converting it into a foreign-invested enterprise, or subscribes for new equity interest in a domestic non-foreign invested enterprise via an increase in registered capital of the domestic non-foreign invested enterprise, thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic non-foreign invested enterprise, or which purchases the assets of a domestic non-foreign invested enterprise and injects those assets to establish a foreign-invested enterprise. The M&A Rules require that foreign investors acquiring domestic companies by means of asset acquisition or equity acquisition shall comply with relevant foreign investment industry policies and shall be subject to approval by the relevant commerce authorities. Article 11 of the M&A Rules stipulates that an offshore special purpose vehicle, or a SPV, established or controlled by a PRC company or individual shall obtain approval from MOFCOM prior to the acquisition of any domestic enterprise related to such company or individual.

As advised by our PRC Legal Advisor, the MOFCOM approvals under the M&A Rules are not required as none of the incorporation or acquisition of the PRC subsidiaries of the Group involves the merger with or acquisition of the equity or assets of a PRC domestic enterprise, as defined under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and whether the MOFCOM and other related government authorities would promulgate future PRC laws, regulations or rules contrary to the M&A Rules.

Safe Registration

Pursuant to SAFE Circular 37, promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore assets or domestic enterprises’ equity interests in an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of the Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

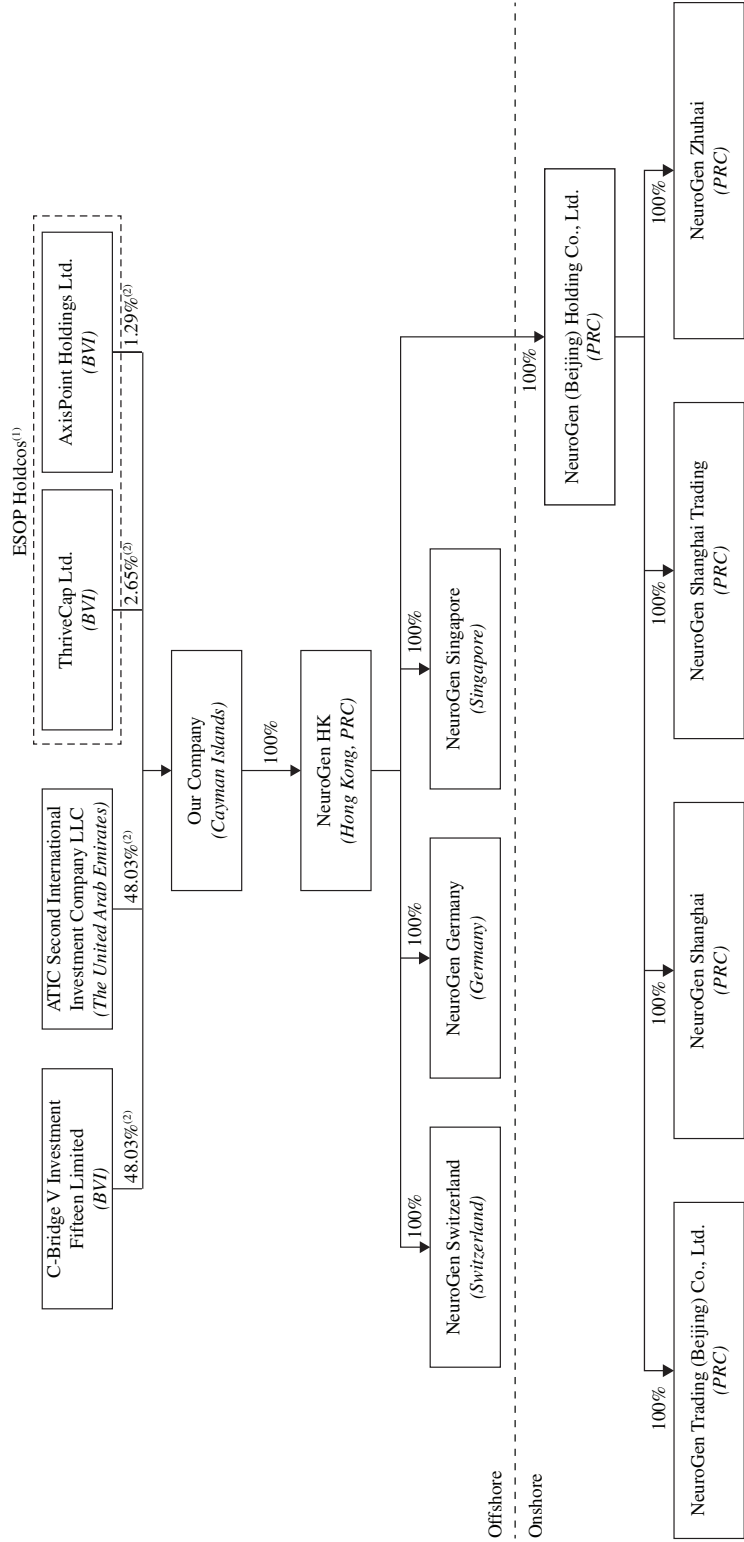
Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (“**SAFE Circular 13**”), promulgated by SAFE and effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to qualified banks.

As advised by our PRC Legal Advisor, none of the Shareholders registered in the Company’s register of members is a PRC resident.

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OUR SHAREHOLDING AND CORPORATE STRUCTURE
Immediately Prior to the [REDACTED]

The following chart illustrates our simplified shareholding structure immediately prior to the [REDACTED]:



Notes:

- (1) All Shares reserved to be issued pursuant to the Pre-[REDACTED] Equity Incentive Plan have been issued and allotted to ESOP Holdcos.
- (2) Assuming that the full amount of the proposed capital injection under the Share Subscription Agreement will be completed on or before August 15, 2026, pursuant to which each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will subscribe for 50,000,000 Shares for an aggregate subscription price of US\$50.0 million. For details, please see “— Corporate Development and Major Shareholding Changes — Capital Injection by Existing Shareholders” above.
- (3) In connection with the Acquisition, NeuroGen HK, as borrower, our Company, as parent company, and Ping An Bank entered into the Offshore Facility Agreement, pursuant to which Ping An Bank made available to NeuroGen HK a loan facility to partially finance the Acquisition. To secure the obligations under the Offshore Facility Agreement, the entire issued shares/equity interests in NeuroGen HK, NeuroGen Beijing Holding, NeuroGen Zhuhai, NeuroGen Shanghai Trading and NeuroGen Switzerland were pledged in favor of Ping An Bank.

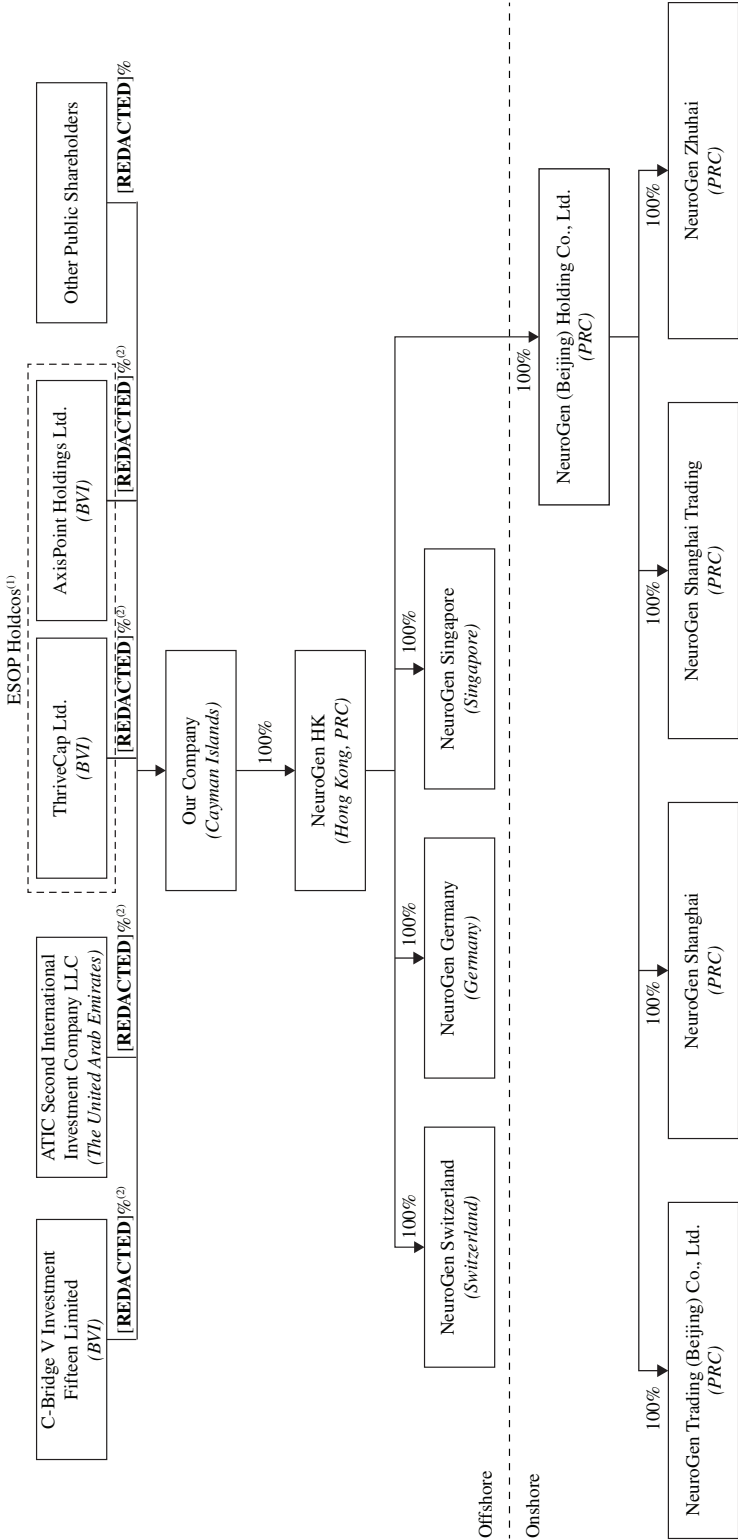
HISTORY AND CORPORATE STRUCTURE

Subsequently, in connection with the Debt Push-Down and the related internal shareholding reorganization, and with the consent of Ping An Bank, NeuroGen HK transferred its 100% equity interests in NeuroGen Zhuhai and NeuroGen Shanghai Trading to NeuroGen Beijing Holding. In furtherance of the Debt Push-Down, Ping An Bank, NeuroGen HK and NeuroGen Beijing Holding entered into the Onshore Facility Agreement on March 27, 2026, pursuant to which Ping An Bank agreed to extend a loan facility to NeuroGen Beijing Holding for purposes of the Acquisition.

As a result, the original pledges over the equity interests in NeuroGen Zhuhai and NeuroGen Shanghai Trading were released and subsequently replaced by new equity pledge arrangements. As of the Latest Practicable Date, the entire issued shares/equity interests in NeuroGen HK, NeuroGen Beijing Holding, NeuroGen Zhuhai, NeuroGen Shanghai Trading and NeuroGen Switzerland were pledged in favor of Ping An Bank. For details, please see “— Major Acquisitions, Disposals and Mergers — Loan facility arrangements,” above.

Immediately Following the [REDACTED]

The following chart illustrates our simplified shareholding structure of our Group immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

Please refer to “— Our Shareholding and Corporate Structure — Immediately Prior to the [REDACTED]” in this section above.

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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								
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								
	AJOVY®	Calcitonin Gene-related Peptide Ligand	Solution for Subcutaneous Injection	Migraine Prophylaxis								
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,

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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

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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.

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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 $\alpha_2\delta$ 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.

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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.

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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.

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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.

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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		For the year ended	
	2023		2024		2025		June 11, 2024 to		December 31, 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,

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thereby effectively controlling seizure episodes. This unique binding target sets Keppra® clearly apart from 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

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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

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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.

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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.

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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.

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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 $\alpha 2\delta$ 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 $\alpha 2\delta$ (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 (T_{max}). 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 (C_{max}) of both active components. This reduction successfully

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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.

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- **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.

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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.

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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.

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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.

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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.

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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.

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	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

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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.

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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.

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- (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.

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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

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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

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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.”

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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 (RMB in thousand)	% of Total revenue (%)
<i>For the year ended December 31, 2023</i>					
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
<i>For the year ended December 31, 2024</i>					
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
<i>For the year ended December 31, 2025</i>					
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.

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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.

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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 (RMB in thousand)	% of Total Purchases (%)
<i>For the year ended December 31, 2023</i>					
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
<i>For the year ended December 31, 2024</i>					
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
<i>For the year ended December 31, 2025</i>					
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.

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- (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.

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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.

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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

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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.

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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.

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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:

	Unit	For the year ended December 31,		
		2023	2024	2025
Scope 1 GHG emissions ⁽²⁾	tCO ₂ e	25.0	30.6	26.0
Scope 2 GHG emissions	tCO ₂ e	1,593.8	1,675.8	1,676.4
Scope 3 GHG emissions ⁽³⁾	tCO ₂ e	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.

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

	Unit	For the year ended December 31,		
		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.

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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.

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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.

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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.

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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,

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- 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

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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.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, our Company was directly owned as to 47.62% by CBC Shareholding Group and 47.62% by Mubadala Shareholding Group. Immediately following the completion of the [REDACTED], assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] Equity Incentive Plan, CBC Shareholding Group and Mubadala Shareholding Group will be entitled to exercise voting rights of approximately [REDACTED]% and [REDACTED]% of our issued share capital, respectively. Accordingly, each of CBC Shareholding Group and Mubadala Shareholding Group will constitute a Controlling Shareholder of our Company immediately following the completion of the [REDACTED]. For details, see “History and Corporate Structure — Our Shareholding and Corporate Structure”.

As of the Latest Practicable Date, C-Bridge V Investment Fifteen Limited was owned as to 67.83% by C-Bridge V Investment Holdings Pte. Ltd. and 20.00% by C-Bridge IV Investment Twenty-three Limited, both members of the CBC Shareholding Group (as defined below). C-Bridge V Investment Holdings Pte. Ltd. was wholly owned by C-Bridge Healthcare Fund V, L.P., which was controlled by its general partner, C-Bridge Healthcare Fund GP V, L.P. The general partner of C-Bridge Healthcare Fund GP V, L.P. was C-Bridge Capital GP V Ltd., which was wholly controlled by Nova Aqua Limited. Nova Aqua Limited was held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. FU Wei as settlor for the benefit of Mr. FU Wei and his family. C-Bridge IV Investment Twenty-three Limited was wholly owned by Shanghai Kangzhichuan Enterprise Management Consulting Partnership (Limited Partnership) (上海康之川企業管理諮詢合夥企業(有限合夥)) (“**Shanghai Kangzhichuan**”), whose general partner, Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司) (“**Shanghai Kangshida**”), was wholly owned by CBC Group (HK) Limited. CBC Group (HK) Limited was in turn owned as to 92.5% by Nova Aqua Limited and was therefore controlled by Mr. FU Wei. C-Bridge V Investment Fifteen Limited, C-Bridge V Investment Holdings Pte. Ltd., C-Bridge Healthcare Fund V, L.P., C-Bridge Healthcare Fund GP V, L.P., C-Bridge Capital GP V Ltd., Nova Aqua Limited, C-Bridge IV Investment Twenty-three Limited, Shanghai Kangzhichuan, Shanghai Kangshida, CBC Group (HK) Limited and Mr. FU Wei, each a “CBC Shareholding Group Member,” are collectively referred to as the “CBC Shareholding Group.”

As of the Latest Practicable Date, ATIC Second International Investment Company LLC was wholly owned by Mubadala Technology Investments (Mubadala Technology) LLC, which was in turn wholly owned by Mamoura Diversified Global Holding PJSC, and Mamoura Diversified Global Holding PJSC was wholly owned by Mubadala Investment Company PJSC (“**Mubadala**”), whose sole shareholder is the Government of Abu Dhabi. Accordingly, ATIC Second International Investment Company LLC, Mubadala Technology Investments (Mubadala Technology) LLC, Mamoura Diversified Global Holding PJSC and Mubadala, each a “Mubadala Shareholding Group Company,” are collectively referred to as the “Mubadala Shareholding Group.”

CLEAR DELINEATION OF BUSINESS

CBC Shareholding Group

The CBC Shareholding Group forms part of CBC Group. CBC Group is a healthcare-focused private equity firm with a diversified portfolio of investee companies spanning pharmaceuticals, biotechnology, medical technology and healthcare services. Consistent with the investment strategy commonly adopted by other leading private equity funds focused on the healthcare industry and for the purpose of portfolio risk diversification, CBC Group maintains investments in a number of portfolio companies with products and drug candidates at different stages of development and commercialization, across different therapeutic areas, employing different mechanisms of action and targeting different disease indications and/or molecular targets.

While CBC Group may provide strategic guidance, governance support, financial resources and, where appropriate, operational and talent-related support to its portfolio companies, each CBC Group-controlled portfolio company maintains its own board of directors, management team and operating infrastructure. The in-licensing, out-licensing, research, development, manufacturing and commercialization decisions of each such portfolio company are made by its own board of directors and senior management based on its own business strategy, product portfolio and commercial priorities. Accordingly, the business and operational decisions of the CBC Group-controlled portfolio companies are conducted separately from those of our Group.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, other than the interest in our Company, the CBC Shareholding Group, through one or more of the CBC Shareholding Group Members, was entitled to exercise, or control the exercise of, 10% or more of the voting rights in the following companies which operate in the pharmaceutical sector in the PRC (collectively, the “**CBC Portfolio Companies**”), to the best knowledge and belief of our Directors:

Investee company	Ownership	Description	Delineation from our Company
NovaBridge Biosciences (NASDAQ: NBP) (“ NovaBridge ”)	11.50%	NovaBridge is a biotechnology platform focused on the development of innovative therapies in oncology and ophthalmology. Its pipeline includes oncology programs targeting gastrointestinal and other solid tumors and ophthalmology programs targeting retinal diseases.	Different therapeutic areas, indications and patient populations. NovaBridge is focused on immuno-oncology and ophthalmology, including advanced gastrointestinal cancers, other solid tumors and retinal diseases, whereas our Group focuses on neurology, allergy and pain management, including epilepsy, Parkinson’s disease, restless legs syndrome, allergic rhinitis, chronic idiopathic urticaria, migraine, schizophrenia and pain-related indications.
Everest Medicines Limited (HKEX: 1952) (“ Everest Medicines ”) .	25.07%	Everest Medicines is a biopharmaceutical company focused on the development, manufacturing and commercialization of innovative therapies. Its product portfolio and pipeline cover renal diseases, infectious diseases, autoimmune diseases, cardiovascular and other specialty therapeutic areas.	Different therapeutic areas, indications and physician specialties. Everest Medicines’ principal products and pipeline address IgA nephropathy, complicated intra-abdominal infections, ulcerative colitis, autoimmune renal diseases and other renal, infectious disease, autoimmune indications and cardiovascular whereas our Group’s products and pipeline are centered on CNS, allergy and pain-related indications.
Company A	More than 50% and less than 100%	Company A is a biopharmaceutical and specialty pharmaceutical platform engaging in the R&D, production, and commercialization of pharmaceutical products in the PRC and other markets in the Asia-Pacific region, with a focus on cardiovascular, metabolic, critical care and infectious diseases products.	Different therapeutic focus and product portfolio. Company A’s PRC and Asia Pacific portfolio is primarily directed at cardiovascular, metabolic, infectious diseases, and critical care products, whereas our Group focuses on neurology, allergy and pain management. The relevant products are prescribed by different physician specialties and address different disease mechanisms and patient populations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Investee company	Ownership	Description	Delineation from our Company
Company B	More than 30% and less than 50%	Company B is a specialty pharmaceutical company with a pipeline and commercial portfolio focused on respiratory diseases, emergency care, iron deficiency anemia, pain management and other specialty areas. Its portfolio includes commercialized cardiovascular and iron deficiency anemia products, respiratory assets for COPD, Bentrion for allergic rhinitis and NTM-001 for postoperative pain.	Largely different therapeutic areas and product categories. Company B’s principal business focuses on respiratory diseases, emergency care, cardiovascular indications and iron deficiency anemia. Certain Company B’s products, namely Bentrion and NTM-001, relate to allergy and pain management, respectively, and are further analyzed below.
Company C	More than 50% and less than 100%	Company C is a late clinical-stage biopharmaceutical company focused on developing and commercializing ophthalmology products for patients in Greater China and globally. Its ophthalmology pipeline includes risuteganib/Luminate [®] , an intravitreal injectable product candidate for intermediate dry age-related macular degeneration.	Different therapeutic area, route of administration and treatment setting. Company C focuses on ophthalmology diseases, whereas our Group focuses on neurology, allergy and pain management. Company C’s ophthalmology assets are generally administered and managed by ophthalmologists or retinal specialists and do not overlap with our Group’s CNS, allergy or pain products.
Company D	More than 10% and less than 30%	Company D is a clinical-stage biotechnology company focused on discovering and developing oncology treatments. Its pipeline includes HIF-2 α inhibitor, CDK2 degrader, CDK2/4 degrader and other oncology programs.	Different therapeutic area, mechanism of action and patient population. Company D focuses on oncology and cancer pathway biology, including endometrial cancer and other solid tumor indications, whereas our Group focuses on chronic neurological diseases, allergy and pain-related conditions.
Company E	100.00%	Company E is a biotechnology company incubation platform created by CBC Group to build and support innovative biotechnology companies. Its incubated companies include biotechnology companies focused on precision oncology and muscular diseases.	Different business model and product focus. Company E is a biotech incubation platform rather than an operating specialty pharmaceutical company with commercialized neurology and allergy products. Its incubated companies are primarily focused on oncology and muscular diseases, which are distinct from our Group’s commercialized products and CNS-, allergy- and pain-focused pipeline.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Investee company	Ownership	Description	Delineation from our Company
Company F	100%	Company F is a specialty pharmaceutical platform with business operations in the PRC, focusing primarily on gastroenterology and pediatrics. Its portfolio covers commercialized products and innovative or late-stage product candidates, including Pariet® for gastrointestinal disorders, QuilliChew/Quillivant for ADHD and Neffy, an epinephrine nasal spray for emergency treatment of type I allergic reactions, including anaphylaxis.	Largely different therapeutic focus and product portfolio. Company F primarily focuses on gastroenterology and pediatrics, whereas our Group focuses on neurology, allergy and pain management. One Company F's product, Neffy, relates to emergency treatment of type I allergic reactions, including anaphylaxis, and is further analyzed below.

Our Directors are of the view that the businesses of the CBC Portfolio Companies are clearly delineated from the business of our Group. Except for Bentrío, Actair and NTM-001 of Company B and Company F of Peak, which are further analyzed below, the CBC Portfolio Companies do not have products or product candidates that materially overlap with our Group in terms of therapeutic areas, indications, mechanisms of action, target patients or commercialization positioning.

In particular, our Group is a clinical value-oriented specialty pharmaceutical platform dedicated to neurology, pain management and allergy in China. Our commercialized products portfolio primarily covers epilepsy, Parkinson's disease, allergic rhinitis and chronic idiopathic urticaria, while our pipeline further covers migraine prevention, schizophrenia, agitation associated with Alzheimer's disease, post-operative pain, perioperative pain and cancer-induced bone pain. By contrast, the CBC Portfolio Companies listed above are principally focused on oncology, ophthalmology, renal diseases, infectious diseases, autoimmune diseases, cardiovascular and metabolic diseases, respiratory diseases, emergency care, iron deficiency anemia, gastroenterology, pediatrics, biotechnology incubation or other therapeutic areas and business models that are distinct from our Group.

The following table sets forth our Directors' analysis of the products or product candidates of Company B and Company F that may appear to be relevant to our Group's allergy or pain management businesses.

Product-level delineation analysis

Company B — Bentrío

Bentrío is a product of Company B. It is a nasal spray product for allergic rhinitis and is designed to form a physical protective layer on the nasal mucosa against airborne allergens. Bentrío has obtained NMPA marketing approval in the PRC for allergic rhinitis, and Company B is responsible for its launch in the PRC.

Bentrío is clearly delineated from our Group's allergy products in terms of product nature, mechanism of action, route of administration and clinical positioning. Our Group's allergy products, Zyrtec and Xyzal, are oral antihistamine drug products. Zyrtec is a second-generation H1 receptor antagonist approved for seasonal and perennial allergic rhinitis and chronic idiopathic urticaria and is available in oral tablet and oral drops formulations, while Xyzal is a levocetirizine drug with enhanced H1 receptor binding affinity for chronic and seasonal allergies. By contrast, Bentrío acts through a non-antihistamine, physical barrier-based mechanism and is administered intranasally. Accordingly, our Directors are of the view that Bentrío is clearly delineated from our Group's allergy products.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Item	Our Group – Zyrtec/Xyzal	Company B – Bentrío	Delineation analysis
Product nature	Pharmaceutical products containing active antihistamine ingredients, namely cetirizine for Zyrtec and levocetirizine for Xyzal	Nasal spray gel product forming a physical barrier on the nasal mucosa The key component of Bentrío is bentonite, a naturally occurring clay	Different product nature. Zyrtec and Xyzal are drug products acting pharmacologically on H1 receptors, whereas Bentrío acts mechanically and does not contain an antihistamine, steroid or other active pharmaceutical ingredient.
Mechanism of action	H1 receptor antagonism, reducing histamine-mediated allergic symptoms	Physical barrier effect by forming a mucoadhesive layer that reduces contact between airborne allergens and nasal mucosa Its effects are purely physical in nature	Different mechanism of action. Zyrtec and Xyzal treat allergic symptoms through antihistamine pharmacology, whereas Bentrío is designed to prevent or reduce allergen contact through a physical barrier.
Indications/use cases	Allergic rhinitis, allergic conjunctivitis, pruritus, urticaria and chronic idiopathic urticaria	Protection against airborne allergens and alleviation of mild allergic symptoms triggered by airborne allergens, and where approved, against airborne viruses; PRC approval for allergic rhinitis	Although both relate to allergic rhinitis, the products address different points of care: Zyrtec and Xyzal are symptom-relief antihistamine drugs, while Bentrío is a barrier product with no active pharmaceutical ingredients for allergen protection and mild symptom alleviation.
Formulation/route	Oral tablets and oral drops	Nasal spray gel	Different route of administration and dosage form. The Group’s products are oral antihistamine products, whereas Bentrío is administered intranasally as a topical barrier spray.
Target users	Patients requiring pharmacological treatment of allergic rhinitis, urticaria and related allergic symptoms, including pediatric and adult patients	Users seeking nasal barrier protection against inhaling airborne allergens and mild allergy symptom alleviation	Different patient needs and positioning. Zyrtec and Xyzal are positioned as established antihistamine therapies, whereas Bentrío is positioned as a self-protection product with no active pharmaceutical ingredients.
Commercial positioning . .	Branded allergy pharmaceutical products with established use across hospitals, retail pharmacies and e-commerce channels	Nasal barrier product launched through retail/direct-to-consumer channels in Hong Kong and approved for launch in the PRC	Potential channel adjacency exists in retail allergy products, but the product nature, mechanism, formulation and positioning are sufficiently distinct.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, although Bentrío and our Group’s Zyrtec and Xyzal are relevant to allergic rhinitis, Bentrío is clearly differentiated from our Group’s allergy products. Bentrío is a nasal spray gel product that forms a physical barrier on the nasal mucosa, does not contain an antihistamine, steroid or other active pharmaceutical ingredient, and is positioned for users seeking nasal self-protection against inhaled airborne allergens and mild allergy symptom alleviation. By contrast, Zyrtec and Xyzal are commercialized oral antihistamine drug products that act through H1 receptor antagonism and are used by patients requiring pharmacological treatment of allergic rhinitis, urticaria and related allergic symptoms. Given the distinction between a physical barrier product for self-protection and symptomatic antihistamine therapy for pharmacological treatment, Bentrío is not expected to be directly substitutable for Zyrtec or Xyzal.

Company B — Actair

Actair is a product candidate of Company B. It is a house dust mite (“HDM”) sublingual allergen immunotherapy tablet for the treatment of HDM-induced allergic rhinitis. Actair contains standardized HDM allergen extracts, including *Dermatophagoides farinae* and *Dermatophagoides pteronyssinus*, and is administered sublingually as an allergen-specific immunotherapy product. Company B has entered into an exclusive long-term partnership with its business partner for the development, registration and commercialization of Actair in the PRC. Actair has received IND clearance from the NMPA for a pivotal clinical trial in China and Company B is currently in preparation for initiating the Phase 3 clinical trial for Actair in the PRC.

Actair is clearly delineated from our Group’s allergy products in terms of product nature, mechanism of action, indications/use cases, formulation/route, target users and commercial positioning. The key distinction is that Actair is an HDM-specific allergen immunotherapy product positioned as a desensitization therapy that targets the underlying allergic sensitization to HDM allergens at the root cause, whereas our Group’s Zyrtec and Xyzal are oral antihistamine drug products positioned as symptomatic therapies for routine or episodic relief of allergic symptoms. Zyrtec is a second-generation H1 receptor antagonist approved for allergic rhinitis, allergic conjunctivitis, pruritus and urticaria and is available in oral tablet and oral drops formulations, while Xyzal is an H1 receptor antagonist approved for allergic rhinitis and chronic idiopathic urticaria and is available in tablet formulation. By contrast, Actair is designed to induce immune tolerance to HDM allergens through repeated sublingual administration. Accordingly, Actair is not positioned as a substitute for Zyrtec or Xyzal for immediate or routine symptom relief, and Zyrtec and Xyzal are not substitutes for HDM-specific desensitization therapy.

Item	Our Group – Zyrtec/Xyzal	Company B – Actair	Delineation analysis
Product nature	Pharmaceutical products containing active antihistamine ingredients, namely cetirizine for Zyrtec and levocetirizine for Xyzal	HDM sublingual allergen immunotherapy tablet containing standardized HDM allergen extracts, including <i>Dermatophagoides farinae</i> and <i>Dermatophagoides pteronyssinus</i>	Different product nature. Zyrtec and Xyzal are antihistamine drug products for pharmacological symptom relief, whereas Actair is an allergen-specific immunotherapy product for HDM desensitization. Actair is not designed as a general allergy symptom-relief antihistamine, but as an HDM-specific immunotherapy product targeting the underlying allergen sensitization at the root cause.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Item	Our Group – Zyrtec/Xyzal	Company B – Actair	Delineation analysis
Mechanism of action	H1 receptor antagonism, reducing histamine-mediated allergic symptoms	Allergen-specific immunotherapy designed to induce immune tolerance to HDM allergens through repeated sublingual administration	Different mechanism of action. Zyrtec and Xyzal are symptomatic therapies that act by blocking H1 receptors and reducing histamine-mediated symptoms after an allergic response has occurred. By contrast, Actair is an etiological / desensitization therapy that seeks to modify the patient’s immune response to HDM allergens over time. Therefore, Zyrtec and Xyzal address symptoms of allergy, while Actair targets the underlying HDM sensitization that causes such allergic responses.
Indications/use cases	Allergic rhinitis, allergic conjunctivitis, pruritus, urticaria and chronic idiopathic urticaria	HDM-induced allergic rhinitis in patients with confirmed HDM sensitization who are suitable for allergen immunotherapy	Although both relate to allergic rhinitis, the products address different clinical needs. Zyrtec and Xyzal are used for routine or episodic symptom management across a broader allergic rhinitis and urticaria patient population, irrespective of whether the patient receives allergen desensitization therapy. Actair targets a narrower subset of patients with confirmed HDM-induced allergic rhinitis who are suitable for allergen immunotherapy and require desensitization treatment. As a result, Actair is not expected to replace the use of antihistamine products for immediate or episodic symptom control.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Item	Our Group – Zyrtec/Xyzal	Company B – Actair	Delineation analysis
Formulation/route	Oral tablets and oral drops	Sublingual tablet	Different route of administration and dosage form. The Group’s products are oral antihistamine products, whereas Actair is administered sublingually as an immunotherapy tablet. Actair’s administration route is linked to its desensitization treatment model and is different from the oral symptomatic treatment profile of Zyrtec and Xyzal.
Target users	Patients requiring pharmacological treatment of allergic rhinitis, urticaria and related allergic symptoms, including pediatric and adult patients	Patients with HDM-induced allergic rhinitis who have confirmed HDM sensitization and are suitable for allergen immunotherapy	Different patient needs and positioning. Zyrtec and Xyzal target a broad allergy patient population requiring symptom control, while Actair targets patients with confirmed HDM allergy who are appropriate candidates for HDM-specific desensitization therapy. In clinical practice, patients receiving desensitization therapy may still require antihistamines for symptom relief, meaning Actair and antihistamines may be complementary rather than directly substitutable.
Commercial positioning . .	Branded allergy pharmaceutical products with established use across hospitals, retail pharmacies and e-commerce channels	HDM-specific sublingual immunotherapy product candidate currently in preparation for initiating the Phase 3 clinical trial in the PRC	Potential therapeutic adjacency exists in allergic rhinitis, and Actair may address part of the same broad allergy treatment field. However, the core commercial positioning is different: Actair is a clinical-stage HDM-specific desensitization therapy, while Zyrtec and Xyzal are commercialized oral antihistamine products for symptomatic treatment. The products therefore differ in development status, treatment objective, target patient selection, prescribing pathway, expected treatment duration and commercial positioning.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, although Actair and our Group’s Zyrtec and Xyzal are relevant to allergic rhinitis, Actair is clearly differentiated from our Group’s allergy products. In particular, Actair is a clinical-stage HDM-specific sublingual allergen immunotherapy product intended to address the underlying cause of HDM-induced allergic rhinitis through desensitization, whereas Zyrtec and Xyzal are commercialized oral antihistamine drug products that act through H1 receptor antagonism for pharmacological symptom relief. Actair targets a narrower patient population with confirmed HDM sensitization and follows an allergen immunotherapy treatment pathway, while Zyrtec and Xyzal address a broader allergy patient population requiring routine or episodic symptom management. Given the distinction between etiological desensitization therapy and symptomatic antihistamine therapy, Actair is not expected to be directly substitutable for Zyrtec or Xyzal, and antihistamines may continue to be used for symptom relief even where allergen immunotherapy is adopted.

Company B — NTM-001

NTM-001 is a product candidate of Company B. It is a ketorolac-based formulation designed for continuous 24-hour intravenous infusion for moderately severe acute pain, usually in a postoperative setting. Company B announced completion of dosing in its phase 1 study in Hong Kong in 2022.

NTM-001 is clearly delineated from our Group’s pain management assets in terms of development status, formulation, route of administration, mechanism of action and clinical use setting. Our Group’s NG1706 is a novel oral, non-opioid analgesic designed with a dual mechanism of action targeting COX-mediated inflammatory pain pathways and peripheral $\alpha_2\delta$ calcium channels, with potential development for perioperative pain and cancer pain. Our Group’s NG1806 is a long-acting, dual-mechanism non-opioid analgesic for post-operative pain management, designed to provide approximately 72 hours of sustained post-surgical pain relief. By contrast, NTM-001 is a ketorolac-based formulation administered by continuous intravenous infusion over 24 hours. In addition, the development of NTM-001 has been suspended/discontinued and the likelihood of resuming its R&D is remote. Accordingly, our Directors are of the view that NTM-001 is clearly delineated from our Group’s pain management assets.

Item	Our Group – NG1706/NG1806	Company B – NTM-001	Delineation analysis
Product status	NG1706 and NG1806 are active pipeline assets of our Group in pain management. The Company is discussing with the CDE on the regulatory pathway for NG1706 and future clinical development plan for NG1806, with pivotal phase 3 clinical trials for NG1806 anticipated to be initiated in 2026.	NTM-001 completed a phase 1 study in Hong Kong in 2022. As of the Latest Practicable Date, the development of NTM-001 has been suspended/discontinued and the likelihood of resuming its R&D is remote.	Different development status. Our Group’s pain management assets are active pipeline programs, whereas NTM-001 is not expected to be actively advanced based on the information provided by CBC.
Product nature	NG1706 is an oral, dual-mechanism, non-opioid analgesic; NG1806 is a long-acting, dual-mechanism, non-opioid analgesic designed for local post-operative pain management.	Alcohol-free ketorolac formulation in a ready-to-use pre-mixed bag for continuous 24-hour IV infusion.	Different formulation and delivery. NG1706 is oral and NG1806 is a sustained-release local post-operative analgesic, whereas NTM-001 is a continuous IV infusion formulation of ketorolac.
Mechanism of action	NG1706 combines NSAID/COX inhibition and $\alpha_2\delta$ calcium-channel modulation; NG1806 combines bupivacaine-mediated sodium-channel blockade and celecoxib-mediated COX-2 inhibition.	Ketorolac NSAID activity delivered through continuous IV infusion.	Different mechanism and pharmacological profile. NTM-001 relies on ketorolac NSAID activity, while NG1706 and NG1806 use different dual-mechanism analgesic approaches.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Item	Our Group – NG1706/NG1806	Company B – NTM-001	Delineation analysis
Target indication/treatment setting	NG1706 targets perioperative pain, cancer pain and other pain-related indications; NG1806 targets post-operative pain management with approximately 72 hours of sustained pain relief.	Moderately severe acute pain requiring analgesia at the opioid level, usually in a postoperative setting.	There is some broad adjacency in post-operative/acute pain, but the products are differentiated by development status, formulation, route, duration of action and clinical workflow.
Route of administration . . .	NG1706: oral tablet; NG1806: local administration at surgical site through sustained-release gel formulation.	Continuous 24-hour IV infusion.	Different route and setting of administration. NTM-001 requires IV infusion infrastructure, whereas NG1706 and NG1806 are intended for oral or site-directed local administration.
Clinical/commercial positioning	Differentiated non-opioid pain assets intended to provide multimodal analgesia and reduce reliance on opioid-based pain therapies.	Reformulated ketorolac infusion intended to provide continuous NSAID analgesia and reduce or eliminate postoperative opioid use.	Although both are non-opioid analgesic approaches, they do not share the same formulation, route, dosing regimen, pharmacological profile or development status.

Based on the above, although NTM-001 and our Group’s NG1706 and NG1806 are relevant to pain management, NTM-001 is clearly differentiated from our Group’s pain management assets. NTM-001 is a ketorolac-based formulation designed for continuous 24-hour intravenous infusion for moderately severe acute pain, whereas NG1706 is an oral, dual-mechanism, non-opioid analgesic and NG1806 is a long-acting, dual-mechanism, non-opioid analgesic designed for local post-operative pain management with approximately 72 hours of sustained pain relief. In addition, as of the Latest Practicable Date, the development of NTM-001 has been suspended/discontinued and the likelihood of resuming its R&D is remote. Given the differences in development status, formulation, route of administration and clinical workflow, NTM-001 is not expected to be directly substitutable for NG1706 or NG1806.

Company F — Neffy

Neffy is a product of Company F. It is an epinephrine nasal spray indicated for the emergency treatment of type I allergic reactions, including anaphylaxis. Neffy 2 mg has been approved in China for adults and children weighing 30 kg or more, and is positioned as a community-use epinephrine product for severe allergic reactions.

Neffy is clearly delineated from our Group’s allergy products in terms of active ingredient, mechanism of action, indication, treatment setting and patient use case. Our Group’s Zyrtec and Xyzal are antihistamine products used for routine or episodic management of allergic rhinitis, chronic idiopathic urticaria and related allergic symptoms through H1 receptor antagonism. By contrast, Neffy is an alpha- and beta-adrenergic receptor agonist used as emergency rescue therapy for acute systemic allergic reactions, including anaphylaxis. Neffy is therefore not a substitute for Zyrtec or Xyzal, and Zyrtec and Xyzal are not substitutes for emergency epinephrine treatment. Accordingly, our Directors are of the view that Neffy is clearly delineated from our Group’s allergy products.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Item	Our Group – Zyrtec/Xyzal	Company F – Neffy	Delineation analysis
Product nature	Oral antihistamine drug products	Epinephrine nasal spray for emergency use	Different product nature and treatment objective. Zyrtec and Xyzal are antihistamines for routine allergy symptom control, whereas Neffy is an emergency epinephrine product for potentially life-threatening allergic reactions.
Active ingredient	Cetirizine/levocetirizine	Epinephrine	Different active ingredient and pharmacology. The Group’s products block H1 receptors, whereas Neffy is an alpha- and beta-adrenergic receptor agonist.
Mechanism of action	H1 receptor antagonism, reducing histamine-mediated allergic symptoms	Adrenergic receptor agonism for emergency treatment of systemic allergic reactions	Different mechanism of action. Neffy is designed to treat acute systemic allergic reactions, while Zyrtec and Xyzal are designed for routine management of allergic rhinitis and urticaria symptoms.
Approved/target indications	Seasonal and perennial allergic rhinitis, chronic idiopathic urticaria and related allergic symptoms	Emergency treatment of type I allergic reactions, including anaphylaxis, in adults and children weighing 30 kg or more	Different indications. Allergic rhinitis and chronic idiopathic urticaria are generally non-emergency allergic conditions, whereas anaphylaxis is an acute and potentially life-threatening systemic allergic reaction requiring emergency treatment.
Route of administration . .	Oral tablets and oral drops	Nasal spray	Different route and use scenario. Neffy is designed for immediate emergency administration, while Zyrtec and Xyzal are used for routine or episodic allergy symptom management.
Target patient needs	Patients requiring regular or episodic treatment of allergic rhinitis, urticaria and related symptoms	Patients at risk of severe allergic reactions or anaphylaxis requiring immediate epinephrine treatment	Different patient population and use case. The Group’s allergy products address common allergic symptoms, while Neffy addresses emergency preparedness for severe systemic allergic reactions.
Clinical positioning	Branded allergy products used across hospitals, retail pharmacies and e-commerce channels	Emergency rescue product and needle-free alternative to epinephrine injection/autoinjector	Different clinical positioning. Neffy is not a substitute for the Group’s antihistamine products, and the Group’s products are not substitutes for emergency epinephrine treatment.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, although Neffy and our Group’s Zyrtec and Xyzal are relevant to allergic conditions, Neffy is clearly differentiated from our Group’s allergy products. Neffy is an epinephrine nasal spray used as emergency rescue therapy for type I allergic reactions, including anaphylaxis, whereas Zyrtec and Xyzal are commercialized oral antihistamine drug products used for routine or episodic management of allergic rhinitis, urticaria and related allergic symptoms. Given the distinction between emergency rescue therapy for anaphylaxis and symptomatic antihistamine therapy for routine allergy management, Neffy is not expected to be directly substitutable for Zyrtec or Xyzal, and Zyrtec and Xyzal are not substitutes for Neffy.

Save as disclosed above, to the best knowledge, information and belief of our Directors and as of the Latest Practicable Date, none of the CBC Shareholding Group Members, whether individually or jointly, was entitled to exercise, or control the exercise of, 10% or more of the voting rights in any of its portfolio companies which has a business in the PRC that is the same as, or similar to the principal business of the Group and which competes or is likely to compete, either directly or indirectly, with the Group’s business and would require disclosure under Rule 8.10 of the Listing Rules.

Mubadala Shareholding Group

The Mubadala Shareholding Group comprises Mubadala, a sovereign investor wholly owned by the Government of Abu Dhabi, and certain wholly-owned subsidiaries through which Mubadala indirectly holds its interest in our Company. Mubadala manages a diverse portfolio of assets in the United Arab Emirates and abroad. Mubadala manages a global portfolio of approximately US\$385 billion (AED1,414 billion), spanning six continents across multiple sectors and asset classes. Consistent with other leading sovereign investors, Mubadala maintains a sizeable investment portfolio across a wide array of industries, geographies, stages of maturity and business models.

As of the Latest Practicable Date, other than the interest in our Company, the Mubadala Shareholding Group, through one or more of the Mubadala Shareholding Group Companies, was entitled to exercise, or control the exercise of, 10% or more of the voting rights in the following company which operates in the pharmaceutical sector in the PRC (the “**Mubadala Portfolio Company**”):

<u>Investee company</u>	<u>Ownership</u>	<u>Description</u>	<u>Delineation from our Company</u>
Company A	More than 10% and less than 30%	Company A is a biopharmaceutical and specialty pharmaceutical platform engaged in the R&D, production, and commercialization of pharmaceutical products in the PRC and other markets in the Asia-Pacific region, with a focus on cardiovascular, metabolic, critical care and infectious diseases products.	Different therapeutic focus and product portfolio. Company A’s PRC and Asia Pacific portfolio is primarily directed at cardiovascular, metabolic, infectious diseases, and critical care products, whereas our Group focuses on neurology, allergy and pain management. The relevant products are prescribed by different physician specialties and address different disease mechanisms and patient populations.

Our Directors are of the view that the business of the Mubadala Portfolio Company is clearly delineated from the business of our Group as there is no overlap between the product portfolio (including commercialized and pipeline products), therapeutic focus, indications, target patient populations, and prescribing specialists of the Mubadala Portfolio Company and those of our Group.

Save as disclosed above, to the best knowledge, information and belief of our Directors and as of the Latest Practicable Date, none of the Mubadala Shareholding Group Companies, whether individually or jointly, was entitled to exercise, or control the exercise of, 10% or more of the voting rights in any of its portfolio companies which has a business in the PRC that is the same as, or similar to the principal business of the Group and which competes or is likely to compete, either directly or indirectly, with the Group’s business and would require disclosure under Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

On the basis of the foregoing, our Directors are of the view that, as of the Latest Practicable Date, our Controlling Shareholders, whether individually or jointly, were not entitled to exercise, or control the exercise of, 10% or more of the voting rights in any company, which has a business in the PRC that is the same as, or similar to the principal business of the Group and which competes or is likely to compete, either directly or indirectly, with the Group’s business and would require disclosure under Rule 8.10 of the Listing Rules. In addition, there were no circumstances in which the CBC Shareholding Group and the Mubadala Shareholding Group were acting in concert such that, collectively, they would be entitled to exercise, or control the exercise of, 10% or more of the voting rights in any such company. Our Directors further confirm that they are not aware of any circumstances that have given rise, or would reasonably be expected to give rise, to any actual or potential competition between our Group and any of the CBC Portfolio Companies or the Mubadala Portfolio Company, and no such circumstances are expected to arise following the completion of the [REDACTED].

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

We believe that we are capable of carrying on our business independently from the Controlling Shareholders and/or their respective close associates upon the [REDACTED] for the following principal reasons:

Management Independence

Upon the [REDACTED], our Board will consist of nine Directors, comprising one executive Director, four non-executive Directors, and four independent non-executive Directors. For more information, please see the section headed “Directors and Senior Management.”

Mr. FU Wei is a non-executive Director and the chairman of our Board. Mr. FU Wei also serves as the chief executive officer of CBC Group, and has served as (i) the executive chairman of the board of NovaBridge Biosciences (NASDAQ: NBP, which also submitted its listing application with the Stock Exchange in October 2025); and (ii) a non-executive director and the honorary chairman of the board of Everest Medicines Limited (HKEX: 1952). Mr. SUN Xin is a non-executive Director. Mr. SUN Xin has also been serving as (i) senior managing director and co-head of private equity investment at CBC Group; and (ii) the non-executive director of Everest Medicines Limited (HKEX: 1952). Mr. CAMPBELL Grant Fergus is a non-executive Director. Mr. CAMPBELL Grant Fergus has also been serving as a director of the Mubadala Portfolio Company. As Mr. FU Wei, Mr. SUN Xin and Mr. CAMPBELL Grant Fergus hold directorships in our Company in a non-executive capacity only, they are not involved in the day-to-day management of the affairs and operations of our Group. Save for Mr. FU Wei, Mr. SUN Xin and Mr. CAMPBELL Grant Fergus, our Group, the CBC Shareholding Group, the Mubadala Shareholding Group, the CBC Portfolio Companies and the Mubadala Portfolio Company have respective directors and management teams that are independent of each other.

Our Directors are of the view that our Group will be managed and will operate independently from each of CBC Shareholding Group and Mubadala Shareholding Group and in the interests of our Company and our Shareholders as a whole on the following basis: (i) each Director is aware of his or her fiduciary duties as a Director of our Company which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests; (ii) none of our executive Director and senior management members, who are responsible for the day-to-day management of our Group’s business, has any ongoing managerial role with CBC Shareholding Group or Mubadala Shareholding Group; (iii) save for Mr. FU Wei, Mr. SUN Xin and Mr. CAMPBELL Grant Fergus who are our non-executive Directors, none of the Directors or senior management members of our Company holds any directorship or senior management positions within the CBC Shareholding Group, the Mubadala Shareholding Group, the CBC Portfolio Companies and the Mubadala Portfolio Company, and vice versa; (iv) should there be a conflict of interest or a connected transaction between our Group and members of CBC Shareholding Group or Mubadala Shareholding Group, the relevant overlapping Directors, if any, will be required to declare their interest, abstain from voting on, and will not be counted in the quorum for, the relevant board resolution(s) of our Company; and (v) our Company will adopt comprehensive corporate governance policies, including but

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

not limited to, rules relating to the procedure for Board meetings and decision-making protocols on connected transactions, setting out the circumstances that require the relevant overlapping Directors to declare their interest, abstain from voting on, and not to be counted in the quorum for, the relevant board resolutions.

Operational Independence

We are in possession of all production and operating facilities, technology and intellectual property (including all patents, trademarks, licences and know-how) necessary for and relating to our Group’s business and have independently obtained all requisite qualifications, permits and regulatory approvals for conducting our business.

We have independent access to customers and suppliers and, to the best knowledge of our Directors, all of our customers, suppliers, distributors and other business counterparties are independent third parties. We are not dependent on our Controlling Shareholders or their close associates for any significant amount of our revenue, R&D activities, staffing requirements or marketing and sales operations, and we have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. We have an established and complete organizational structure comprising various separate departments, each charged with specific responsibilities, including staffing, administration, finance, internal audit, R&D, sales and marketing, and company secretarial functions. These departments have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. We also maintain a comprehensive set of internal control procedures to facilitate the effective operation of our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders or any of their close associates.

Financial Independence

Our Company has established its own finance department with a dedicated team of independent financial staff responsible for independently discharging treasury, accounting, financial reporting, group credit and internal control functions, free from any reliance on or involvement by our Controlling Shareholders and their close associates. Our Company has implemented and maintains a sound and independent financial system and makes independent financial decisions according to its own business needs. Our Company maintains its own bank accounts independently and does not share any bank account with our Controlling Shareholders or their close associates. Our Company makes tax registration and pays tax independently with its own funds. As such, all of our Company’s financial functions, including cash management, accounting, invoicing and billing, are conducted independently of our Controlling Shareholders and their close associates.

We do not expect to rely on our Controlling Shareholders and/or their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, bank loans as well as the [REDACTED] from the [REDACTED]. As of the Latest Practicable Date, all loans and advances due to or from the Controlling Shareholders or their close associates have been fully settled. All guarantees provided by or to the Controlling Shareholders or their close associates on the borrowings of our Group have either been fully released as of the Latest Practicable Date, or are expected to be released upon the [REDACTED]. We have not entered into any financing arrangements or loans with our Controlling Shareholders or any of their close associates during the Track Record Period.

Based on the above, our Directors are of the view that they and our senior management are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Company and our Directors are committed to upholding and implementing the highest standards of corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, in particular the rights and interests of our minority Shareholders.

Our Directors recognize the importance of good corporate governance in the protection of our Shareholders' interests. We will adopt the following measures to safeguard good corporate governance standards and to manage and avoid potential conflicts of interest between our Group and our Controlling Shareholders: (i) where a Board meeting is held for matters in which any Director has a material interest, such Director(s) shall declare his or her interest and shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for such voting; (ii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their associates has a material interest, the relevant member of our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum for such voting; (iii) our Company has established robust internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, reporting and independent Shareholders' approval requirements (if applicable) under the Listing Rules; (iv) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge, experience and professional qualifications. They are committed to providing experienced and professional advice to protect the interests of our minority Shareholders; (v) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interest between our Group and any Controlling Shareholder and provide impartial and professional advice to protect the interests of our minority Shareholders; (vi) our Controlling Shareholders will provide our independent non-executive Directors with all relevant financial, operational, market and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review; (vii) our Company shall disclose the decisions of the independent non-executive Directors either in its interim and/or annual reports or by way of announcements as required by the Listing Rules; (viii) where our Directors reasonably request the advice of independent professionals, such as financial advisers, legal advisers or auditors, the appointment of such independent professionals will be made at our Company's expense; (ix) we have established our Audit Committee, Remuneration Committee, and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules; (x) we have appointed Altus Capital Limited as our Compliance Advisor, which will provide advice and guidance to us in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including but not limited to various requirements relating to corporate governance, Directors' duties and internal controls; (xi) in accordance with the Corporate Governance Code, our Company will conduct a formal evaluation of the performance of the Board at least once every two years. The Board will assess, among others, (a) the effectiveness of the Board in identifying, managing and mitigating conflicts of interest, in particular those involving our Controlling Shareholders; (b) the independence, objectivity and active contribution of each independent non-executive Director in safeguarding the interests of minority Shareholders; and (c) the functioning and effectiveness of the Board committees, including the Audit Committee's oversight of connected transactions. The findings of the Board performance evaluation will be reported to the Board and, where appropriate, disclosed in the Corporate Governance Report in our annual report; (xii) our Controlling Shareholders will make an annual declaration of their compliance with the corporate governance measures set out herein, which will be disclosed in our annual reports; and (xiii) our Company will establish and maintain a whistleblowing mechanism as part of its internal control and corporate governance framework, under which Shareholders and employees may confidentially raise concerns, including matters relating to potential conflicts of interest, which will be reviewed by the Audit Committee.

Based on the above, our Directors are satisfied that sufficient and effective corporate governance measures have been put in place to manage and mitigate conflicts of interest between our Group and our Controlling Shareholders and to protect the rights and interests of minority Shareholders following the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board consists of nine Directors, comprising one executive Director, four non-executive Directors and four independent non-executive Directors. The following table sets forth the key information about our Directors as of the Latest Practicable Date.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. FU Wei	44	Non-executive Director and chairperson of the Board	June 24, 2024	June 24, 2024	Responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group
Dr. CHEN Peng-Hsuan (陳鵬旦)	47	Executive Director and Chief Executive Officer	November 20, 2024	November 20, 2024	Responsible for strategic vision, corporate management and business planning of our Group
Mr. HUANG Hai (黃海)	56	Non-executive Director	November 20, 2024	November 20, 2024	Responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group
Mr. CAMPBELL Grant Fergus	47	Non-executive Director	November 20, 2024	November 20, 2024	Responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group
Mr. SUN Xin (孫欣)	45	Non-executive Director	June 20, 2025	February 27, 2026	Responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group
Mr. HUNG Ting On John (洪廷安)	65	Independent non-executive Director	October 1, 2026	October 1, 2026	Supervising and providing independent judgment to the Board of Directors
Mr. JIANG Wei (江維)	62	Independent non-executive Director	October 1, 2026	October 1, 2026	Supervising and providing independent judgment to the Board of Directors
Mr. HUANG Peter Xiaopei	57	Independent non-executive Director	October 1, 2026	October 1, 2026	Supervising and providing independent judgment to the Board of Directors
Ms. YAN Li Yun	56	Independent non-executive Director	October 1, 2026	October 1, 2026	Supervising and providing independent judgment to the Board of Directors

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director and Our Chairperson

Mr. FU Wei, aged 44, is a non-executive Director and the chairperson of our Board. He has been serving as our Director since June 2024, primarily responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group.

Mr. Fu has been serving as the chief executive officer of CBC Group (previously known as C-Bridge Capital), a healthcare-focused private equity firm, since April 2014. He is now the executive chairman of the board of NovaBridge Biosciences (NASDAQ: NBP, which also submitted its listing application with the Stock Exchange in October 2025) since September 2025. He has also served as a non-executive director and the honorary chairman of the board of Everest Medicines Limited (HKEX: 1952), where Mr. Fu was appointed as the director in July 2017 and was re-designated as a non-executive director in October 2025. Prior to that, Mr. Fu was the general manager of the investment department at International Far East Leasing Co., Ltd. (遠東國際租賃有限公司) (currently known as International Far East Leasing Co., Ltd. (遠東國際融資租賃有限公司)), a wholly-owned subsidiary of Far East Horizon Limited (HKEX: 3360) from August 2011 to December 2013, an associate director at Standard Chartered Business Consulting (Beijing) Co., Ltd. (渣打企業諮詢(北京)有限公司) from March 2008 to April 2010, where he was responsible for private equity investments in infrastructure projects, and a business analyst at Macquarie Capital (Singapore) Pte. Limited from June 2006 to March 2008.

Mr. Fu obtained a bachelor's degree in electrical and electronic engineering from Nanyang Technological University in Singapore in February 2005.

Executive Director

Dr. CHEN Peng-Hsuan (陳鵬亘), aged 47, is an executive Director and the Chief Executive Officer of our Company. Dr. Chen joined our Group as the Chief Executive Officer in November 20, 2024, and has since led various pivotal directorships and managerial positions in our certain subsidiaries. He is primarily responsible for strategic vision, corporate management and business planning of our Group. Dr. Chen has more than 20 years of experience in clinical medicine, pharmaceuticals, biotechnology and strategic consulting.

From June 2010 to May 2014, Dr. Chen worked at McKinsey & Consulting Inc., Shanghai (麥肯錫(上海)諮詢有限公司), with his last position being a project manager. From May 2014 to January 2017, he served as director of sales & marketing and strategy at AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資(中國)有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN), primarily responsible for managing the sales and marketing of Brilinta and leading the strategic direction of the cardiovascular business unit. From February 2017 to November 2017, he served as head of business development and corporate strategy at Takeda (China) international trading Co., Ltd. (武田(中國)國際貿易有限公司), a subsidiary of Takeda Pharmaceutical Company Limited (NYSE: TAK; TSE: 4502), where he was responsible for China business development, corporate strategy, new product planning, market research, and project management. From November 2017 to May 2022, Dr. Chen returned to AstraZeneca China, holding the positions of general manager and vice president, where he concentrated on managing the respiratory & immunology franchise and the gastroenterology business unit. From May 2022 to September 2024, he served as chief strategy officer at Sino Biopharmaceutical Limited (HKEX: 1177), where he was responsible for managing group strategy, mergers & acquisitions, in-licensing, and portfolio optimization.

Dr. Chen obtained a doctoral degree in medicine (M.D.) from Kaohsiung Medical University (高雄醫學大學) in Kaohsiung, Taiwan in June 2003 and a master of business administration (MBA) degree from Institut Européen d'Administration des Affaires (INSEAD) in Fontainebleau, France in 2006.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. HUANG Hai (黃海), aged 56, is a non-executive Director of our Company. He has been serving as our Director since November 20, 2024, primarily responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group.

Mr. Huang began his career as a physician at Wuxi Infectious Disease Hospital (無錫市傳染病醫院) (currently known as Wuxi Fifth People's Hospital (無錫市第五人民醫院)) from July 1995 to December 1996. From January 2011 to May 2013, he worked at Shanghai branch of Sanofi (China) Investment Co., Ltd. (賽諾菲(中國)投資有限公司), a subsidiary of Sanofi S.A. (Euronext Paris: SAN; NASDAQ: SNY). He subsequently worked at Medtronic (Shanghai) Management Co., Ltd. (美敦力(上海)管理有限公司), a subsidiary of Medtronic plc (NYSE: MDT) from May 2013 to January 2016. Mr. Huang worked at Pfizer from March 2016 to October 2020, working first at Pfizer Investment Co., Ltd. (輝瑞投資有限公司) and then at Pfizer Upjohn Medical Trading Co., Ltd. (輝瑞普強醫藥貿易有限公司).

Mr. Huang obtained a bachelor's degree in biochemistry from Lanzhou University (蘭州大學) in Lanzhou, China in June 1995. Besides, he also completed Beijing International MBA Program (BiMBA) from Peking University (北京大學) in Beijing, China in September 2006.

Mr. CAMPBELL Grant Fergus, aged 47, has been serving as a non-executive Director of our Company since November 20, 2024, primarily responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group. Since December 2009, he has been serving as a director at Mubadala Investment Company, where he is responsible for driving strategic investments across multiple sectors.

Mr. Campbell obtained a bachelor's degree in commerce and a postgraduate diploma in commerce, both in finance and quantitative analysis, from the University of Otago in Dunedin, New Zealand in August 2000 and August 2001, respectively.

Mr. SUN Xin (孫欣), aged 45, has been serving as a non-executive Director of our Company since February 27, 2026, primarily responsible for overseeing Board affairs and providing strategic advice and guidance on the business operations of our Group. Mr. Sun joined our Group in June 2025 as the director of NeuroGen Beijing Holding, where he is responsible for assisting in formulating and supervising corporate development strategies and operational development plans.

Since April 2025, Mr. Sun has been serving as a senior managing director and co-head of private equity investment at CBC Group. In addition, since December 2025, he has also been serving as the non-executive director of the Everest Medicines Limited (HKEX: 1952) whose controlling shareholder is the CBC Group. Prior to joining CBC group, Mr. Sun served as a managing director at Hillhouse Capital Management since 2017. Prior to joining Hillhouse Capital Management, he consecutively served as a research associate at Genentech Inc, investment banking division of Goldman Sachs and vice president of Affinity Equity Partners.

Mr. Sun obtained a bachelor's degree in biological sciences from Peking University (北京大學) in Beijing, China in July 2003, a master of science degree from Duke University in Durham, North Carolina, United States in September 2006.

Proposed Independent Non-executive Directors

Mr. HUNG Ting On John (洪廷安), aged 65, has been appointed as an independent non-executive Director with effect from October 1, 2026. Dr. Hung is responsible for supervising and providing independent judgment to the Board of Directors.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Hung was a senior partner of Deloitte Asia Pacific stationed in Shanghai and has over 40 years of working experience in the field of audit, accounting and finance. Mr. Hung joined Deloitte China in October 1996. Then, Mr. Hung was admitted as a partner of Deloitte China from January 1999 until his retirement in May 2023. He has extensive experience in conducting financial audits, leading IPO projects, conducting financial due diligence, advising on merger and acquisitions and risk management. He served in various management roles in his career with Deloitte including a member of the board of Deloitte China from June 2008 to May 2016, and vice chairman of the China governing board from June 2018 to May 2020. Since August 29, 2025, Mr. Hung has been serving as an independent non-executive director, chairman of the audit committee, a member of the remuneration committee and a member of the nomination committee of the board of PuraPharm Corporation (HKEX: 1498).

Mr. Hung was awarded a doctor of laws (honoris causa) in January 2023 and obtained a master of business administration (MBA) degree in July 1988 from the University of Warwick in Coventry, United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and the CPA Australia.

Mr. JIANG Wei (江維), aged 62, has been appointed as an independent non-executive Director with effect from October 1, 2026. Mr. Jiang is responsible for providing independent judgment, oversight, and strategic perspectives to the Board of Directors.

Mr. Jiang has more than 30 years’ experience in the pharmaceutical and medical device industries, with particular focus in China and the Asia-Pacific region. Mr. Jiang served as executive vice president and member of executive committee responsible for Pharmaceuticals Region China & APAC, and president responsible for Bayer Group Greater China Region, until his retirement from his roles in 2021. Since July 2021, Mr. Jiang has been serving as an independent director and member of the science and technology committee of Waters Corporation (NYSE: WAT). In March 2024, he joined the board of STAAR Surgical Company (NASDAQ: STAA) as an independent director. He served as chairperson of nomination and governance committee and member of audit committee until April 2025, when he was appointed as strategic advisor for Asia-Pacific and became an executive director. His appointment as strategic advisor concluded in December 2025, and he continues to serve as an executive director.

Mr. Jiang obtained a bachelor of business administration degree from Campbell University in Buies Creek, North Carolina, United States in May 1988 and a master of arts degree in economics from Indiana State University in Terre Haute, Indiana, United States in May 1992. In September 2018, he was awarded the JingHua Award (京華獎) by the Beijing Municipal Government in recognition of his contribution to Beijing’s development and construction.

Mr. HUANG Peter Xiaopei, aged 57, has been appointed as an independent non-executive Director with effect from October 1, 2026. Mr. Huang is responsible for supervising and providing independent judgment to the Board of Directors.

Mr. Huang has over 25 years of extensive experience in corporate practice. Mr. Huang commenced his career at Baker & McKenzie, Taipei, became a licensed attorney in New York State in January 1998, and then served as an associate in Skadden, Arps, Slate, Meagher & Flom LLP, Beijing from March 2000 to March 2007. Afterwards, Mr. Huang had been promoted as a partner in April 2007 and worked until June 2024. Since January 2026, Mr. Huang has served as independent non-executive director at EverBridge (Beijing) Medical Technology Co., Ltd. (瑞橋鼎科(北京)醫療科技股份有限公司) and MegaRobo Technologies Limited (鎂伽科技有限公司) (a company submitted its listing application with the Stock Exchange in June 2025) with effect from the listing.

Mr. Huang obtained a bachelor’s degree in economics from University of Maryland in College Park, Maryland, United States in August 1990, a master of arts degree from University of Maryland in December 1992 and a doctor of law degree from Cornell University in Ithaca, New York, United States in May 1997.

Ms. YAN Li Yun, aged 56, has been appointed as an independent non-executive Director with effect from October 1, 2026. Ms. Yan is responsible for supervising and providing independent judgment to the Board of Directors.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Yan served as senior financial manager, financial vice president and financial director at AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資(中國)有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN), from August 2007 to October 2016, successively. From November 2016 to December 2023, she served as vice president and head of compliance department at AstraZeneca China, and was promoted to vice president of international business unit and head of compliance department at AstraZeneca from December 2023. She also served as global compliance digital innovation leader from September 2025, spearheading global compliance AI cultural transformation and digital innovation to enhance efficiency and promote precision risk management. From October 2020 to December 2023, she concurrently served as supervisor at Shanghai LianWei Digits Technology Group Co., Ltd. (上海聯蔚數字科技集團股份有限公司).

Ms. Yan obtained a bachelor’s degree in computer software at Xiamen University (廈門大學) in Xiamen, China in July 1991 and a master of business administration (MBA) degree from Washington University in St. Louis, Missouri, United States in December 2014. Besides, she has been admitted as a certified member of the Certified General Accountants Association of Canada (currently unified under the Chartered Professional Accountants of Canada) since April 2007.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Position/Title	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Dr. CHEN Peng-Hsuan (陳鵬亘)	47	Executive Director and Chief Executive Officer	November 20, 2024	November 20, 2024	Responsible for strategic vision, corporate management and business planning of our Group
Mr. ZHANG Jiong (張炯)	49	Chief Financial Officer	November 11, 2024	November 11, 2024	Responsible for the overall financial strategy, corporate finance and capital management of our Group
Mr. YANG Zecheng (楊澤成)	48	Vice President of Sales and Marketing	December 2, 2024	December 2, 2024	Responsible for managing marketing operations, sales management and post-marketing medical management
Mr. HU Fan (胡帆)	44	Vice President of Channel and Distribution	November 11, 2024	November 11, 2024	Responsible for managing the overall operation of the channel and distribution department
Ms. QU Junhua (曲俊華)	56	Vice President of Supply Chain	March 3, 1998	December 2, 2024	Responsible for managing the quality and quantity of all products supplied, and overseeing the entire chain from supplier to patient in order to guarantee compliance, stability, and efficiency

Dr. CHEN Peng-Hsuan (陳鵬亘), aged 47, is the executive Director and Chief Executive Officer of our Company. For his biography, see “— Board of Directors — Executive Director” in this section.

DIRECTORS AND SENIOR MANAGEMENT

Mr. ZHANG Jiong (張炯), aged 49, has been serving as the Chief Financial Officer of our Company since November 2024. He was also appointed as the director in our subsidiary, NeuroGen Singapore in November 2025. Mr. Zhang is mainly responsible for the overall financial strategy, corporate finance and capital management of our Group. Mr. Zhang has more than 25 years of experience in financial management, tax planning, investment, mergers and acquisitions, corporate financing and restructuring.

Mr. Zhang began his career at PricewaterhouseCoopers Zhong Tian LLP (PwC) in July 1998. From January 2006 to July 2023, he worked at Shanghai branch of PricewaterhouseCoopers Consultants (Shenzhen) Co., Ltd. (普華永道諮詢(深圳)有限公司), where he was responsible for leading various domestic and cross-border investment advisory projects. From August 2023 to November 2024, he served as a member of the group management team and chief economist at Hongshi Holding Group Co., Ltd. (紅獅控股集團有限公司). Since February 2025, Mr. Zhang has also been serving as an independent director of Akrostar Technology Co., Ltd. (芯耀輝科技股份有限公司).

Mr. Zhang obtained a bachelor’s degree in international economics from Fudan University (復旦大學) in Shanghai, China in July 1998.

Mr. YANG Zecheng (楊澤成), aged 48, has been serving as the Vice President of Sales and Marketing of our Company since December 2024. In July 2025, he was appointed as the director, manager and legal representative at our subsidiary, Neurogen Shanghai Trading. Mr. Yang is primarily responsible for managing marketing operations, sales management and post-marketing medical management. He has more than 20 years of experience in pharmaceutical marketing management.

Prior to joining our Group, Mr. Yang worked at AstraZeneca Pharmaceutical Co., Ltd (阿斯利康製藥有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN) from June 2005 to November 2024, with his last position as the executive director of regional sales. Prior to that, he served as medical sales representative at AstraZeneca (Wuxi) Trading Co., Ltd. (阿斯利康(無錫)貿易有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN) from March 2001 to February 2003.

Mr. Yang obtained a college diploma in integrative medicine from Anhui University of Chinese Medicine (安徽中醫藥大學) in Hefei, China in July 1999.

Mr. HU Fan (胡帆), aged 44, has been serving as the Vice President of Channel and Distribution of our Company since November 2024. In December 2025, he was appointed as the director, manager and legal representative at our subsidiary based in Shanghai. Mr. Hu is primarily responsible for managing the overall operation of the channel and distribution department. He has more than 20 years of experience in pharmaceutical commercial channel management, out-of-hospital marketing and multi-channel business innovation.

From April 2008 to October 2012, he served as a chain-store sales manager at Pfizer Investment Co., Ltd. (輝瑞投資有限公司), a subsidiary of Pfizer Inc. (NYSE: PFE). He subsequently served as deputy director of retail business at AstraZeneca (Wuxi) Trading Co., Ltd. (阿斯利康(無錫)貿易有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN) from November 2012 to August 2019. From October 2019 to November 2021, he worked at Sandoz (China) Pharmaceutical Co., Ltd. (山德士(中國)製藥有限公司) (currently known as Aspen (Guangdong) Pharmaceutical Co., Ltd. (愛施健(廣東)製藥有限公司), a subsidiary of Aspen Pharmacare Holdings Limited (JSE: APN)). From November 2021 to March 2023, he worked as deputy general manager at Shanghai Jijia Investment Co., Ltd. (上海濟嘉投資有限公司), a subsidiary of Hubei Jumpcan Pharmaceutical Co., Ltd. (湖北濟川藥業股份有限公司) (SSE: 600566). From April 2023 to November 2024, he worked at Tsumura (China) Inc. (津村(中國)有限公司), responsible for Tsumura’s formulation business in China.

Mr. Hu obtained a bachelor’s degree in integrated traditional Chinese and western medicine in clinical medicine from Anhui University of Chinese Medicine (安徽中醫藥大學) in Hefei, China in June 2003.

DIRECTORS AND SENIOR MANAGEMENT

Ms. QU Junhua (曲俊華), aged 56, is the Vice President of Supply Chain of our Company. Ms. Qu joined our Group as the quality assurance manager and the technical director at our subsidiaries in March 1998, and was re-designated as the plant director in June 2008. Ms. Qu has been serving as our Vice President of Supply Chain since December 2024, primarily responsible for managing the quality and quantity of all products supplied, and overseeing the entire chain from supplier to patient in order to guarantee compliance, stability, and efficiency. She has more than 30 years of experience in pharmaceutical manufacturing, supply chain and quality management.

Ms. Qu began her career at Guangzhou Pharmaceutical Factory (廣州製藥廠) from July 1992 to November 1994. From January 1995 to September 1995, she worked at Ranbaxy (Guangzhou China) Limited (蘭伯西(廣州中國)有限公司) (currently known as Guangzhou Nucien Pharmaceutical Co., Ltd. (廣州南新製藥有限公司)). From May 1996 to February 1998, she served at Schering (Guangzhou) Pharmaceutical Co., Ltd. (先靈(廣州)藥業有限公司).

Ms. Qu obtained a bachelor's degree in chemistry from Sun Yat-sen University (中山大學) in Guangzhou, China in July 1992.

JOINT COMPANY SECRETARIES

Ms. WANG Lu (王璐), aged 40, has been serving as the general counsel of our Company since November 2024, and has been appointed as one of the joint company secretaries of our Company with effect from the [REDACTED].

Ms. Wang began her career as an associate at King & Wood (金杜律師事務所) from July 2007 to February 2011, where she supported cross-border transactions, foreign direct investments and general corporate advisory. From February 2011 to July 2013 and September 2014 to November 2017, she worked as an associate at Pillsbury Winthrop Shaw Pittman LLP Shanghai Office, focusing on cross-border transactions and private equity investments, as well as handling general corporate affairs and compliance consulting. Afterwards, she joined Shanghai Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), a subsidiary of Fosun International Limited (HKEX: 656), from November 2017 to May 2020, where she served as senior legal director responsible for leading legal support for major investment and financing, merger and acquisitions, as well as coordinating post-investment management and major dispute resolutions. From July 2020 to November 2024, she served as legal director at CBC Group, where she counseled on private equity and debt investments, led fund establishment and capital raising, and supervised post-investment management and compliance risk control system.

Ms. Wang obtained a bachelor of laws degree from Fudan University (復旦大學) in Shanghai, China in July 2007, and a master of laws degree from the University of Pennsylvania in Philadelphia, Pennsylvania, United States in May 2014.

Ms. MAK Sin Ki (麥善琪) is one of the joint company secretaries of the Company. Ms. Mak has over seven years of experience in company secretarial and corporate governance. She obtained her bachelor's degree in Chinese and bilingual studies from The Hong Kong Polytechnic University in Hong Kong and her master's degree in professional accounting and corporate governance from City University of Hong Kong in Hong Kong. Ms. Mak is a chartered secretary, chartered governance professional, and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She also holds the Practitioner's Endorsement from The Hong Kong Chartered Governance Institute.

BOARD COMMITTEES

Our Company has established four committees, including the Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee comprises three independent non-executive Directors, namely, Mr. HUNG Ting On John, Mr. HUANG Peter Xiaopei, and Ms. YAN Li Yun. Mr. HUNG Ting On John is the chairperson of the Audit Committee. He holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the Board.

Remuneration Committee

We have established the Remuneration Committee in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee comprises one non-executive Director and two independent non-executive Directors, namely, Mr. SUN Xin, Mr. JIANG Wei and Mr. HUANG Peter Xiaopei. Mr. JIANG Wei is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

Nomination Committee

We have established the Nomination Committee in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee comprises one non-executive Director who is also the chairperson of our Board, and two independent non-executive Directors, namely, Mr. FU Wei, Mr. JIANG Wei and Ms. YAN Li Yun. Mr. FU Wei is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and management of Board succession.

Strategy Committee

We have established the Strategy Committee with written terms of reference. The Strategy Committee comprises five members, namely Dr. CHEN Peng-Hsuan, Mr. SUN Xin, Mr. CAMPBELL Grant Fergus, Mr. HUANG Hai and Mr. JIANG Wei, with Dr. CHEN Peng-Hsuan as the chairperson of the Strategy Committee. The primary duties of the Strategy Committee are to make recommendations to our Board on the long-term development strategy and major investments and projects of our Company.

REMUNERATION OF OUR DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Our Directors and senior management receive remuneration, including basic annual payments and performance-related annual payments, including fees, salaries, allowances and benefits in kind, performance related bonuses, equity-settled share-based payment expenses, pension scheme contributions and social welfare.

The aggregate amount of remuneration for our Directors for the period from June 11, 2024 to December 31, 2024 and for the year ended December 31, 2025 was approximately RMB4.4 million and RMB21.2 million, respectively.

DIRECTORS AND SENIOR MANAGEMENT

The five highest paid employees for the period from June 11, 2024 to December 31, 2024 and for the year ended December 31, 2025 included one and one Director, respectively. The aggregate amount of remuneration for the remaining four and four highest paid individuals of our Group, who is neither a Director nor chief executive of our Company, for the period from June 11, 2024 to December 31, 2024 and for the year ended December 31, 2025 was approximately RMB3.7 million and RMB19.8 million, respectively.

According to existing effective arrangements, the total amount of remuneration (excluding any possible payment of discretionary bonus) shall be paid by us to our Directors for the financial year ending December 31, 2026 is expected to be approximately RMB4.8 million.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group, (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals for the loss of office as director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group, and (iii) none of our Directors waived any emoluments.

Our Board will review and determine the remuneration and compensation package of our Directors and senior management and will, following the [REDACTED], receive recommendation from the Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

Save as disclosed above and in Appendix IA to this document, no other payments have been made or are payable in respect of the three years ended December 31, 2025 by our Group to the Directors and senior management.

COMPLIANCE ADVISOR

We have appointed Altus Capital Limited as our compliance advisor (the “**Compliance Advisor**”) pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Advisor will advise our Company in certain circumstances including: (a) before the publication of any regulatory announcement, circular, or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases; and (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of appointment of our Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

CORPORATE GOVERNANCE

We have adopted certain corporate governance measures in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). We aim to achieve high standards of corporate governance which are crucial to our development and safeguard

DIRECTORS AND SENIOR MANAGEMENT

the interests of our Shareholders. In order to accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules in all materials aspects after the [REDACTED].

BOARD DIVERSITY POLICY

Our board diversity policy (the “**Board Diversity Policy**”) sets out our objectives and approach to achieve and maintain diversity of the Board. Pursuant to the Board Diversity Policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to the Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

Our Directors have a balanced mix of knowledge and skills. They obtained degrees in various majors including but not limited to medicine, biological sciences, biochemistry, electronical and electronic engineering, finance and law. Furthermore, the Board possesses members spanning a wide range of ages, from 44 years old to 65 years old as of the Latest Practicable Date. Our Company has reviewed the membership, structure and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operation.

Besides, we recognize the particular importance of gender diversity. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. Currently, we have one female Director, namely Ms. YAN Li Yun. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments to help achieve greater gender diversity in accordance with stakeholder expectations and recommended best practices. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies the Board Diversity Policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

CONFIRMATIONS

1. Save as disclosed above, none of our Directors or senior management members has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document.
2. Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.
3. As of the Latest Practicable Date, save for the interests in the Shares held by certain of our Directors, which are disclosed in “Appendix V — Statutory and General Information — D. Further Information about Our Directors, Chief Executive and Substantial Shareholders — 1. Disclosure of Interest”, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

DIRECTORS AND SENIOR MANAGEMENT

4. As of the Latest Practicable Date, none of our Directors or senior management are related to other Directors or senior management of our Company.
5. According to Rule 3.09D of the Listing Rules, each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.
6. According to Rule 3.13 of the Listing Rules, each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.
7. From time to time our non-executive Directors and independent non-executive Directors may serve on the boards of both private and public companies within the pharmaceutical industries. Among them, Mr. FU Wei and Mr. SUN Xin currently has been serving as the directors in CBC portfolio companies and Mr. CAMPBELL Grant Fergus currently has been serving as the director at Mubadala Investment Company. However, as these non-executive Directors are not members of our executive management team, while CBC Group and Mubadala do not engage in businesses that directly compete with ours (for further details, please see “Relationship with Our Controlling Shareholders — Clear Delineation of Business”), we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these non-executive Directors and independent non-executive Directors may hold directorships from time to time.

PRE-[REDACTED] EQUITY INCENTIVE PLAN

Our Company adopted the Pre-[REDACTED] Equity Incentive Plan. See “Statutory and General Information — C. Share Incentive Plan” in Appendix V to this document for details.

SUBSTANTIAL SHAREHOLDERS

So far as is known to our Directors, immediately after the [REDACTED], assuming the [REDACTED] is not exercised, the following persons are expected to have an interest and/or short positions in our Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who, directly or indirectly, is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of any member of our Group:

Name	Nature of interest ⁽¹⁾	Shares held as of the Latest Practicable Date		Shares held immediately after the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Number of Shares	Approximate percentage of interest in our Company	Number of Shares ⁽⁴⁾	Approximate percentage of interest in our Company
Mr. FU Wei	Founder of a trust ⁽²⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
	Beneficiary of a trust ⁽²⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
	Interest in controlled corporation ⁽²⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
C-Bridge V Investment Fifteen Limited	Beneficial owner ⁽²⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
C-Bridge V Investment Holdings Pte. Ltd.	Interest in controlled corporation ⁽²⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
ATIC Second International Investment Company LLC	Beneficial owner ⁽³⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
Mubadala Technology Investments (Mubadala Technology) LLC	Interest in controlled corporation ⁽³⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
Mamoura Diversified Global Holding PJSC	Interest in controlled corporation ⁽³⁾	230,000,000	47.62%	280,000,000	[REDACTED]%
Mubadala Investment Company PJSC	Interest in controlled corporation ⁽³⁾	230,000,000	47.62%	280,000,000	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) C-Bridge V Investment Fifteen Limited is owned as to 67.83% by C-Bridge V Investment Holdings Pte. Ltd. and 20.00% by C-Bridge IV Investment Twenty-three Limited.

C-Bridge V Investment Holdings Pte. Ltd. is wholly owned by C-Bridge Healthcare Fund V, L.P., which is controlled by its general partner, C-Bridge Healthcare Fund GP V, L.P. The general partner of C-Bridge Healthcare Fund GP V, L.P. is C-Bridge Capital GP V Ltd., which is wholly controlled by Nova Aqua Limited. Nova Aqua Limited is held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. FU Wei as settlor for the benefit of Mr. FU Wei and his family. C-Bridge IV Investment Twenty-three Limited is wholly owned by Shanghai Kangzhichuan Enterprise Management Consulting Partnership (Limited Partnership) (上海康之川企業管理諮詢合夥企業(有限合伙)) (“**Shanghai Kangzhichuan**”), whose general partner, Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司) (“**Shanghai Kangshida**”), is wholly owned by CBC Group (HK) Limited. CBC Group (HK) Limited is in turn owned as to 92.5% by Nova Aqua Limited and is therefore controlled by Mr. FU Wei. None of the single limited partners of C-Bridge Healthcare Fund V, L.P., C-Bridge Healthcare Fund GP V, L.P., and Shanghai Kangzhichuan holds more than 30% interest therein. Therefore, each of (i) C-Bridge V Investment Holdings Pte. Ltd, (ii) C-Bridge Healthcare Fund V, L.P., (iii) C-Bridge Healthcare Fund GP V, L.P., (iv) C-Bridge Capital GP V, Ltd., (v) Nova Aqua Limited, (vi) Vistra Trust (Singapore) Pte. Limited, (vii) C-Bridge IV Investment Twenty-three Limited, (viii) Shanghai Kangzhichuan, (ix) Shanghai Kangshida, (xi) CBC Group (HK) Limited, and (xii) Mr. FU Wei is deemed interested in all the Shares held by C-Bridge V Investment Fifteen Limited under the SFO.

SUBSTANTIAL SHAREHOLDERS

- (3) ATIC Second International Investment Company LLC is wholly owned by Mubadala Technology Investments (Mubadala Technology) LLC, which is in turn wholly owned by Mamoura Diversified Global Holding PJSC. Mamoura Diversified Global Holding PJSC is wholly owned by Mubadala Investment Company PJSC, whose sole shareholder is the Government of Abu Dhabi, although Mubadala Investment Company PJSC is not controlled by the Government of Abu Dhabi for the purposes of the SFO. Therefore, each of Mubadala Technology Investments (Mubadala Technology) LLC, Mamoura Diversified Global Holding PJSC, and Mubadala Investment Company PJSC is deemed to be interested in all the Shares held by ATIC Second International Investment Company LLC under the SFO.
- (4) Assuming that the full amount of the proposed capital injection under the Share Subscription Agreement will be completed on or before August 15, 2026, pursuant to which each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will subscribe for 50,000,000 Shares for an aggregate subscription price of US\$50.0 million. For details, please see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — Capital Injection by Existing Shareholders”.

Except as disclosed above, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have any interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of any member of our Group.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized share capital of our Company as of the Latest Practicable Date and the issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately after the [REDACTED].

1. Share Capital as of the Latest Practicable Date

(i) Authorized Share Capital

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)
Ordinary Shares of par value US\$1.00 each	583,000,000	583,000,000
Total	583,000,000	583,000,000

(ii) Issued Share Capital

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)
Ordinary Shares of par value US\$1.00 each	483,000,000	483,000,000
Total	483,000,000	483,000,000

2. Share Capital Immediately Following the Completion of the [REDACTED]

(i) Authorized Share Capital

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)
Ordinary Shares of par value US\$1.00 each	[REDACTED]	[REDACTED]

(ii) Issued Share Capital

Assuming the [REDACTED] is not exercised, the issued share capital of our Company immediately following the completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage to total issued share capital (%)
Shares in issue	583,000,000 ⁽¹⁾	583,000,000 ⁽¹⁾	[REDACTED]%
Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[REDACTED]	100.00%

Notes:

- (1) Assuming that the full amount of the proposed capital injection under the Share Subscription Agreement will be completed on or before August 15, 2026, pursuant to which each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will subscribe for 50,000,000 Shares for an aggregate subscription price of US\$50.0 million. For details, please see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — Capital Injection by Existing Shareholders”.

SHARE CAPITAL

Assuming the [REDACTED] is exercised in full, the issued share capital of our Company immediately following the completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Approximate aggregate nominal value of Shares (US\$)	Approximate percentage to total issued share capital (%)
Shares in issue	583,000,000 ⁽¹⁾	583,000,000 ⁽¹⁾	[REDACTED]%
Shares to be issued under the [REDACTED] (excluding Shares that may be issued pursuant to the exercise of the [REDACTED])	[REDACTED]	[REDACTED]	[REDACTED]%
Shares to be issued pursuant to the exercise of the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>100.0%</u>

Notes:

- (1) Assuming that the full amount of the proposed capital injection under the Share Subscription Agreement will be completed on or before August 15, 2026, pursuant to which each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will subscribe for 50,000,000 Shares for an aggregate subscription price of US\$50.0 million. For details, please see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — Capital Injection by Existing Shareholders”.

ASSUMPTIONS

The above table assumes that the [REDACTED] becomes unconditional, that the Shares are issued pursuant to the [REDACTED]. The above tables do not take into account any Shares which may be allotted, issued or repurchased by the Company under the general mandates granted to our Directors as referred to below.

RANKING

The [REDACTED] are Shares in the share capital of our Company and rank *pari passu* with all Shares currently in issue or to be issued and, in particular, will rank equally for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company may, by an ordinary resolution of its members, if so authorized by Memorandum of Association and Articles of Association and subject to the provisions of the Companies Act (a) increase its authorized share capital; (b) consolidate or divide all or any of its share capital into Shares of larger or smaller amount than its existing Shares; (c) divide its unissued Shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; (d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association; (e) cancel any Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled; (f) make provision for the issue and allotment of Shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; (h) reduce its share premium account in any manner authorised, and subject to any conditions prescribed by law; and (i) convert any fully paid Shares into stock, and may from time to time by like resolution reconvert any stock into fully paid Shares of any denomination. Subject to the provisions of the Companies Act, a company limited by shares may, if so authorized by its articles of association, by special resolution, reduce its share capital in any way. For details, see “Summary of the Constitution of our Company and Cayman Islands Company Law — 3. Cayman Islands Company Law” in Appendix III to this document.

SHARE CAPITAL

As a matter of the Companies Act, an exempted company is not required by law to hold any general meetings or class meetings. The holding of general meetings or class meetings is prescribed for under the Articles of Association. Accordingly, our Company will hold general meetings and class meetings as prescribed for under the Articles of Association, a summary of which is set forth in “Summary of the Constitution of our Company and Cayman Islands Company Law — 2. Articles of Association” in Appendix III to this document.

PRE-[REDACTED] SHARE SCHEME

As of the Latest Practicable Date, we had one pre-[REDACTED] share scheme, namely the Pre-[REDACTED] Equity Incentive Plan. For further details of the share incentive scheme, see “Appendix V — Statutory and General Information — C. Share Incentive Plan.” to this document.

GENERAL MANDATE TO ISSUE SHARES AND SELL OR TRANSFER TREASURY SHARES

Subject to the [REDACTED] becoming unconditional, our Directors [have been granted] a general mandate to allot, issue and deal with any Shares or securities convertible into Shares (including the sale or transfer of Treasury Shares) of not more than the sum of:

- (a) [20]% of the total number of Shares in issue (excluding Treasury Shares if any) immediately following completion of the [REDACTED] (but excluding any Shares which may be issued pursuant to the exercise of the [REDACTED]); and
- (b) the total number of Shares repurchased by our Company pursuant to the authority referred to in [“— General Mandate to Repurchase Shares”] below.

This general mandate to issue Shares will remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;
- (b) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the Memorandum and Articles of Association; or
- (c) the passing of an ordinary resolution by Shareholders in a general meeting revoking or varying the authority.

See “Appendix V — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Shareholders of Our Company Passed on [●]” to this document for further details of the general mandate to issue Shares.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors [have been granted] a general mandate to repurchase our own Shares up to [10]% of the total number of Shares in issue (excluding Treasury Shares if any) immediately following completion of the [REDACTED] (excluding any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED], if any).

This repurchase mandate only relates to repurchases on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, and in accordance with all applicable laws and the requirements under the Listing Rules or equivalent rules or regulations of any other stock exchange as amended from time to time.

SHARE CAPITAL

This general mandate to repurchase Shares will remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;
- (b) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the Memorandum and Articles of Association; or
- (c) the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

See “Appendix V— Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Shareholders of Our Company Passed on [●]” to this document for further details of the general mandate to repurchase Shares.

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You should read the following discussion and analysis in conjunction with the consolidated financial statements of our Group, together with the accompanying notes, for the Period from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025, set forth in Appendix IA to this document, the financial statements of NeuroGen Zhuhai together with the accompanying notes, for the year ended December 31, 2023, 2024 and 2025, respectively, set forth in Appendix IB to this document, and the financial statements of NeuroGen Zhuhai together with the accompanying notes, for the year ended December 31, 2023, and the period of January 1, 2024 to November 29, 2024. The financial statements included in the Accountants’ Reports in Appendices IA, IB, and IC have been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants’ Reports and not rely solely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual performance may differ materially from those anticipated in these forward-looking statements, as a result of various risks and uncertainties over which we do not have full control. For details, see “Forward-looking Statements” and “Risk Factors” in this document.

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 and Zyrtec, 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.

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 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. 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.

During the Track Record Period, NeuroGen Zhuhai and our Group generated revenue primarily from the sales of pharmaceutical products and, to a lesser extent, service income. For the years ended December 31, 2023, 2024 and 2025, NeuroGen Zhuhai recorded revenue from the sales of pharmaceutical products of RMB921.3 million, RMB920.4 million and RMB1,151.6 million, respectively, representing 98.5%, 98.4% and 100.0% of NeuroGen Zhuhai’s total revenue in the corresponding years. For the 2024 Period and the year ended December 31, 2025, our Group recorded revenue from the sales of pharmaceutical products of RMB12.1 million and RMB1,319.2 million, respectively, representing 100.0% and 100.0% of our Group’s total revenue in the corresponding periods.

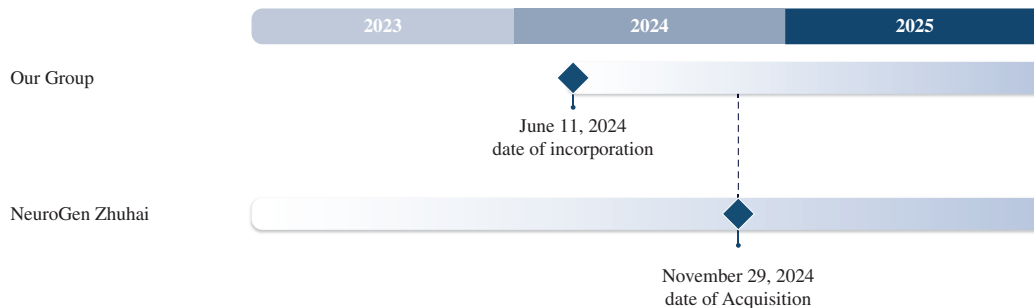
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BASIS OF PRESENTATION AND PREPARATION

Our Company was incorporated as a BVI business company in the British Virgin Islands on June 11, 2024 and was re-domiciled from the British Virgin Islands to the Cayman Islands and was registered by way of continuation as an exempted company with limited liability under the laws of the Cayman Islands on April 30, 2026. During the period from June 11, 2024 to November 29, 2024, the Group had no significant operations. On November 29, 2024, our Company, through its wholly-owned subsidiary NeuroGen HK, completed the acquisition of UCB’s mature neurology and allergy business in China, including UCB Zhuhai, thereby bringing UCB’s mature neurology and allergy business in China under our Group. For a summary of the history of our Company, please see “History and Corporate Structure.”

The presentation of our financial information in this document is impacted by the Acquisition that has occurred during the Track Record Period. NeuroGen Zhuhai, through which the principal business of the Group was conducted during the Track Record Period, came under our control on November 29, 2024. Therefore, the financial information of NeuroGen Zhuhai for (i) the years ended December 31, 2023, 2024 and 2025 is prepared and set forth in the financial statements in Appendix IB to this document, and (ii) the year ended December 31, 2023 and the period from January 1, 2024 to November 29, 2024, which represents the pre-acquisition financial statements of NeuroGen Zhuhai in accordance with the requirement of Rule 4.05A of the Listing Rules, is prepared and set forth in the financial statements in Appendix IC to this document.

The following diagram illustrates the presentation of our financial information as a result of the Acquisition of our Group and NeuroGen Zhuhai.



This document includes three Accountants’ Reports set forth as Appendices IA, IB and IC, respectively. In particular:

- Appendix IA sets forth the consolidated financial statements of our Group, together with the accompanying notes, for the period from June 11, 2024, the date of the incorporation of our Company, to December 31, 2024 and for the year ended December 31, 2025, which includes the financial results of NeuroGen Zhuhai since the Acquisition on November 29, 2024.
- Appendix IB sets forth the financial statements of NeuroGen Zhuhai, together with the accompanying notes, for the year ended December 31, 2023, 2024 and 2025, respectively; and
- Appendix IC sets forth the financial statements of NeuroGen Zhuhai, together with the accompanying notes, for the year ended December 31, 2023 and the period from January 1, 2024 to November 29, 2024, respectively.

Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) Accounting Standards as issued by the International Accounting Standards Board (“IASB”). For the purpose of preparing this Historical Financial Information, we have adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective during the Track Record Period. The Historical Financial Information also complies with the applicable disclosure provisions of the Listing

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Rules. For details, see Note 2 to the Accountants’ Report set out in Appendix IA to this document regarding our Group, Note 2 to the Accountants’ Report set out in Appendix IB to this document regarding NeuroGen Zhuhai and Note 2 to the Accountants’ Report set out in Appendix IC to this document regarding NeuroGen Zhuhai.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

The Growth of the Pharmaceutical Market and Our Major Therapeutic Areas

Our financial performance and future growth are underpinned by the overall growth of China’s healthcare and pharmaceutical markets, especially in the central nervous system (“CNS”) and allergic sectors. According to Frost & Sullivan, driven by population growth, aging demographics, increased public awareness of health, the enhancement of healthcare insurance systems, increasingly favorable national reimbursement policies and the expansion of out-of-hospital access and improved patient adherence, the market for out-of-hospital CNS drugs in China is expected to experience notable growth trend, increasing from RMB61.3 billion in 2020 to RMB76.6 billion in 2024 at a CAGR of 5.7%, and is expected to reach RMB145.2 billion by 2035 at a CAGR of 6.0% from 2024 to 2035. Driven by the rising prevalence of allergic diseases, increasing disease awareness and improved diagnostic capabilities, and expanded healthcare accessibility and expansion of out-of-hospital channels, the market for out-of-hospital antihistamines for allergic diseases in China grew from RMB3.7 billion in 2020 to RMB6.6 billion in 2024 at a CAGR of 15.8%, and is expected to further expand to RMB14.2 billion in 2035, representing a CAGR of 7.3% from 2024 to 2035.

Leveraging our differentiated portfolio that balances near-term commercial momentum with long-term innovation potential, we experienced substantial revenue growth during the Track Record Period. We believe we are well positioned to benefit from the positive industry trends with our comprehensive product and product candidate portfolios, as well as our collaboration arrangements with other critical industry players.

Our Ability to Successfully Commercialize and Expand Market Share for Our Pharmaceutical Products

During the Track Record Period, NeuroGen Zhuhai generated revenue from sales of pharmaceutical products of RMB921.3 million, RMB920.4 million and RMB1,151.6 million, respectively, accounting for 98.5%, 98.4% and 100.0% of NeuroGen Zhuhai’s total revenue in the corresponding years. In parallel, our Group generated revenue from sales of pharmaceutical products of RMB12.1 million and RMB1,319.2 million in the 2024 Period and 2025, respectively, accounting for 100.0% and 100.0% of our Group’s total revenue in the corresponding periods. Anchored in the sales of Keppra, Vimpat and other commercialized pharmaceutical products, we focus on leveraging the characteristics of our pharmaceutical products to expand the profit growth while reinvesting returns to sustain the growth and expand our pipeline products. Our ability to expand our pharmaceutical sales business depends on our ability to continuously launch new drug candidates and expand market share for our pharmaceutical products.

Our ability to successfully launch new drug candidates depends on the timely progression of candidates through preclinical research, clinical development and regulatory approval processes, as well as our capability to scale up manufacturing and execute commercialization plans following approval. Delays or setbacks at any stage of development, approval or market introduction may adversely affect the timing and magnitude of revenue contribution from new products. Our growth-stage assets include innovative non-opioid pain therapies such as NG1706 and NG1806, which reflect our efforts to expand into pain management with differentiated product candidates that address both clinical need and broader treatment trends.

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Our financial results are also affected by our ability to expand the market share of our existing products. As of the Latest Practicable Date, our differentiated product portfolio comprised of six approved products. Key drivers include increasing physician awareness and prescription adoption, expanding hospital and out-of-hospital channel coverage, improving patient access and affordability, and reinforcing the clinical positioning of products through real-world evidence and post-marketing studies. In addition, effective sales execution, competitive pricing strategies and lifecycle management initiatives may further support broader market penetration and sustained revenue growth. We are actively implementing commercial strategies for each product by leveraging government-funded medical reimbursement programs, particularly the NRDL, as well as out-of-hospital channel sales. As of December 31, 2025, four of our approved 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.

Going forward, we believe that our diversified pipeline of drug candidates, together with our portfolio of commercialized products, will continue to serve as the primary drivers of our revenue generation and business growth. By advancing the development and commercialization of our pipeline candidates while expanding the market penetration of existing products, we aim to build a sustainable growth foundation for our pharmaceutical operations.

Our Collaboration Arrangements with Critical Industry Players

Our ability to diversify our revenue streams is supported by the strength of our product portfolio and our established commercialization capabilities. Building on the clinical value and market competitiveness of our products, we are able to collaborate with industry partners beyond pharmaceutical sales, thereby monetizing our capabilities through multiple commercial models. Through our collaboration with critical industry players such as Hui Zhong Ji Shi and Sinopeak, under which we obtained the exclusive rights to develop, register and commercialize relevant products across Greater China, allowing us to leverage their established sales networks and channel coverage to expand the market share of our product.

At the same time, the expansion of our collaboration arrangements with industry partners may result in an increase in our operating costs and expenses. As we broaden the scope and depth of such collaborations, we may incur additional promotion and service-related costs, including expenses associated with market development activities, as well as incremental R&D expenditures to support product positioning, lifecycle management and collaboration-specific requirements. While such expanded collaborations may exert pressure on our cost structure in the early collaboration stage to gain market share, we believe that these investments are instrumental to enhancing the long-term value of our product portfolio and supporting the sustainable growth of our business over time.

Our Ability to Effectively Control Our Costs and Expenses

Our profitability depends in part on our ability to manage costs and enhance operating efficiency. The profit of NeuroGen Zhuhai amounted to RMB60.4 million, RMB31.0 million and RMB153.7 million in 2023, 2024 and 2025, respectively. Our Group’s turned loss of RMB101.0 million into profit of RMB152.7 million in the 2024 Period and 2025, respectively. Our cost of sales consisted primarily of raw material costs, staff costs and depreciation and amortization, the fluctuations in which may directly affect our gross profit margin. As we strive to expand sales of our commercialized products while pursuing effective cost control measures, we aim to maintain profitability while steadily increasing investment in our innovation-focused pipeline.

The operating expenses of NeuroGen Zhuhai include selling and distribution expenses and general and administrative expenses, which amounted to RMB337.6 million, RMB380.1 million and RMB341.8 million in 2023, 2024 and 2025, respectively. The selling and distribution expenses of NeuroGen Zhuhai amounted to RMB286.9 million, RMB310.6 million and RMB252.2 million, respectively, accounting for 30.6%, 33.2% and 21.9% of its total revenue for the same periods, respectively, reflecting our improved cost control efforts through the establishment of our sales team following the Acquisition. In parallel, our Group’s operating expenses include selling and distribution expenses, research and development expenses,

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and general and administrative expenses, where selling and distribution expenses constituted a significant portion of our operating expenses. Our profitability was also influenced by the fluctuations of our selling and distribution expenses. Specifically, NeuroGen Zhuhai incurred substantial staff costs of RMB119.4 million, RMB122.9 million and RMB63.4 million in 2023, 2024 and 2025, respectively, accounting for 12.8%, 13.1% and 5.5% of NeuroGen Zhuhai’s total revenue in the same years. Our Group incurred substantial staff costs of RMB31.6 million and RMB261.4 million in the 2024 Period and 2025, respectively, accounting for 260.5% and 19.8% of our total revenue in the same periods, respectively. We expect to continue to incur substantial staff costs, including share-based compensation, to further retain, recruit and incentivize talents to support our business growth. As we expand our business scale, we expect the absolute amounts of our cost of sales and operating expenses will increase in the near term, and we believe such investment will ultimately translate into our business growth and enhanced economies of scale.

MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

The preparation of historical financial statements in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Set out below is a summary of the material accounting policies on our revenue recognition. For a detailed description of the material accounting policies judgements and estimates which we believe are most important for understanding our results of operations and financial condition, see Note 4 to Note 6 to the Accountants’ Report set out in Appendix IA to this document, Note 4 to Note 6 to the Accountants’ Report set out in Appendix IB to this document and Note 4 to Note 6 to the Accountants’ Report set out in Appendix IC to this document.

Material Accounting Policies on Revenue Recognition

Sales of pharmaceutical products

For the sale of pharmaceutical products, revenue from the sales of products is recognized when control of the products has transferred, being when the goods have been delivered to the customer’s specific location and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Under our standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery. For sales through distributors, revenue is recognized when control of the goods is transferred, being when the goods have been delivered to the specified location designated by the customers, or upon handed over to the distributor’s designated carrier.

For contracts that contain variable consideration (e.g., volume rebates), we estimate the amount of consideration to which we will be entitled using the expected value method, which better predicts the amount of consideration to which we will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. As of the end of each period during the Track Record Period, we update the estimated transaction price, including updating our assessment of whether an estimate of variable consideration is constrained, to represent faithfully the circumstances present as of the end of the Track Record Period and the changes in circumstances during the Track Record Period.

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Service income

We entered into services agreements with customers. For the services provided, our management has assessed and determined that the customers simultaneously receive and consume benefit provided by our performances. As a result, the performance obligation of service agreements is satisfied over time and revenue is recognized over the service period. The customers shall pay us amount for the services based on the cost incurred and markup based on cost.

DESCRIPTION OF SELECTED COMPONENTS OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

NeuroGen Zhuhai

The following table sets forth the statements of profit or loss and other comprehensive income of NeuroGen Zhuhai for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	935,643	100.0	934,942	100.0	1,151,646	100.0
Cost of sales	(511,592)	(54.7)	(509,613)	(54.5)	(600,491)	(52.1)
Gross profit	424,051	45.3	425,329	45.5	551,155	47.9
Other income	516	0.1	891	0.1	441	0.0
Other gains and losses, net	(4,327)	(0.5)	(2,137)	(0.2)	(2,836)	(0.2)
Selling and distribution expenses	(286,894)	(30.6)	(310,553)	(33.2)	(252,234)	(21.9)
General and administrative expenses	(50,697)	(5.4)	(69,563)	(7.5)	(89,555)	(7.8)
Finance costs	(1,618)	(0.2)	(1,971)	(0.2)	(2,010)	(0.2)
Profit before tax	81,031	8.7	41,996	4.5	204,961	17.8
Income tax expense	(20,668)	(2.2)	(11,037)	(1.2)	(51,304)	(4.5)
Profit for the period	60,363	6.5	30,959	3.3	153,657	13.3

Our Group

The following table sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	For the Period from June 11, 2024 to December 31, 2024		For the year ended December 31, 2025	
	RMB'000	%	RMB'000	%
Revenue	12,145	100.0	1,319,511	100.0
Cost of sales	(18,923)	(155.8)	(525,124)	(39.8)
Gross profit/(loss)	(6,778)	(55.8)	794,387	60.2
Other income	630	5.2	9,554	0.7
Other gains and losses, net	2,387	19.7	(17,768)	(1.3)
Selling and distribution expenses	(14,988)	(123.4)	(280,993)	(21.3)
Research and development expenses	—	—	(5,070)	(0.4)
General and administrative expenses	(89,162)	(734.2)	(169,842)	(12.9)
Finance costs	(10,506)	(86.5)	(123,634)	(9.3)
Profit/(loss) before tax	(118,417)	(975.0)	206,634	15.7
Income tax credit/(expense)	17,464	143.8	(53,937)	(4.1)
Profit/(loss) for the period	(100,953)	(831.2)	152,697	11.6

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Non-IFRS measures

Our consolidated financial information and NeuroGen Zhuhai’s information were both prepared in accordance with IFRSs. To supplement our consolidated results and NeuroGen Zhuhai’s results which are prepared and presented in accordance with IFRSs, we use adjusted net profit (non-IFRS measure), EBITDA (non-IFRS measure), and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items, such as certain non-cash or non-recurring items. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measure used by other companies.

We define adjusted net profit (non-IFRS measure) as profit/(loss) for the period, adjusted by adding back recognition of equity-settled share-based payment expenses, which are non-cash in nature, acquisition related expense, net of tax impact, which is non-operation and one-off in nature. We define EBITDA (non-IFRS measure) as profit/(loss) for the period adjusted by adding income tax, interest expense, amortization for acquired intangible assets and other depreciation and amortization. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) adjusted by adding back recognition of equity-settled share-based payment expenses and acquisition related expense. The following table reconciles the non-IFRS financial measures with their corresponding figures of our Group and NeuroGen Zhuhai presented in accordance with IFRS 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	%
Profit/(loss) for the period	60,363	6.5	30,959	3.3	153,657	13.3	(100,953)	(831.2)	152,697	11.6
Add:										
Recognition of equity-settled share-based payment expenses	—	—	—	—	240	0.0	3,774	31.1	18,136	1.4
Acquisition related expense, net of tax impact.	—	—	—	—	—	—	50,516	415.9	—	—
Adjusted net profit/(loss) (non-IFRS measure)	60,363	6.5	30,959	3.3	153,897	13.3	(46,663)	(384.2)	170,833	13.0
Profit/(loss) for the period	60,363	6.5	30,959	3.3	153,657	13.3	(100,953)	(831.2)	152,697	11.6
Add:										
Income tax	20,668	2.2	11,037	1.2	51,304	4.5	(17,464)	(143.8)	53,937	4.1
Interest expense	1,618	0.2	1,917	0.2	2,010	0.2	10,506	86.5	123,634	9.4
Depreciation and amortization	30,403	3.2	32,001	3.4	26,359	2.3	12,466	102.6	145,716	11.0
EBITDA (non-IFRS measure)	113,052	12.1	75,914	8.1	233,330	20.3	(95,445)	(785.9)	475,984	36.1
Add:										
Recognition of equity-settled share-based payment expenses	—	—	—	—	240	0.0	3,774	31.1	18,136	1.4
Acquisition related expense	—	—	—	—	—	—	55,265	455.0	—	—
Adjusted EBITDA (non-IFRS measure)	113,052	12.1	75,914	8.1	233,570	20.3	(36,406)	(299.8)	494,120	37.5

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Revenue

During the Track Record Period, NeuroGen Zhuhai and our Group generated revenue primarily from the sales of pharmaceutical products and, to a lesser extent, service income. 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		For the year ended	
	2023		2024		2025		June 11, 2024 to		December 31, 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.”

Cost of Sales

The cost of sales of NeuroGen Zhuhai and our Group primarily consisted of (i) material costs, (ii) depreciation and amortization, mainly in relation to property and equipment and intangible assets, (iii) staff costs, (iv) net inventory provision and write-off, and (v) royalties. The following table sets forth a breakdown of the cost of sales in absolute amounts and as a percentage of the total cost of sales for the periods indicated:

	NeuroGen Zhuhai						Our Group			
	For the year ended December 31,						For the Period from		For the year ended	
	2023		2024		2025		June 11, 2024 to		December 31, 2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sales of pharmaceutical products										
Material costs	334,255	65.3	196,221	38.5	231,572	38.6	8,904	47.1	302,132	57.5
Depreciation and amortization	17,588	3.4	15,151	3.0	14,664	2.4	9,746	51.5	133,779	25.5
Staff costs	13,785	2.7	20,406	4.0	28,159	4.7	92	0.5	28,159	5.4
Inventory provision/write-off, net	8,595	1.7	(2,652)	(0.5)	12,566	2.1	(49)	(0.3)	9,135	1.7
Royalties	99,161	19.4	237,356	46.6	281,351	46.9	—	—	15,542	3.0
Others	25,138	4.9	30,328	6.0	32,179	5.3	230	1.2	36,377	6.9
Service income										
Staff costs	11,046	2.2	11,747	2.3	—	—	—	—	—	—
Others	2,024	0.4	1,056	0.1	—	—	—	—	—	—
Total	511,592	100.0	509,613	100.0	600,491	100.0	18,923	100.0	525,124	100.0

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Note:

- (1) The royalties paid by NeuroGen Zhuhai represent (i) prior to the Acquisition, payments to UCB for the use of Keppra-related intellectual property rights; and (ii) after NeuroGen HK acquired the Acquired Assets pursuant to the Acquisition, payments to NeuroGen HK for the use of Keppra-related intellectual property rights. The royalties paid by our Group represent payments to UCB for using the trademark of Vimpat. For details, see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — 2024 Acquisition of UCB’s Mature Neurology and Allergy Business in China.”

Gross Profit/(Loss) and Gross Margin

NeuroGen Zhuhai recorded gross profit of RMB424.1 million, RMB425.3 million and RMB551.2 million in 2023, 2024 and 2025, respectively, representing a gross margin of 45.3%, 45.5% and 47.9% for the respective years. For the period from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025, our Group recorded a gross loss of RMB6.8 million and a gross profit of RMB794.4 million, respectively, representing a gross margin of negative 55.8% and a gross margin of 60.2% for the respective periods. The following table sets forth a breakdown of the gross profit/(loss) and gross margin 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					
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Loss	Gross Margin	Gross Profit	Gross Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sales of pharmaceutical products	422,813	45.9	423,605	46.0	551,155	47.9	(6,778)	(55.8)	794,060	60.2
Service income	1,238	8.7	1,724	11.9	—	—	—	—	327	100.0
Total	424,051	45.3	425,329	45.5	551,155	47.9	(6,778)	(55.8)	794,387	60.2

Other Income

During the Track Record Period, other income of NeuroGen Zhuhai and our Group consisted of (i) interest income from banks, which was earned from bank deposits, and (ii) others, mainly representing government grants related to income. The following table sets forth a breakdown of the other income in absolute amounts and as a percentage of total other income, 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	%
Interest income from banks	183	35.5	244	27.4	123	27.9	630	100.0	9,236	96.7
Others	333	64.5	647	72.6	318	72.1	—	—	318	3.3
Total	516	100.0	891	100.0	441	100.0	630	100.0	9,554	100.0

Other Gains and Losses, Net

The other net gains and losses of NeuroGen Zhuhai and our Group primarily consisted of (i) net foreign exchange losses/gains arising primarily from USD-denominated balances, and (ii) loss/gain on disposal of property and equipment, right-of-use assets and intangible assets. The following table sets forth a breakdown of the other gains and losses in absolute amounts and as a percentage of total other gains and losses for the periods indicated:

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	NeuroGen Zhuhai						Our Group			
	For the year ended December 31,						For the Period from		For the year ended	
	2023		2024		2025		June 11, 2024 to		December 31, 2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Net foreign exchange gains/(losses)	(41)	0.9	(20)	0.9	(47)	1.7	2,380	99.7	(15,484)	87.2
Gain/(losses) on disposal of property and equipment, right-of-use assets and intangible assets	(110)	2.5	(1,166)	54.6	(2,742)	96.7	7	0.3	(2,742)	15.4
Disposal of financial assets	(3,266)	75.6	(1,000)	46.8	—	—	—	—	—	—
Others	(910)	21.0	49	(2.3)	(47)	1.6	—	—	458	(2.6)
Total	(4,327)	100.0	(2,137)	100.0	(2,836)	100.0	2,387	100.0	(17,768)	100.0

Selling and Distribution Expenses

The selling and distribution expenses of NeuroGen Zhuhai and our Group primarily consisted of (i) staff cost, mainly representing salaries, allowances, benefits and share-based compensation for our sales and marketing personnel, (ii) marketing and promotion expenses, (iii) sales promotion service charges, and (iv) consulting and outsourcing service, mainly in relation to market research expenses and fees for outsourced sales personnel. The following table sets forth a breakdown of the selling and distribution expenses in absolute amounts and as a percentage of total selling and distribution expenses for the periods indicated:

	NeuroGen Zhuhai						Our Group			
	For the year ended December 31,						For the Period from		For the year ended	
	2023		2024		2025		June 11, 2024 to		December 31, 2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Staff cost	53,467	18.6	46,799	15.1	24,877	9.9	12,887	86.0	152,891	54.4
Marketing and promotion expenses	4,114	1.4	4,107	1.3	894	0.4	837	5.6	80,163	28.5
Sales promotion service charges ⁽¹⁾	225,110	78.5	256,376	82.6	225,485	89.4	—	—	38,204	13.6
Consulting and outsourcing service	479	0.2	129	0.0	617	0.2	227	1.5	6,682	2.4
Others	3,724	1.3	3,142	1.0	361	0.1	1,037	6.9	3,053	1.1
Total	286,894	100.0	310,553	100.0	252,234	100.0	14,988	100.0	280,993	100.0

Note:

- Sales promotion service charges primarily represents (i) prior to the Acquisition, service fees paid by NeuroGen Zhuhai to UCB for sales support and promotion services provided by UCB; and (ii) after the Acquisition, the engagement of contract sales organizations (“CSOs”) for the sales of our pharmaceutical products, and payments to NeuroGen Shanghai for sales support and promotion services provided by NeuroGen Shanghai.

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Research and Development Expenses

During the Track Record Period, NeuroGen Zhuhai did not record any research and development expenses. The research and development expenses of our Group primarily consisted of (i) outsourcing service fees for the engagement of CROs, and (ii) staff costs, mainly representing salaries, allowances and benefits for our R&D personnel. The following table sets forth a breakdown of the research and development expenses in absolute amounts and as a percentage of total research and development expenses for the periods indicated:

	For the Period from June 11, 2024 to December 31, 2024		For the year ended December 31, 2025	
	RMB'000	%	RMB'000	%
Outsourcing service fees	—	—	4,282	84.4
Staff cost	—	—	753	14.9
Others	—	—	35	0.7
Total	—	—	5,070	100.0

General and Administrative Expenses

The general and administrative expenses of NeuroGen Zhuhai and our Group primarily consisted of (i) staff cost, mainly representing salaries, allowances, benefits and share-based compensation for our administrative personnel, (ii) consulting and outsourcing service fees, mainly including the service fees for our legal advisors, auditors and other consulting service providers, (iii) depreciation and amortization for our office equipment and right-of-use assets in relation to our leased properties, (iv) office expenses, (v) Acquisition-related expenses, representing the service fees paid to third-parties in relation to the Acquisition, and (vi) general and administrative service charges representing expenses charged for shared administrative, financial and general management support services of NeuroGen Shanghai after the Acquisition. The following table sets forth a breakdown of the general and administrative expenses in absolute amounts and as a percentage of total general and administrative expenses for the period 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	%
Staff cost	31,801	62.7	36,921	53.1	10,795	12.1	16,812	18.9	79,958	47.1
Consulting and outsourcing service fees	3,356	6.6	12,495	18.0	17,923	20.0	12,537	14.0	55,747	32.8
Depreciation and amortization	8,880	17.5	11,618	16.7	12,430	13.9	895	1.0	12,672	7.5
Office expenses	4,282	8.5	3,371	4.8	9,197	10.3	153	0.2	10,548	6.2
Acquisition-related expenses	—	—	—	—	—	—	55,265	62.0	—	—
General and administrative service charges	—	—	—	—	35,052	39.1	—	—	—	—
Others	2,378	4.7	5,158	7.4	4,158	4.6	3,500	3.9	10,917	6.4
Total	50,697	100.0	69,563	100.0	89,555	100.0	89,162	100.0	169,842	100.0

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Finance Costs

The finance costs of NeuroGen Zhuhai represented the interest expenses on lease liabilities mainly in respect of the production plant of NeuroGen Zhuhai and our office premises in Shanghai. The finance costs of our Group consisted of (i) interest expenses on borrowings, and (ii) interest expenses on lease liabilities. The following table sets forth a breakdown of the finance costs in absolute amounts and as a percentage of total finance costs for the periods indicated:

	NeuroGen Zhuhai						Our Group			
	For the year ended December 31,						For the Period from		For the year ended	
	2023		2024		2025		June 11, 2024 to		December 31, 2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Interest expenses on borrowings	—	—	—	—	—	—	10,346	98.5	121,574	98.3
Interest expenses on lease liabilities	1,618	100.0	1,971	100.0	2,010	100.0	160	1.5	2,060	1.7
Total	1,618	100.0	1,971	100.0	2,010	100.0	10,506	100.0	123,634	100.0

Income Tax Expense/(Credit)

Our income tax expense primarily consisted of the current tax at the statutory rates applicable to our assessable profit before taxation as determined under relevant laws and regulations. The income tax expenses of NeuroGen Zhuhai amounted to RMB20.7 million, RMB11.0 million and RMB51.3 million in 2023, 2024 and 2025, respectively. In contrast, our Group recorded income tax credit of RMB17.5 million for the period from June 11, 2024 to December 31, 2024 and income tax expense of RMB53.9 million for the year ended December 31, 2025. During the Track Record Period, we had made all the required tax filings with the relevant tax authorities in the PRC and we are not aware of any outstanding or potential disputes with such tax authorities. The following sets forth our principal applicable income taxes and income tax rates.

Cayman Islands

We are a limited liability company registered by way of continuation in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains. In addition, upon payments of dividends by us to our shareholders, no Cayman Islands withholding tax is imposed.

PRC

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate. Pursuant to the PRC Enterprise Income Tax (the “EIT Law”), our PRC subsidiaries are subject to EIT at a rate of 25% during the Track Record Period.

Hong Kong

The Hong Kong profits tax is calculated using the two-tiered profits tax rates regime, whereby the first HK\$2 million of assessable profits of the relevant entity will be calculated at the tax rate of 8.25%, and any profits above HK\$2 million will be calculated at the tax rate of 16.5%. No provision for Hong Kong profits tax was made as there were sufficient available accumulated tax losses brought forward to offset against the estimated assessable profit for the 2024 Period and 2025.

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PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

We present the following results of operations of our Group for the year ended December 31, 2025 and for the period from June 11, 2024 to December 31, 2024. However, the period-to-period analysis for the results of our Group is of limited utility. The Group was incorporated on June 11, 2024 and did not have any material operations prior to completion of the Acquisition in November 2024. The results of our Group for the period from June 11, 2024 to December 31, 2024 represent only one month operation and are not comparable to the results for the full year ended December 31, 2025.

Financial Performance of NeuroGen Zhuhai for the Year Ended December 31, 2025 Compared with Year Ended December 31, 2024 and Financial Performance of Our Group for the Year Ended December 31, 2025

Revenue

Our Group recorded revenue of RMB1,319.5 million in 2025, consisting of revenue generated from sales of pharmaceutical products of RMB1,319.2 million and revenue generated from service income of RMB0.3 million. Revenue generated by NeuroGen Zhuhai increased by 23.2% from RMB934.9 million in 2024 to RMB1,151.6 million in 2025, primarily due to the increase of revenue generated from sales of pharmaceutical products.

Specifically, revenue generated from the sales of Keppra by NeuroGen Zhuhai increased by 26.1% from RMB741.4 million to RMB935.1 million, primarily due to higher sale volume of Keppra driven by our focus on targeting quality-seeking patients and enhancing omni-channel penetration with increased sales in out-of-hospital channels.

Cost of Sales

Our Group recorded cost of sales of RMB525.1 million in 2025, primarily consisting of (i) material costs of RMB302.1 million, (ii) depreciation and amortization of RMB133.8 million, and (iii) staff cost of RMB28.2 million. The cost of sales of NeuroGen Zhuhai increased by 17.8% from RMB509.6 million in 2024 to RMB600.5 million in 2025, primarily due to (i) an increase of RMB44.0 million in royalties paid to NeuroGen HK, mainly due to the growth in Keppra sales during the year, as the relevant royalty expenses are calculated based on the product’s sales revenue; and (ii) an increase of RMB35.4 million in material costs, primarily driven by higher sales volume of our pharmaceutical products, which led to increased consumption of raw materials.

Gross Profit and Gross Margin

As a result of the changes in our revenue and cost of sales described above, our Group recorded a gross profit of RMB794.4 million in 2025, representing a gross margin of 60.2% for the same period. Specifically, our Group recorded gross profit for the sales of pharmaceutical products in 2025 of RMB794.1 million, representing gross margin of 60.2% for the same period.

NeuroGen Zhuhai’s gross profit increased by 29.6% from RMB425.3 million in 2024 to RMB551.2 million in 2025 and its gross profit margin for the sales of pharmaceutical products increased from 46.0% in 2024 to 47.9% in 2025, primarily due to the economies of sales driven by higher sales volume of Keppra, which led to lower unit fixed costs and an improved margin profile for Keppra.

Other Income

Our Group recorded other income of RMB9.6 million in 2025, primarily consisting of interest income from bank deposits. The other income of NeuroGen Zhuhai decreased by 50.5% from RMB0.9 million in 2024 to RMB0.4 million in 2025, primarily attributable to fewer government grants recognized in 2025, which are generally non-recurring in nature.

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Other Gains and Losses, Net

Our Group recorded other net losses of RMB17.8 million in 2025, primarily consisting of net foreign exchange losses of RMB15.5 million mainly caused by fluctuations in the USD exchange rate.

The other net losses of NeuroGen Zhuhai increased from RMB2.1 million in 2024 to RMB2.8 million in 2025, mainly attributable to the increased loss on disposal of right-of-use assets arising from changes in our office lease arrangements in 2025.

Selling and Distribution Expenses

Our Group recorded selling and distribution expenses of RMB281.0 million in 2025, primarily consisting of (i) staff costs of RMB152.9 million, and (ii) marketing and promotion expenses of RMB80.2 million, and (iii) sales promotion service charges of RMB38.2 million. The selling and distribution expenses of NeuroGen Zhuhai decreased by 18.8% from RMB310.6 million in 2024 to RMB252.2 million in 2025, primarily due to the streamlining of the sales and marketing team at NeuroGen Zhuhai and the establishment of a new sales and marketing team at NeuroGen Shanghai following the Acquisition, which provides the overall sales support and promotion services to our Group.

Research and Development Expenses

Our Group recorded research and development expenses of RMB5.1 million in 2025, primarily consisting of outsourcing service fees of RMB4.3 million. NeuroGen Zhuhai did not record any research and development expenses in 2024 and 2025.

General and Administrative Expenses

Our Group recorded general and administrative expenses of RMB169.8 million in 2025, primarily consisting of (i) staff cost of RMB80.0 million, and (ii) consulting and outsourcing services of RMB55.7 million. The general and administrative expenses of NeuroGen Zhuhai increased from RMB69.6 million in 2024 to RMB89.6 million in 2025, primarily due to the increased general and administrative service charges paid by NeuroGen Zhuhai to NeuroGen Shanghai for shared administrative, financial and general management support services provided by NeuroGen Shanghai after the Acquisition, driven by our business expansion.

Finance Costs

Our Group recorded finance costs of RMB123.6 million in 2025, primarily consisting of the interest expense on borrowings of RMB121.6 million. The finance costs of NeuroGen Zhuhai remained stable at RMB2.0 million and RMB2.0 million in 2024 and 2025, respectively.

Income Tax Expense

Our Group recorded income tax expense of RMB53.9 million in 2025, primarily consisting of the PRC Enterprise Income Tax of RMB61.1 million associated with our profit before taxation, partially offset by deferred tax of RMB7.2 million. The income tax expense of NeuroGen Zhuhai increased significantly from RMB11.0 million in 2024 to RMB51.3 million in 2025, primarily due to the increase in its profit before taxation.

Profit/(Loss) for the Period

As a result of the above, our Group recorded profit of RMB152.7 million for the year ended December 31, 2025 and the profit of NeuroGen Zhuhai increased significantly from RMB31.0 million in 2024 to RMB153.7 million in 2025.

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Financial Performance of Our Group for the Period from June 11, 2024 to December 31, 2024 (“2024 Period”)

Revenue

Our Group recorded revenue of RMB12.1 million in the 2024 Period from sales of pharmaceutical products, primarily comprising revenue generated from the sales of Zyrtec of RMB7.9 million, representing 64.9% of our Group’s total revenue in the 2024 Period.

Cost of Sales

Our Group recorded cost of sales of RMB18.9 million in the 2024 Period, primarily consisting of (i) depreciation and amortization of RMB9.7 million, and (ii) material costs of RMB8.9 million.

Gross Loss and Gross Margin

As a result of the changes in our revenue and cost of sales described above, our Group recorded gross loss of RMB6.8 million in the 2024 Period, representing a gross margin of negative 55.8% for the same period, primarily due to the limited revenue during the 2024 Period as a result of post-Acquisition integration and transition at the end of 2024, and relatively higher cost of sales as a percentage of revenue attributable to the depreciation and amortization of the Acquired Assets.

Other Income

Our Group recorded other income of RMB0.6 million in the 2024 Period, all of which represented interest income from our Group’s bank deposits.

Other Gains and Losses, Net

Our Group recorded other net gains of RMB2.4 million in the 2024 Period, primarily representing the net foreign exchange gain arising primarily from USD-denominated balances.

Selling and Distribution Expenses

Our Group recorded selling and distribution expenses of RMB15.0 million in the 2024 Period, primarily consisting of fixed staff cost of RMB12.9 million to support the overall sales and marketing activities of our Group.

Research and Development expenses

Our Group did not record any research and development expenses in the 2024 Period.

General and Administrative expenses

Our Group recorded general and administrative expenses of RMB89.2 million in the 2024 Period, which were mainly Acquisition-related expenses, which is non-recurring, and the staff costs paid to our administrative and management personnel.

Finance Costs

Our Group recorded finance costs of RMB10.5 million in the 2024 Period, primarily consisting of the interest expenses on borrowings of RMB10.3 million arising from the loan provided by Ping An Bank to finance the Acquisition.

Income Tax Credit

Our Group recorded income tax credit of RMB17.5 million in the 2024 Period, which represented the current tax mainly arising from the loss incurred by NeuroGen Zhuhai following the Acquisition.

Loss for the Period

As a result of the above, our Group recorded loss of RMB101.0 million for the period from June 11, 2024 to December 31, 2024.

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Financial Performance of NeuroGen Zhuhai for the Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

The overall revenue of NeuroGen Zhuhai decreased slightly from RMB935.6 million in 2023 to RMB934.9 million in 2024, primarily attributable to the post-Acquisition integration and transition at the end of 2024. Revenue generated from the sales of pharmaceutical products contributed substantially to NeuroGen Zhuhai’s total revenue, representing 98.5% and 98.4% of its total revenue in 2023 and 2024, respectively.

Cost of Sales

The cost of sales of NeuroGen Zhuhai remained stable at RMB511.6 million and RMB509.6 million in 2023 and 2024, respectively.

Gross Profit and Gross Margin

As a result of the changes in revenue and cost of sales described above, NeuroGen Zhuhai’s gross profit remained stable at RMB424.1 million and RMB425.3 million in 2023 and 2024, respectively representing a gross margin of 45.3% and 45.5% in the corresponding years.

Other Income

The other income of NeuroGen Zhuhai increased by 72.7% from RMB0.5 million in 2023 to RMB0.9 million in 2024, primarily due to higher government grants related to income recognized during 2024.

Other Gains and Losses, Net

The other net losses of NeuroGen Zhuhai decreased by 50.6% from RMB4.3 million in 2023 to RMB2.1 million in 2024, primarily due to the termination of factoring activities in 2024.

Selling and Distribution Expenses

The selling and distribution expenses of NeuroGen Zhuhai increased by 8.2% from RMB286.9 million in 2023 to RMB310.6 million in 2024, primarily due to an increase of RMB31.3 million in sales promotion service charges attributable to the service fees paid by NeuroGen Zhuhai to UCB in relation to the sales support and promotional activities for the sales of pharmaceutical products provided by UCB.

General and Administrative expenses

The general and administrative expenses of NeuroGen Zhuhai increased by 37.2% from RMB50.7 million in 2023 to RMB69.6 million in 2024, primarily due to (i) an increase of RMB9.1 million in consulting and outsourcing service fees in relation to the post-Acquisition integration and transition, and (ii) an increase of RMB5.1 million in staff cost, which mainly include the remuneration and awards paid to NeuroGen Zhuhai’s administrative personnel prior to the Acquisition.

Finance Costs

The finance costs of NeuroGen Zhuhai remained relatively stable at RMB1.6 million and RMB2.0 million in 2023 and 2024, respectively.

Income Tax Expense

The income tax expense of NeuroGen Zhuhai decreased by 46.6% from RMB20.7 million in 2023 to RMB11.0 million in 2024, primarily due to the decrease in its profit before taxation.

Profit for the Period

As a result of the above, the profit of NeuroGen Zhuhai decreased by 48.7% from RMB60.4 million in 2023 to RMB31.0 million in 2024.

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DESCRIPTION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of statements of financial positions of NeuroGen Zhuhai and our Group’s consolidated statements of financial positions as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property and equipment	99,699	87,322	82,871	98,041	88,776
Right-of-use assets	48,055	37,233	39,270	31,025	38,125
Intangible assets	1,432	1,066	6,423	3,707,051	3,669,268
Goodwill	—	—	—	983,087	983,087
Deferred tax assets	9,927	7,217	11,613	12,340	37,672
Other receivables and prepayments	3,726	6,114	4,367	6,114	21,054
Total non-current assets . . .	162,839	138,952	144,544	4,837,658	4,837,982
Current assets					
Inventories	252,235	241,791	204,575	289,924	135,681
Trade and other receivables .	130,924	87,292	176,881	210,913	229,347
Tax recoverable	2,782	22,005	7,535	22,020	7,564
Amounts due from related parties	—	1,501	18,925	—	—
Restricted bank balances . . .	—	—	—	81,827	33,752
Cash and cash equivalents . .	36,884	33,463	260,178	494,666	729,134
Total current assets	422,825	386,052	668,094	1,099,350	1,135,478
Current liabilities					
Trade and other payables . . .	336,142	331,642	460,560	422,972	268,502
Tax payables	—	—	—	156	5,462
Amount due to related parties	—	762	1,128	2,171	408
Borrowings	—	—	—	42,110	115,133
Lease liabilities	7,789	10,435	6,628	10,435	6,628
Total current liabilities	343,931	342,839	468,316	477,844	396,133
Net current assets	78,894	43,213	199,778	621,506	739,345
Total assets less current liabilities	241,733	182,165	344,322	5,459,164	5,577,327
Non-current liabilities					
Deferred tax liabilities	—	—	—	224,898	243,028
Borrowings	—	—	—	1,961,727	1,879,288
Lease liabilities	31,141	20,012	27,838	20,012	30,904
Provisions	14,455	15,057	15,491	15,057	15,810
Total non-current liabilities	45,596	35,069	43,329	2,221,694	2,169,030
Net assets	196,137	147,096	300,993	3,237,470	3,408,297

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Property and Equipment

The property and equipment of NeuroGen Zhuhai and our Group both consisted of (i) machinery, (ii) electronic devices, furniture and office equipment, (iii) leasehold improvements mainly associated with the production plant of NeuroGen Zhuhai and our Shanghai office premises, and (iv) construction in progress, primarily in relation to the construction of the Keppra oral solution production line. The following table sets forth a breakdown of the property and equipment as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Machinery	51,422	42,569	55,183	51,056	60,129
Electronic devices, furniture and office equipment	7,117	5,319	5,650	7,504	6,609
Leasehold improvements . . .	16,901	12,414	21,156	12,414	21,156
Construction in progress . . .	24,259	27,020	882	27,067	882
Total	99,699	87,322	82,871	98,041	88,776

NeuroGen Zhuhai's property and equipment decreased from RMB99.7 million as of December 31, 2023 to RMB87.3 million as of December 31, 2024, primarily due to a decrease of RMB8.9 million in machinery and a decrease of RMB4.5 million in leasehold improvements, both mainly attributable to the depreciation charges incurred in the ordinary course of NeuroGen Zhuhai's operations. NeuroGen Zhuhai's property and equipment further decreased to RMB82.9 million in 2025, primarily reflecting the depreciation incurred during the period, partially offset by the increased leasehold improvements relating to our Shanghai office premises.

Our Group's property and equipment decreased from RMB98.0 million as of December 31, 2024 to RMB88.8 million as of December 31, 2025, primarily reflecting the depreciation incurred during our operations, partially offset by the increased leasehold improvements relating to our Shanghai office premises.

Right-of-use Assets

The right-of-use assets of NeuroGen Zhuhai and our Group comprised leased properties and leased vehicles. The following table sets forth a breakdown of the right-of-use assets of NeuroGen Zhuhai and our Group as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Leased properties	48,055	36,655	39,270	30,438	38,125
Leased vehicle	—	578	—	587	—
Total	48,055	37,233	39,270	31,025	38,125⁽¹⁾

Note:

- (1) The Group's right-of-use assets were remeasured according to the requirements of relevant accounting standards as of the date of Acquisition.

NeuroGen Zhuhai's right-of-use assets decreased from RMB48.1 million as of December 31, 2023 to RMB37.2 million as of December 31, 2024, primarily due to depreciation charges of NeuroGen Zhuhai's leased properties recognized in 2024. NeuroGen Zhuhai's right-of-use assets subsequently increased to RMB39.3 million as of December 31, 2025, primarily due to the change of office premises for our Shanghai office, partially offset by the depreciation charges incurred during the period.

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Our Group’s right-of-use assets increased from RMB31.0 million as of December 31, 2024 to RMB38.1 million as of December 31, 2025, primarily due to an increase of RMB7.7 million in leased properties arising from the lease of a new office in Shanghai, partially offset by the depreciation charges incurred during the period.

Intangible Assets

During the Track Record Period, the intangible assets of NeuroGen Zhuhai consisted of software for its office operations. The intangible assets of our Group consisted of (i) intangible assets in relation to Acquired Assets, mainly including trademarks, patents, marketing and authorization licenses (“MAH”) and know-how, and (ii) other intangible assets, mainly representing the in license of NG1706. The following table sets forth a breakdown of the intangible assets of NeuroGen Zhuhai and our Group as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Acquired Assets-related intangible assets					
Trademarks	—	—	—	1,869,696	1,854,046
MAH	—	—	—	1,356,431	1,288,326
Know-how	—	—	—	461,071	437,921
Patents	—	—	—	18,309	10,023
Other intangible assets					
In license	—	—	—	—	57,585
MAH	—	—	—	—	14,562
Software	1,432	1,066	6,423	1,544	6,805
Total	1,432	1,066	6,423	3,707,051	3,669,268

The intangible assets of NeuroGen Zhuhai remained stable at RMB1.4 million and RMB1.1 million as of December 31, 2023 and 2024, respectively. The intangible assets of NeuroGen Zhuhai subsequently increased to RMB6.4 million as of December 31, 2025, primarily due to our purchase of additional software following the Acquisition to support our operations.

Our Group’s intangible assets remained stable at RMB3,707.1 million and RMB3,669.3 million as of December 31, 2024 and 2025, respectively, primarily because our acquired intangible assets mainly in relation to NG1706 were off-set by the amortization of our intangible assets.

Goodwill

Our goodwill amounted to RMB983.1 million and RMB983.1 million as of December 31, 2024 and 2025, respectively. During the Track Record Period, our goodwill arose from the acquisition of NeuroGen Zhuhai and related assets in November 2024, which is the difference between the purchase consideration of RMB4,683.0 million and the fair value of the identifiable net assets acquired of RMB3,699.9 million on the acquisition date. The goodwill is tested by the management for impairment annually. The recoverable amount of our group of cash generated of units (“CGUs”) in which the goodwill is allocated to was determined based on value-in-use calculations with cash flow projections based on financial budgets prepared by our management covering a 5-year period. Our management determined the recoverable amount of the group of CGUs based on key assumptions, among other, of (i) the estimated revenue, cost and expenses based on the past performance and our management’s expectation of future market development; and (ii) the pre-tax discount rate applied, which reflects specific risks relating to the relevant business that would be considered by market participants.

The pre-tax discount rate applied to our CGU’s cash flow projections was 16.79% and 16.75% as of December 31, 2024 and 2025, respectively, with expected revenue annual growth rates used to extrapolate its cash flows beyond the five-year period was 5% to 32%. The expected revenue annual growth rates were estimated with reference to the relevant industry growth forecasts and did not exceed the average

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long-term growth rate for the relevant industry. There was sufficient headroom in respect of the reasonably possible changes in the key parameters, and we had not identified that as reasonably possible changes in the key parameters would cause the carrying amount of the group of CGUs to exceed the recoverable amount as of December 31, 2024 and 2025. For details, see Note 19 to the Accountants’ Report set out in Appendix IA to this document.

Inventories

The inventories of NeuroGen Zhuhai and our Group consisted of (i) raw materials and consumables, including API and packaging materials, (ii) work in progress, (iii) semi-finished goods (iv) goods in transit, representing the pharmaceutical products in transit that were shipped by UCB from overseas and recognized as the inventory of NeuroGen Zhuhai and our Group once relevant pharmaceutical products were dispatched, and (v) finished goods. The following table sets forth a breakdown of the inventories as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Raw materials and consumables	45,911	33,599	37,375	33,599	27,512
Work in progress	2,162	2,885	—	2,885	—
Semi-finished goods	9,073	8,312	12,472	8,312	12,472
Goods in transit	9,653	—	—	—	12,129
Finished goods	185,436	196,995	154,728	245,128 ⁽¹⁾	83,568
Total	252,235	241,791	204,575	289,924	135,681

Note:

(1) Including the inventory revaluation to finished goods in relation to the Acquisition.

The inventories of NeuroGen Zhuhai remained relatively stable at RMB252.2 million and RMB241.8 million as of December 31, 2023 and 2024, respectively. The inventories of NeuroGen Zhuhai subsequently decreased to RMB204.6 million as of December 31, 2025 as a result of post-Acquisition integration and transition at the end of 2024 to meet the expected sales demand in 2025 and our subsequent inventory management.

The inventories of our Group decreased from RMB289.9 million as of December 31, 2024 to RMB135.7 million as of December 31, 2025, primarily due to a significant decrease of RMB161.6 million in finished goods associated with post-Acquisition integration and transition at the end of 2024 to meet the expected sales demand in 2025 and our subsequent inventory management.

The following table sets forth the aging analysis of inventories of NeuroGen Zhuhai and our Group as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Within 180 days	92,731	80,233	149,027	105,884	73,730
Over 180 days and within one year	148,862	118,359	59,377	139,017	59,377
Over one year	24,551	47,467	12,255	45,023	10,910
Less: Inventory provision . . .	(13,909)	(4,268)	(16,084)	—	(8,336)
Total	252,235	241,791	204,575	289,924	135,681

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The following table sets forth the inventory turnover days of NeuroGen Zhuhai and our Group 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		
Inventory turnover days ⁽¹⁾	206.3	180.9	139.9	N/A ⁽²⁾	148.7

Note:

- (1) Calculated based on the average of opening and ending balance of inventories, before considering any write-down of inventories, divided by the cost of sales for the relevant period, and multiplied by the number of days in the relevant period, being 360 days for a full year end.
- (2) The inventory turnover days of our Group for the 2024 Period is not indicative of a meaningful trend, as the 2024 Period covered only about 30 days of actual post-Acquisition operations, during which our Group was mainly engaged in integration activities with limited business operations.

The inventory turnover days of NeuroGen Zhuhai decreased from 206.3 days in 2023 to 180.9 days in 2024, and further to 139.9 days in 2025. The inventory turnover days remained relatively high in 2023 as we maintained a higher level of inventory before starting the local manufacturing of Keppra tablets at our own facilities to ensure a smooth manufacturing transition. The inventory turnover days decreased in 2024 but remained relatively high as our resources were focused on the post-Acquisition transition and integration, including the branding and packaging preparations for our pharmaceutical products. As NeuroGen Zhuhai’s business operations ramped up in 2025, the inventory turnover days returned to a more typical level.

As of April 30, 2026, RMB100.7 million, or approximately 74.2%, of the inventories of our Group as of December 31, 2025 had been subsequently consumed.

Trade and Other Receivables

The trade and other receivables of NeuroGen Zhuhai primarily consisted of (i) trade receivables, mainly representing outstanding amounts due from our customers for our sales of pharmaceutical products, (ii) prepayments to suppliers, and (iii) bills receivable. The trade and other receivables of our Group primarily consisted of (i) trade receivables, (ii) prepayments, and (iii) consideration refund receivable in connection with adjustment of the Acquisition consideration. The following table sets forth details of the trade and other receivables as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	117,454	85,467	169,296	97,594	196,863
Prepayments	2,690	3,074	6,075	13,685	29,035
Bills receivables	10,663	—	—	—	—
Consideration refund receivable	—	—	—	100,551	—
Other receivables	3,843	4,865	5,877	5,197	24,503
Total	134,650	93,406	181,248	217,027	250,401

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The trade and other receivables of NeuroGen Zhuhai decreased from RMB134.7 million as of December 31, 2023 to RMB93.4 million as of December 31, 2024, primarily due to (i) a decrease of RMB32.0 million in trade receivables resulting from the limited business activities at the end of 2024 as we focused on post-Acquisition integration during that period, and (ii) a decrease of RMB10.7 million in bills receivables due to the acceptance and settlement of relevant bills receivables in 2024. The trade and other receivables of NeuroGen Zhuhai subsequently increased to RMB181.2 million as of December 31, 2025, primarily due to an increase of RMB83.8 million in trade receivables mainly due to the limited business activities at the end of 2024 as we focused on post-Acquisition integration during that period.

The trade and other receivables of our Group increased from RMB217.0 million as of December 31, 2024 to RMB250.4 million as of December 31, 2025, primarily due to (i) an increase of RMB99.3 million in trade receivables in connection with the growth of our sales over the period, (ii) an increase of RMB19.3 million in other receivables, primarily attributable to advance payments made in relation to the health management scheme for our employees, partially offset by the full settlement of the consideration refund receivable of RMB100.6 million during the year.

The following table sets forth the aging analysis of trade receivables of NeuroGen Zhuhai and our Group presented based on the invoice date and net of loss allowance for credit losses as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
0-30 days	48,066	4,921	67,446	17,048	78,592
31-60 days	69,388	80,546	100,152	80,546	113,993
61-90 days	—	—	1,698	—	4,278
Total	117,454	85,467	169,296	97,594	196,863

The following table sets forth the trade and bills receivables turnover days of NeuroGen Zhuhai and our Group 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		
Trade and bills receivables turnover days ⁽¹⁾	52.6	41.1	39.8	N/A ⁽²⁾	40.2

Note:

- (1) Calculated as the average of the opening and ending balance of trade and bills receivables for the relevant period divided by revenue for the relevant period and multiplied by the number of days in the relevant period, being 360 days for a full year end.
- (2) The trade and bills receivables turnover days of our Group for the 2024 Period is not indicative of a meaningful trend, as the 2024 Period covered only about 30 days of actual post-Acquisition operations, during which our Group was mainly engaged in integration activities with limited business operations.

The trade and bills receivables turnover days of NeuroGen Zhuhai decreased from 52.6 days in 2023 to 41.1 days in 2024 and further decreased to 39.8 days in 2025, primarily due to strengthened credit control and enhanced collection management.

As of April 30, 2026, RMB194.0 million, or approximately 98.5%, of the trade receivables of our Group as of December 31, 2025 had been subsequently collected.

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Trade and Other Payables

The trade and other payables of NeuroGen Zhuhai and our Group consisted of (i) trade payables, mainly representing royalties and raw materials/products payables in relation to the manufacturing of our pharmaceutical products (ii) accrued rebates to distributors, (iii) accrued expenses, (iv) payroll payables, (v) accrued sales service fees, representing the estimated marketing and promotion service fees payable to CSOs in connection with sales promotion activities carried out during the period, (vi) other tax payable, and (vii) other payables, mainly representing payables for the sales and promotion service charges and other payables for miscellaneous expenses to third parties. The following table sets forth details of the trade and other payables as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Accrued rebates	13,962	21,521	30,140	26,528	59,429
Payroll payables	31,357	14,713	8,561	17,676	40,142
Accrued expenses	8,084	12,421	10,782	17,451	38,187
Accrued sales service fees . .	—	—	24,203	—	24,203
Trade payables	138,276	121,406	297,224	128,561	19,723
Other tax payable	—	—	1,365	—	8,034
Other payables	144,463	161,581	88,285	232,756	78,784
Total	336,142	331,642	460,560	422,972	268,502

The trade and other payables of NeuroGen Zhuhai remained relatively stable at RMB336.1 million and RMB331.6 million as of December 31, 2023 and 2024, respectively. The trade and other payables of NeuroGen Zhuhai subsequently increased to RMB460.6 million as of December 31, 2025, primarily due to an increase of RMB175.8 million in trade payables attributable to higher royalties payable to NeuroGen HK for the use of Keppra-related intellectual properties driven by the increased revenue generated from Keppra, partially offset by a decrease of RMB73.3 million in other payables attributable to the settlement of sales promotion service charges payable to UCB Group.

The trade and other payables of our Group decreased from RMB423.0 million as of December 31, 2024 to RMB268.5 million as of December 31, 2025, primarily due to the settlement of royalties payable to UCB for the use of Keppra-related intellectual properties prior to the transfer of the relevant intellectual property rights from UCB to NeuroGen HK and the settlement of sales and promotion service charges payable to UCB, partially offset by the increase of payables driven by the growth of our business.

The following table sets forth the aging analysis of the trade payables of NeuroGen Zhuhai and our Group as of the dates indicated:

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
0-60 days	118,808	120,977	209,351	128,132	16,126
61-120 days	18,760	429	28,520	429	2,908
121-365 days	708	—	59,353	—	689
Total	138,276	121,406	297,224	128,561	19,723

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The following table sets forth the trade payables turnover days of NeuroGen Zhuhai and our Group 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		
Trade payables turnover days ⁽¹⁾	153.9	83.0	50.3	N/A ⁽²⁾	75.6

Note:

- (1) Calculated as the average of the opening and ending balance of trade payables, excluding royalties, for the relevant period divided by material purchase for the relevant period and multiplied by the number of days in the relevant period, being 360 days for a full year end.
- (2) The trade payables turnover days of our Group for the 2024 Period is not indicative of a meaningful trend, as the 2024 Period covered only about 30 days of actual post-Acquisition operations, during which our Group was mainly engaged in integration activities with limited business operations.

The trade payables turnover days of NeuroGen Zhuhai decreased from 153.9 days in 2023 to 83.0 days in 2024 and further to 50.3 days in 2025, primarily due to our adoption of a shorter inter-Group payment term following the Acquisition.

As of April 30, 2026, RMB19.2 million, or approximately 97.4%, of the trade payables of our Group as of December 31, 2025 had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, our primary use of cash was to fund our sales and distribution activities and other working capital requirements during our business operations. We financed our operations and other capital requirements mainly through cash generated from our business operations, and financed the Acquisition through equity financing from our shareholders and bank borrowings.

We expect to fund our future working capital and cash requirements with existing cash and cash equivalents, revenue generated from sales of our products, the [REDACTED] from the [REDACTED], and, when necessary, bank borrowings and other financing activities. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

As of April 30, 2026, the most recent practicable date for determining our indebtedness, we had cash and cash equivalent of RMB387.3 million. As of the same date, we had unutilized banking facilities of RMB480.0 million. Considering our internal resources, the anticipated cash flow from operations, available banking facilities and the estimated net [REDACTED] from the [REDACTED], our Directors confirm that the working capital available to us is sufficient at present and for at least the next 12 months from the date of this document.

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Current Assets and Liabilities

NeuroGen Zhuhai

The following table sets forth the current assets and liabilities of NeuroGen Zhuhai as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current assets			
Inventories	252,235	241,791	204,575
Trade and other receivables	130,924	87,292	176,881
Tax recoverable	2,782	22,005	7,535
Amounts due from related parties	—	1,501	18,925
Cash and cash equivalents	36,884	33,463	260,178
Total current assets	422,825	386,052	668,094
Current liabilities			
Trade and other payables	336,142	331,642	460,560
Amount due to related parties	—	762	1,128
Lease liabilities	7,789	10,435	6,628
Total current liabilities	343,931	342,839	468,316
Net current assets	78,894	43,213	199,778

The net current assets of NeuroGen Zhuhai increased significantly from RMB43.2 million as of December 31, 2024 to RMB199.8 million as of December 31, 2025, primarily due to (i) an increase of RMB226.7 million in cash and cash equivalents, and (ii) an increase of RMB89.6 million in trade and other receivables; partially offset by (i) an increase of RMB128.9 million in trade and other payables, and (ii) a decrease of RMB37.2 million in inventories.

The net current assets of NeuroGen Zhuhai decreased from RMB78.9 million as of December 31, 2023 to RMB43.2 million as of December 31, 2024, primarily due to (i) a decrease of RMB43.6 million in trade and other receivables, and (ii) a decrease of RMB10.4 million in inventories, partially offset by an increase of tax recoverable of RMB19.2 million.

Our Group

The following table sets forth our Group’s current assets and liabilities as of the dates indicated:

	As of December 31,		As of
	2024	2025	April 30,
	RMB'000	RMB'000	2026 (Unaudited)
Current assets			
Inventories	289,924	135,681	126,680
Trade and other receivables	210,913	229,347	319,865
Tax recoverable	22,020	7,564	7
Restricted bank balances	81,827	33,752	17,421
Other financial assets	—	—	450,656
Cash and cash equivalents	494,666	729,134	387,300
Total current assets	1,099,350	1,135,478	1,301,929

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	As of December 31,		As of April 30,
	2024	2025	2026
	RMB'000	RMB'000	RMB'000 (Unaudited)
Current liabilities			
Trade and other payables	422,972	268,502	292,618
Tax payables	156	5,462	11,790
Amount due to related parties	2,171	408	—
Borrowings	42,110	115,133	110,493
Lease liabilities	10,435	6,628	7,369
Total current liabilities	477,844	396,133	422,270
Net current assets	621,506	739,345	879,659

Our net current assets increased from RMB739.3 million as of December 31, 2025 to RMB879.7 million as of April 30, 2026, primarily due to (i) a net increase of RMB108.9 million in other financial assets, which represents short-term wealth management products we purchased using our cash and cash equivalents to optimize the use of our available funds, and (ii) an increase of RMB90.5 million in trade and other receivables.

Our net current assets increased from RMB621.5 million as of December 31, 2024 to RMB739.3 million as of December 31, 2025, primarily due to (i) an increase of RMB234.5 million in cash and cash equivalents, and (ii) a decrease of RMB154.5 million in trade and other payables; partially offset by (i) a decrease of RMB154.2 million in inventories, and (ii) an increase of RMB73.0 million in borrowings.

Cash Flows

The following table sets forth the components of NeuroGen Zhuhai’s cash flows statements and our Group’s consolidated cash flows statements 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
Net cash from operating activities	97,293	98,177	252,872	4,596	340,161
Net cash from/(used in) investing activities	(8,633)	(9,703)	(13,961)	(4,838,876)	52,638
Net cash (used in)/from financing activities	(93,023)	(91,895)	(12,196)	5,326,565	(145,429)
Net increase/(decrease) in cash and cash equivalents	(4,363)	(3,421)	226,715	492,285	247,370
Cash and cash equivalents at beginning of period	41,247	36,884	33,463	—	494,666
Effects of exchange rate changes	—	—	—	2,381	(12,902)
Total Cash and cash equivalents at end of period	36,884	33,463	260,178	494,666	729,134

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Net Cash From Operating Activities

NeuroGen Zhuhai

NeuroGen Zhuhai generated net cash from operating activities of RMB252.9 million in 2025, which was primarily attributable to its profit before tax of RMB205.0 million, adjusted by certain non-cash and non-operating items, including (i) depreciation of right-of-use assets of RMB13.9 million, (ii) provision for inventories, net of reversal of RMB12.4 million and (iii) depreciation of property and equipment of RMB11.7 million. The amount was further adjusted by (i) changes in working capital that positively affected our cash flows, primarily including increase in trade and other payables of RMB125.7 million, and (ii) changes in working capital that negatively affected our cash flows, primarily including increase in trade and other receivables of RMB105.0 million.

NeuroGen Zhuhai generated net cash from operating activities of RMB98.2 million in 2024, which was primarily attributable to its profit before tax of RMB42.0 million, adjusted by certain non-cash and non-operating items, including (i) depreciation of property and equipment of RMB18.6 million, and (ii) depreciation of right-of-use assets of RMB12.9 million. The amount was further adjusted by changes in working capital that positively affected our cash flows, primarily including decrease in trade and other receivables of RMB42.1 million and decrease in inventories of RMB13.4 million.

NeuroGen Zhuhai generated net cash from operating activities of RMB97.3 million in 2023, which was primarily attributable to its profit before tax of RMB81.0 million, adjusted by certain non-cash and non-operating items, including (i) depreciation of property and equipment of RMB18.9 million, and (ii) depreciation of right-of-use assets of RMB10.9 million. The amount was further adjusted by (i) changes in working capital that positively affected our cash flows, primarily including decrease in inventories of RMB51.7 million and decrease in trade and other receivables of RMB17.6 million, and (ii) changes in working capital that negatively affected our cash flows, primarily including decrease in trade and other payables of RMB77.6 million.

Our Group

We had net cash from operating activities of RMB340.2 million in 2025, which was primarily attributable to our profit before tax of RMB206.6 million, adjusted by certain non-cash and non-operating items, including (i) interest expenses on borrowings of RMB121.6 million, and (ii) amortization of intangible assets of RMB116.5 million. The amount was further adjusted by (i) changes in working capital that positively affected our cash flows, primarily including a decrease in inventories of RMB146.0 million, and (ii) changes in working capital that negatively affected our cash flows, primarily including an increase in trade and other receivables of RMB131.9 million and a decrease in trade and other payables of RMB131.0 million.

We had net cash from operating activities of RMB4.6 million in the 2024 Period, which was primarily attributable to our loss before tax of RMB118.4 million, adjusted by certain non-cash and non-operating items, including transaction costs in relation to the acquisition of a business of RMB55.3 million. The amount was further adjusted by (i) changes in working capital that positively affected our cash flows, primarily including increase in trade and other payables of RMB52.3 million, and (ii) changes in working capital that negatively affected our cash flows, primarily including increase in inventories of RMB18.2 million.

Net Cash From/(Used in) Investing Activities

NeuroGen Zhuhai

NeuroGen Zhuhai had net cash used in investing activities of RMB14.0 million in 2025, which was primarily attributable to the net cash outflow on (i) the purchase of intangible assets of RMB6.3 million, and (ii) the purchase of property and equipment of RMB6.0 million.

NeuroGen Zhuhai had net cash used in investing activities of RMB9.7 million in 2024, which was primarily attributable to the net cash outflow on the purchase of property and equipment of RMB8.9 million.

NeuroGen Zhuhai had net cash used in investing activities of RMB8.6 million in 2023, which was primarily due to the net cash outflow on the purchase of property and equipment of RMB9.7 million.

FINANCIAL INFORMATION

Our Group

We had net cash from investing activities of RMB52.6 million in 2025, which was primarily attributable to the net cash inflow on business acquisition of RMB98.7 million and the withdrawal of restricted bank balances of RMB48.1 million, partially offset by the payments for purchase of intangible assets of RMB77.3 million.

We had net cash used in investing activities of RMB4,838.9 million in the 2024 Period, which was primarily due to the net cash outflow on business acquisition of RMB4,714.4 million and the placement of restricted bank balances of RMB81.8 million.

Net Cash (Used in)/From Financing Activities

NeuroGen Zhuhai

NeuroGen Zhuhai had net cash used in financing activities of RMB12.2 million in 2025, which was primarily attributable to the repayment of lease liabilities of RMB10.2 million.

NeuroGen Zhuhai had net cash used in financing activities of RMB91.9 million in 2024, which was primarily attributable to (i) the dividend distribution of RMB80.0 million, and (ii) the repayment of lease liabilities of RMB9.9 million.

NeuroGen Zhuhai had net cash used in financing activities of RMB93.0 million in 2023, which was primarily due to (i) the dividend distribution of RMB80.0 million, and (ii) the repayments of lease liabilities of RMB11.4 million.

Our Group

We had net cash used in financing activities of RMB145.4 million in 2025, which was primarily due to (i) the bank borrowings interest paid of RMB111.0 million, and (ii) the repayments of bank borrowings of RMB20.0 million.

We had net cash from financing activities of RMB5,326.6 million in the 2024 Period, which was primarily attributable to (i) the proceeds from issue of shares of RMB3,334.6 million, and (ii) the proceeds from bank borrowings of RMB2,000.0 million.

INDEBTEDNESS

As of December 31, 2024 and 2025 and April 30, 2026, being the most recent practicable date for determining our indebtedness, except as disclosed in the table below, we did not have any material indebtedness:

	As of December 31,		As of
	2024	2025	April 30,
	RMB'000	RMB'000	2026
			RMB'000
			(Unaudited)
Current			
Borrowings	42,110	115,133	110,493
Lease liabilities	10,435	6,628	7,369
Non-current			
Borrowings	1,961,727	1,879,288	1,879,407
Lease liabilities	20,012	30,904	31,639
Total	2,034,284	2,031,953	2,028,908

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Borrowings

Our borrowings comprised secured and unguaranteed borrowings of RMB2,003.8 million and RMB1,994.4 million as of December 31, 2024 and 2025, respectively. For the interest rate profile of our borrowings during the Track Record Period, see Note 26 to the Accountants’ Report set out in Appendix IA to this document.

Our borrowings decreased from RMB1,994.4 million as of December 31, 2025 to RMB1,989.9 million as of April 30, 2026, primarily due to the payment of interest expenses.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to the leases of the production plant of NeuroGen Zhuhai and our Shanghai office premises. Our lease liabilities increased from RMB30.4 million as of December 31, 2024 to RMB37.5 million as of December 31, 2025, primarily due to changes in our office lease arrangements in 2025. Our lease liabilities further increased to RMB39.0 million as of April 30, 2026, primarily due to the additional lease of office premises for our Beijing office.

Except as disclosed above and as otherwise disclosed in this document, as of April 30, 2026, being our indebtedness statement date, neither NeuroGen Zhuhai nor our Group had any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in the indebtedness of NeuroGen Zhuhai and our Group since April 30, 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURE

The capital expenditures of our Group during the Track Record Period primarily related to the purchase of property and equipment and intangible assets, which amounted to RMB5.8 million for the period from June 11, 2024 to December 31, 2024 and RMB84.7 million for the year ended December 31, 2025, respectively.

CAPITAL COMMITMENTS

We did not have any material capital commitments as of December 31, 2023, 2024 and 2025.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our related party transactions during the Track Record Period, see “Relationship with our Controlling Shareholders — Independence from our Controlling Shareholders — Financial Independence” and Note 32 to the Accountants’ Report set out in Appendix IA to this document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s-length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

CONTINGENT LIABILITIES

As of December 31, 2024 and 2025, and April 30, 2026, being the latest practicable date for the purpose of the indebtedness statement, our Group did not have any material contingent liabilities. Our Directors confirm that there had been no material change in the contingent liabilities of our Group since April 30, 2026 and up to the date of this document.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth the key financial ratios of NeuroGen Zhuhai and our Group 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		
Gross margin (%)	45.3	45.5	47.9	(55.8)	60.2 ⁽¹⁾

Note:

- (1) The gross margin of our Group in 2025 was 72.5% if excluding the influence of impact of inventory revaluation and amortization of the Acquired Assets arising from the Acquisition.

The following table sets forth the key financial ratios of NeuroGen Zhuhai and our Group as of the dates indicated.

	NeuroGen Zhuhai			Our Group	
	As of December 31,			As of December 31,	
	2023	2024	2025	2024	2025
Current ratio ⁽¹⁾	1.2	1.1	1.4	2.3	2.9
Debt ratio (%) ⁽²⁾	66.5	72.0	63.0	45.5	42.9

Notes:

- (1) Current ratio represents current assets divided by current liabilities as of the relevant period end.
- (2) Debt ratio represents the total liabilities divided by total assets as of the relevant period end.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

We are exposed to a variety of market and other financial risks, including currency risk, interest rate risk, credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our financial risk management, see Note 34 to the Accountants’ Report set out in Appendix IA to this document.

DIVIDENDS

No dividends have been paid by our Group since our Group’s incorporation. We do not have a formal dividend policy or a fixed dividend payout ratio. Subject to our Articles of Association and the Cayman Companies Act, our shareholders may, by ordinary resolution declare dividends, but no dividend shall exceed the amount recommended by our Board. Under Cayman Islands law, dividends may be paid out of profits or out of the share premium account, provided that in no circumstances may a dividend be paid if this would cause the Company to be unable to pay its debts as they fall due in the ordinary course of business.

The recommendation of any dividend by our Board and the declaration of any dividend by our Shareholders will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions, including dividend restrictions pursuant to the Offshore Facility Agreement, and other factors that our Directors consider relevant. For details of dividend restrictions under the Offshore Facility Agreement, see — History and Corporate Structure — Major

FINANCIAL INFORMATION

Acquisitions, Disposals and Mergers — Loan Facility Arrangements.” We cannot guarantee in what form dividends will be paid in the future. We are a holding company incorporated under the laws of the Cayman Islands, and accordingly the financial position of accumulated losses does not in itself prohibit us from declaring and paying dividends to our Shareholders. Dividends may be declared and paid out of our share premium account notwithstanding a lack of distributable profits, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our PRC subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Group had accumulated retained profits of RMB51.7 million.

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share), representing approximately [REDACTED]% of the estimate [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] consist of (i) [REDACTED]-related expenses, including [REDACTED], of approximately HK\$[REDACTED], and (ii) non-[REDACTED]-related expenses of approximately HK\$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK\$[REDACTED], and (b) other fees and expenses of approximately HK\$[REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high to us. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

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

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Pursuant to Rule 13.18 of the Listing Rules, a general disclosure obligation will arise where an issuer or any of its subsidiaries enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholders, such as a requirement to maintain a specified minimum holding in the share capital of the issuer.

FINANCIAL INFORMATION

In connection with the Acquisition, the Offshore Facility Agreement entered into by our Group include conditions that, among others, CBC Group and ATIC Second to maintain their controlling interest in NeuroGen HK, which will constitute a specific performance by certain of our Controlling Shareholders under Rule 13.18 of the Listing Rules. For details, see “History and Corporate Structure — Major Acquisitions, Disposals and Mergers — Loan Facility Arrangements.”

Our Directors confirm that, save as disclosed above, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS AND PROSPECTS

See “Business — Our Strategies” for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] (assuming the [REDACTED] is not exercised) or approximately HK\$[REDACTED] (assuming the [REDACTED] is exercised in full), after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document.

We intend to apply the [REDACTED] from the [REDACTED] (after deducting the [REDACTED] fees and commissions and estimated expenses payable by us) as follows:

- approximately [REDACTED]%, or HK\$[REDACTED] for our R&D activities to advance late-stage clinical development, registration activities and indication expansion across our core therapeutic areas, including:
 - approximately [REDACTED]%, or HK\$[REDACTED] for NG1706 with respect to its phase 2 and phase 3 clinical trials for perioperative pain, phase 2 and 3 clinical trials for cancer-induced bone pain and the related CMC development;
 - approximately [REDACTED]%, or HK\$[REDACTED] for NG1806 with respect to its phase 3 clinical trials for postoperative pain and the related CMC development;
 - approximately [REDACTED]%, or HK\$[REDACTED] for NG1807 with respect to its phase 3 clinical trials for Alzheimer’s Disease and the related CMC development, as well as its potential indication expansion into other CNS indications;
 - approximately [REDACTED]%, or HK\$[REDACTED] for Keppra SR formulations with respect to its phase 1 to phase 3 clinical trials for glioblastoma multiforme and the related CMC development;
- approximately [REDACTED]%, or HK\$[REDACTED] for strengthening and expanding our commercialization capabilities, primarily to support national launch, broaden hospital and physician coverage and accelerate sales ramp-up, particularly for newly approved products and those pursuing NRD L inclusion. In particular, we will focus on accelerating the commercialization, deepening market coverage, including:
 - approximately [REDACTED]%, or HK\$[REDACTED] for sales and marketing team expansion for the next two years, primarily including recruiting and training new sales and marketing professionals, with emphasis on priority provinces and key institutions to ensure effective coverage and execution. These new sales and marketing professionals are expected to be professionals with experience in neurology or pain management drug commercialization activities;
 - approximately [REDACTED]%, or HK\$[REDACTED] for brand awareness and KOL engagement activities, primarily including medical education programs and KOL engagement to drive clinical adoption and support evidence-based marketing;

FUTURE PLANS AND [REDACTED]

- approximately [REDACTED]%, or HK\$[REDACTED] for upgrading and expanding our existing manufacturing facilities for the next three years, as we plan to further build our production capacities for different formulations;
- approximately [REDACTED]%, or HK\$[REDACTED] to finance the settlement of the milestone payments payable under the Hui Zhong Ji Shi Cooperation Agreement in connection with the buyout of NG1806;
- approximately [REDACTED]%, or HK\$[REDACTED] for working capital and other general corporate purposes.

The above allocation of the [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this document.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the purposes described above, and subject to applicable laws and regulations, we intend to place such unutilized funds in short-term, interest-bearing accounts with licensed financial institutions. We will issue an appropriate announcement if there is any material change to the above proposed [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX IA

ACCOUNTANTS’ REPORT OF THE GROUP

The following is the text of a report set out on pages IA-1 to [IA-41], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in the document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF NEUROGEN PHARMA LIMITED (神基製藥有限公司), J.P. MORGAN SECURITIES (FAR EAST) LIMITED, CITIC SECURITIES (HONG KONG) LIMITED AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED

Introduction

We report on the historical financial information of NeuroGen Pharma Limited (神基製藥有限公司) (formerly known as Concord Acquisition Holdings Limited) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages IA-3 to IA-[41], which comprises the consolidated statements of financial position of the Group as at December 31, 2024 and 2025, the statements of financial position of the Company as at December 31, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the period from June 11, 2024 (date of incorporation of the Company) to December 31, 2024 and the year ended December 31, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages IA-3 to IA-[41] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

APPENDIX IA

ACCOUNTANTS’ REPORT OF THE GROUP

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at December 31, 2024 and 2025, of the Company’s financial position as at December 31, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page IA-3 have been made.

Dividends

We refer to Note [12] to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

APPENDIX IA

ACCOUNTANTS’ REPORT OF THE GROUP

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX IA

ACCOUNTANTS’ REPORT OF THE GROUP

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	NOTES	2024	2025
		RMB'000	RMB'000
Revenue	6	12,145	1,319,511
Cost of sales		(18,923)	(525,124)
Gross (loss) profit		(6,778)	794,387
Other income	8	630	9,554
Other gains and losses, net	9	2,387	(17,768)
Selling and distribution expenses		(14,988)	(280,993)
Research and development expenses		–	(5,070)
General and administrative expenses		(89,162)	(169,842)
Finance costs	10	(10,506)	(123,634)
(Loss) profit before tax	11	(118,417)	206,634
Income tax credit (expense)	15	17,464	(53,937)
(Loss) profit for the period/year		(100,953)	152,697
Other comprehensive expense			
Item that may be reclassified subsequently to			
profit or loss:			
Exchange differences arising on translation of			
foreign operations		–	(6)
Other comprehensive expense for the period/year		–	(6)
Total comprehensive (expense) income for the			
period/year		(100,953)	152,691
(Loss) earnings per share	14		
– Basic (RMB)		(1.07)	0.33
– Diluted (RMB)		(1.07)	0.33

APPENDIX IA

ACCOUNTANTS’ REPORT OF THE GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31, <u>2024</u>	As at December 31, <u>2025</u>
	NOTES	RMB'000	RMB'000
Non-current assets			
Property and equipment	16	98,041	88,776
Right-of-use assets	17	31,025	38,125
Intangible assets	18	3,707,051	3,669,268
Goodwill	19	983,087	983,087
Deferred tax assets	21	12,340	37,672
Other receivables	23	6,114	21,054
		4,837,658	4,837,982
Current assets			
Inventories	22	289,924	135,681
Trade and other receivables	23	210,913	229,347
Tax recoverable		22,020	7,564
Restricted bank balances	24	81,827	33,752
Cash and cash equivalents	24	494,666	729,134
		1,099,350	1,135,478
Current liabilities			
Trade and other payables	25	422,972	268,502
Tax payables		156	5,462
Amounts due to a related party	32	2,171	408
Borrowings	26	42,110	115,133
Lease liabilities	27	10,435	6,628
		477,844	396,133
Net current assets		621,506	739,345
Total assets less current liabilities		5,459,164	5,577,327
Non-current liabilities			
Deferred tax liabilities	21	224,898	243,028
Borrowings	26	1,961,727	1,879,288
Lease liabilities	27	20,012	30,904
Provisions	28	15,057	15,810
		2,221,694	2,169,030
Net assets		3,237,470	3,408,297
Capital and reserves			
Share capital	29	3,334,649	3,442,906
Treasury shares		–	(108,257)
Reserves		(97,179)	73,648
Total equity		3,237,470	3,408,297

APPENDIX IA

ACCOUNTANTS’ REPORT OF THE GROUP

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31, <u>2024</u> <i>RMB'000</i>	As at December 31, <u>2025</u> <i>RMB'000</i>
	<i>NOTES</i>		
Non-current assets			
Investment in a subsidiary	20	3,268,760	3,286,896
Other receivables	23	–	108,503
		<u>3,268,760</u>	<u>3,395,399</u>
Current assets			
Amounts due from related parties	32	64,565	61,577
Cash and cash equivalents	24	35,658	8,175
		<u>100,223</u>	<u>69,752</u>
Current liabilities			
Other payables	25	26,985	19
Amounts due to related parties	32	–	286
		<u>26,985</u>	<u>305</u>
Net current assets		<u>73,238</u>	<u>69,447</u>
Total assets less current liabilities		<u>3,341,998</u>	<u>3,464,846</u>
Net assets		<u>3,341,998</u>	<u>3,464,846</u>
Capital and reserves			
Share capital	29	3,334,649	3,442,906
Reserves	30	7,349	21,940
Total equity		<u>3,341,998</u>	<u>3,464,846</u>

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ACCOUNTANTS’ REPORT OF THE GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share-based payment reserve	Translation reserve	(Accumulated losses)/retained profits	Total
	RMB'000	RMB'000 (Note)	RMB'000	RMB'000	RMB'000	RMB'000
As at June 11, 2024 (date of incorporation)	—	—	—	—	—	—
Loss and total comprehensive expense for the period	—	—	—	—	(100,953)	(100,953)
Issue of shares (Note 29)	3,334,649	—	—	—	—	3,334,649
Recognition of equity-settled share-based payment expenses (Note 31)	—	—	3,774	—	—	3,774
At December 31, 2024	3,334,649	—	3,774	—	(100,953)	3,237,470
Profit for the year	—	—	—	—	152,697	152,697
Other comprehensive expense for the year	—	—	—	(6)	—	(6)
Total comprehensive (expense) income for the year	—	—	—	(6)	152,697	152,691
Issue of shares (Note)	108,257	(108,257)	—	—	—	—
Recognition of equity-settled share-based payment expenses (Note 31)	—	—	18,136	—	—	18,136
At December 31, 2025	3,442,906	(108,257)	21,910	(6)	51,744	3,408,297

Note:

On December 29, 2025, the Company issued a total number of 15,456,000 ordinary shares with nominal value of United States dollar (“US\$”) 1 each to ThriveCap. Ltd. whose entire share capital is held by Trident Trust Company (HK) Limited in trust, being served as the trustee of the NeuroGen Executive Share Trust (the “Trust”). The Trust is an irrevocable trust established by the Company for the benefit of certain participants under the Pre-[REDACTED] Equity Incentive Plan as fully explained in Note 31. The amount of RMB108,257,000 (equivalent to US\$15,456,000) is presented as treasury shares in the consolidated statements of financial position of the Group.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Period from June 11, 2024 (date of incorporation) to December 31, 2024 RMB'000	Year ended December 31, 2025 RMB'000
OPERATING ACTIVITIES		
(Loss) profit before tax	(118,417)	206,634
Adjustments for:		
Interest income	(630)	(9,236)
Interest expenses on borrowings	10,346	121,574
Interest expenses on lease liabilities	160	2,060
Depreciation of property and equipment	1,898	16,438
Depreciation of right-of-use assets	957	12,779
Amortisation of intangible assets	9,611	116,499
Loss on disposal of right-of-use assets	–	2,238
(Gain) loss on disposal of property and equipment	(7)	504
Net foreign exchange losses	–	2,577
Provision for inventories, net of reversal	–	8,336
Transaction costs in relation to a business acquisition	55,265	–
Recognition of equity-settled share-based payment expenses	3,774	18,136
Operating cash flow before movements in working capital	(37,043)	498,539
(Increase) decrease in inventories	(18,173)	145,907
Decrease (increase) in trade and other receivables	7,498	(131,920)
Increase (decrease) in trade and other payables	52,314	(130,988)
Cash generated from operations	4,596	381,538
Income tax paid	–	(41,377)
NET CASH FROM OPERATING ACTIVITIES	4,596	340,161
INVESTING ACTIVITIES		
Interest received	630	9,236
Net cash (outflow) inflow on a business acquisition	(4,714,369)	98,664
Proceeds from disposal of property and equipment	7	47
Proceeds from disposal of intangible asset	–	140
Purchase of property and equipment	(3,336)	(7,401)
Purchase of intangible assets	(2,476)	(77,321)
Payment for rental deposits	–	(1,976)
Transaction costs paid in relation to a business acquisition	(37,505)	(16,826)
Withdrawal of restricted bank balances	–	48,075
Placement of restricted bank balances	(81,827)	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(4,838,876)	52,638
FINANCING ACTIVITIES		
Proceeds from issuance of shares	3,334,649	–
Proceeds from bank borrowings	2,000,000	–
Repayments of bank borrowings	–	(20,000)
Bank borrowings interest paid	(6,389)	(110,990)
Repayments of lease liabilities	(1,535)	(12,379)
Lease liabilities interest paid	(160)	(2,060)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	5,326,565	(145,429)
NET INCREASE IN CASH AND CASH EQUIVALENTS	492,285	247,370
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	–	494,666
Effects of exchange rate changes	2,381	(12,902)
TOTAL CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	494,666	729,134

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company, formerly known as Concord Acquisition Holdings Limited, was incorporated in the British Virgin Islands (“BVI”) as a BVI business company on June 11, 2024. The Company re-domiciled to the Cayman Islands and was registered by way of continuation as an exempted company with limited liability under the laws of the Cayman Islands on April 30, 2026 and changed its name to NeuroGen Pharma Limited on May 1, 2026. The respective address of the registered office and the principal place of business of the Company are set out in the section headed “Corporate Information” to the Document.

The Company is a holding company. The principal activities of the Group are sales and distribution of pharmaceutical products and research and development of medicine products.

Throughout the Track Record Period, the Group is jointly controlled by C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC, each holding equal equity share of the Company.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards as issued by the IASB.

No audited statutory financial statements of the Company has been issued as there is no statutory audit requirement.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statement ³
IFRS 20	Regulatory Assets and Regulatory Liabilities ⁴

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after January 1, 2026.

3 Effective for annual periods beginning on or after January 1, 2027.

4 Effective for annual periods beginning on or after January 1, 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the Group’s Historical Financial Information in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements (“IAS 1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statements of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

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IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information, incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the “Conceptual Framework”) except for transactions and events within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognized.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

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Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (“CGUs”) (or groups of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the CGU within group of CGUs in which the Group monitors goodwill). When the Group disposes of an operation within the CGUs (or a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the CGUs disposed of and the portion of the CGUs (or the group of CGUs) retained.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in Note 6.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the track record period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

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Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (“IFRS 9”)

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, restricted bank balances and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognized lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, for example, a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other gains and losses, net' line item (Note 9) as part of the net foreign exchange (losses) gains.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities, including trade and other payables, amounts due to a related party and borrowings, are subsequently measured at amortized cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the other gains and losses, net line item in profit or loss (note 9) as part of net foreign exchange (losses) gains.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition/modification of financial liabilities

The Group recognized financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities recognized and the consideration paid and payable is recognized in profit or loss.

An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognized in profit or loss.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

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Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognized and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and a credit risk adjustment based on bond yields.

The lease payments include fixed payments (including in-substance fixed payment).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

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Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payment

Equity-settled share-based payment transactions

Restricted shares/share options granted to employees

Equity-settled share-based payment to employees (including the director of the Company) are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payment determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share-based payment reserve.

When share options are exercised, the amount previously recognized in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payment reserve will be transferred to share premium.

When share awards granted are vested, the amount previously recognized in share-based payment reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “Profit (loss) before tax” because of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognized the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities and ultimate costs incurred for provisions for restoration, the Group applies IAS 12 requirements to the lease liabilities, the provisions for restoration and the related assets separately. The Group recognized a deferred tax asset related to lease liabilities and the provisions for restoration to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, including costs of testing whether the related assets are functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is recognized.

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Impairment on property and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- (a) cash, which comprises of demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to incurred in marketing, selling and distribution.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognized at the date of inception of the lease at the directors’ best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

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5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In applying the Group’s accounting policies, which are described in Note 4, the management are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the management of the Company have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognized in the Historical Financial Information.

Intangible asset with indefinite useful life

Certain trademark has a legal life of 10 years but is renewable every 10 years at minimal cost. The management of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group. As a result, the trademark is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortized until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired. Particulars of the impairment testing are disclosed in Note 19.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or change in facts and circumstances results in a downward revision of future cash flows or upward revision of discount rate, a material impairment loss may arise.

As at December 31, 2024 and 2025, the carrying amount of goodwill is approximately RMB983,087,000 and RMB983,087,000. Details of the impairment assessment are disclosed in Note 19.

Impairment assessment of intangible assets with indefinite useful life and intangible assets not yet available for use

Determining whether intangible assets with indefinite useful life is impaired requires an estimation of the recoverable amount of the individual intangible asset, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the respective asset and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected or change in facts and circumstances results in a downward revision of future cash flows or upward revision of discount rate, a material impairment loss may arise.

Determining whether intangible assets not ready for use is impaired requires an estimation of recoverable amount of the cash-generating unit to which the intangible assets belong, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further loss may arise.

As at December 31, 2024 and 2025, the carrying amount of intangible asset with indefinite useful life is approximately RMB1,558,000,000 and RMB1,558,000,000, and the carrying amount of intangible assets not yet available for use is nil and RMB57,585,000. Details of the impairment assessment are disclosed in Note 19.

Deferred tax asset

As at December 31, 2024 and 2025, a deferred tax asset of RMB236,350,000 and RMB239,288,000 in relation to unused tax losses for certain subsidiaries has been recognized in the consolidated statements of financial position. No deferred tax asset has been recognized on the tax losses of nil and RMB9,468,000 due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on performance of sales of pharmaceutical products. In cases where the actual future taxable profits generated are less or more than expected, or there is a change in future taxable profit estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

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Accrual of sales rebates

Revenue from sales of pharmaceutical products is recognized based on the price specified in the contract, net of the estimated sales rebates. For contracts that contain sales rebates, the Group estimates the amount of consideration to which it will be entitled using the expected value method at each reporting period end. Revenue is only recognized to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the rebates is subsequently resolved. Accrued sales rebates (included in trade and other payables) are recognized for expected sales rebates payable to customers in relation to sales. As at December 31, 2024 and 2025, accrued sales rebates are approximately RMB26,528,000 and RMB59,429,000, respectively.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue sources:

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
Type of goods or services		
Sales of pharmaceutical products	12,145	1,319,184
Service income	—	327
	<u>12,145</u>	<u>1,319,511</u>

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
Timing of revenue recognition		
At a point in time	12,145	1,319,184
Over time	—	327
	<u>12,145</u>	<u>1,319,511</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about the Group’s performance obligations and their corresponding revenue recognition policies are summarised as below:

Sales of pharmaceutical products

For the sale of pharmaceutical products, revenue from the sales of products is recognized when control of the products has transferred, being when the goods have been delivered to the customer’s specific location and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Under the Group’s standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

For contracts that contain variable consideration (e.g. volume rebates), the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

As at December 31, 2024 and 2025, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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7. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out in Note 4. Accordingly, the Group has only one single operating segment and except for entity-wide disclosures, major customers and geographic information, no further analysis of the segment is presented.

Geographical markets

All of the Group’s operations and non-current assets are located in the People’s Republic of China (“PRC”). All of the Group’s revenue is from external customers located in Mainland China.

Information about major customers

During the period from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025, revenue from customers of the corresponding period/year contributing over 10% of the total revenue of the Group are as follows:

Customer concentration	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
Customer A	N/A	239,437
Customer B	7,883	164,233
Customer C	3,074	N/A
	<u> </u>	<u> </u>

N/A: not disclosed as revenue from such customers was less than 10% of total revenue during the corresponding period/year.

8. OTHER INCOME

The Group

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
Interest income from banks	630	9,236
Others	—	318
	<u>630</u>	<u>9,554</u>

9. OTHER GAINS AND LOSSES, NET

The Group

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
Net foreign exchange gains (losses)	2,380	(15,484)
Gain (loss) on disposal of property and equipment, right-of-use assets and intangible assets	7	(2,742)
Others	—	458
	<u>2,387</u>	<u>(17,768)</u>

10. FINANCE COSTS

The Group

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
Interest expenses on borrowings	10,346	121,574
Interest expenses on lease liabilities	160	2,060
	<u>10,506</u>	<u>123,634</u>

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11. (LOSS) PROFIT BEFORE TAX

	Period from June 11, 2024 (date of incorporation to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
(Loss) profit before tax for the period/year has been arrived at after charging:		
Auditor’s remuneration	–	740
Research and development costs recognized as an expense	–	5,070
Cost of inventories recognized as an expense (including accrual of write-down of inventories amounting to nil and RMB8,336,000, respectively)	8,621	370,687
Directors and other staff costs:		
– Salaries and other benefits	21,141	175,582
– Retirement benefit scheme contributions	1,014	15,293
– Performance-based bonus	5,707	52,349
– Share-based payment expenses	3,774	18,136
Total directors and other staff costs	31,636	261,360
Capitalized in inventories	(1,937)	(19,203)
	29,699	242,157
Depreciation of property and equipment	1,898	16,438
Depreciation of right-of-use assets	957	12,779
Total depreciation	2,855	29,217
Capitalized in inventories	(2,572)	(15,235)
	283	13,982
Amortization of intangible assets recognized in general and administrative expenses	12	1,302
Amortization of intangible assets recognized in cost of sales	9,599	115,197

12. DIVIDENDS

No dividend was declared or paid for ordinary shareholders of the Company in respect of the Track Record Period.

13. DIRECTORS’, CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

During the Track Record Period, directors’ and chief executive’s remuneration disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Date of appointment	Director’s fee	Salaries and other benefits	Retirement benefit scheme contributions	Performance based bonus	Share-based payments	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
For the period from June 11, 2024 to December 31, 2024							
Executive director:							
Dr. CHEN Peng-Hsuan	November 20, 2024	–	1,137	12	–	3,275	4,424
(note a)							
Non-executive directors:							
Mr. FU Wei	June 24, 2024	–	–	–	–	–	–
Dr. HUANG Hai	November 20, 2024	–	–	–	–	–	–
Mr. Grant Fergus CAMPBELL	November 20, 2024	–	–	–	–	–	–
Ms. Annie Lee (note b)	November 20, 2024	–	–	–	–	–	–
		–	–	–	–	–	–
		–	1,137	12	–	3,275	4,424
		–	–	–	–	–	–

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	Date of appointment	Director’s fee	Salaries and other benefits	Retirement benefit scheme contributions	Performance based bonus	Share-based payments	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
For the year ended December 31, 2025							
Executive director:							
Dr. CHEN Peng-Hsuan	November 20, (note a) 2024	–	4,575	76	4,331	12,229	21,211
Non-executive directors:							
Mr. FU Wei	June 24, 2024	–	–	–	–	–	–
Dr. HUANG Hai	November 20, 2024	–	–	–	–	–	–
Mr. Grant Fergus CAMPBELL .	November 20, 2024	–	–	–	–	–	–
		–	–	–	–	–	–
		–	4,575	76	4,331	12,229	21,211
		–	–	–	–	–	–

Notes:

- Dr. CHEN Peng-Hsuan is the chief executive of the Company.
- Ms. Annie Lee ceased to be a director of the Company on December 31, 2024.

The executive directors’ and chief executive’s emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Track Record Period.

During the Track Record Period, no emoluments were paid by the Group to the directors of the Group as an inducement to join the Group or as compensation for loss of office.

Five highest paid individuals

During the Track Record Period, the five highest paid employees of the Group included one and one director of the Company, details of whose emoluments are set out above. Details of the remuneration of the remaining four and four individuals for the Track Record Period, were as follows:

	Period from June 11, 2024 to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
Salaries and other benefits	3,285	10,855
Performance based bonus	39	5,330
Retirement benefit scheme contributions	34	204
Share-based payments	351	3,423
	3,709	19,812

The numbers of the five highest paid individuals (including directors of the Company) are within the following bands (presented in Hong Kong Dollar (“HK\$”)):

	Period from June 11, 2024 to December 31,	Year ended December 31,
	2024	2025
	No. of employees	
Nil to HK\$1,000,000	3	–
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$4,000,001 to HK\$4,500,000	–	2
HK\$4,500,001 to HK\$5,000,000	1	–
HK\$6,000,001 to HK\$6,500,000	–	1
HK\$6,500,001 to HK\$7,000,000	–	1
HK\$22,500,001 to HK\$23,000,000	–	1
	5	5
	–	–

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14. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share is based on the following data:

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
(Loss) profit for the period/year for the purpose of basic and diluted		
(loss) earnings per share	(100,953)	152,697
Number of shares		
Weighted average number of ordinary shares for the purpose of basic		
(loss) earnings per share ('000)	94,706	460,000
Effect of dilutive potential ordinary shares ('000)		
– Options and restricted share units	–	1,787
Weighted average number of ordinary shares for the purpose of diluted		
(loss) earnings per share ('000)	94,706	461,787

As the Group incurred losses for the period from June 11, 2024 to December 31, 2024, the potential ordinary shares were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for such period ended December 31, 2024 is the same as basic loss per share.

15. INCOME TAX (CREDIT) EXPENSE

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
Current tax:		
PRC Enterprise Income Tax	(11,968)	61,139
Deferred tax (<i>Note 21</i>)	(5,496)	(7,202)
	<u>(17,464)</u>	<u>53,937</u>

British Virgin Islands Profits Tax is calculated at 0% on the estimated assessable profit during the Track Record Period.

Hong Kong Profits Tax is calculated using the two-tiered profits tax rates regime. The first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Track Record Period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax (credit) expense for the period from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025 can be reconciled to the (loss) profit before tax per consolidated statements of profit or loss and other comprehensive income as follows:

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
(Loss) profit before tax	(118,417)	206,634
Tax charge at the PRC EIT rate of 25%	(29,604)	51,659
Tax effect of tax losses not recognized	–	2,367
Tax effect of expenses not deductible for tax purpose	9,239	21,204
Effect of different tax rates of subsidiaries operating in other		
jurisdictions	2,901	(21,293)
Income tax (credit) expense for the period/year	<u>(17,464)</u>	<u>53,937</u>

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16. PROPERTY AND EQUIPMENT

The Group

	Machinery	Electronic devices, furniture and office equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST					
As at June 11, 2024 (date of incorporation)	–	–	–	–	–
Additions	–	475	–	2,006	2,481
Additions from a business acquisition (<i>Note 36</i>)	51,963	7,347	12,808	25,340	97,458
Transfer	279	–	–	(279)	–
As at December 31, 2024	<u>52,242</u>	<u>7,822</u>	<u>12,808</u>	<u>27,067</u>	<u>99,939</u>
Additions	398	103	–	7,223	7,724
Disposals	(204)	(347)	–	–	(551)
Transfer	19,397	2,757	11,254	(33,408)	–
As at December 31, 2025	<u>71,833</u>	<u>10,335</u>	<u>24,062</u>	<u>882</u>	<u>107,112</u>
ACCUMULATED DEPRECIATION					
As at June 11, 2024 (date of incorporation)	–	–	–	–	–
Provided for the period	1,186	318	394	–	1,898
As at December 31, 2024	<u>1,186</u>	<u>318</u>	<u>394</u>	<u>–</u>	<u>1,898</u>
Provided for the year	10,518	3,408	2,512	–	16,438
As at December 31, 2025	<u>11,704</u>	<u>3,726</u>	<u>2,906</u>	<u>–</u>	<u>18,336</u>
CARRYING VALUES					
As at December 31, 2024	<u>51,056</u>	<u>7,504</u>	<u>12,414</u>	<u>27,067</u>	<u>98,041</u>
As at December 31, 2025	<u>60,129</u>	<u>6,609</u>	<u>21,156</u>	<u>882</u>	<u>88,776</u>

The above items of property and equipment, except for construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, as follows:

Machinery	9.5%-19% per annum
Electronic devices, furniture and office equipment	9.5%-31.67% per annum
Leasehold improvements	Over the shorter of the lease term or 10 years

17. RIGHT-OF-USE ASSETS

The Group

	Leased properties	Leased vehicle	Total
	RMB'000	RMB'000	RMB'000
Carrying amount			
As at June 11, 2024 (date of incorporation)	–	–	–
Additions from a business acquisition (<i>Note 36</i>)	31,346	636	31,982
Depreciation charge	(908)	(49)	(957)
As at December 31, 2024	<u>30,438</u>	<u>587</u>	<u>31,025</u>
Additions	26,081	–	26,081
Decreases	(6,202)	–	(6,202)
Depreciation charge	(12,192)	(587)	(12,779)
As at December 31, 2025	<u>38,125</u>	<u>–</u>	<u>38,125</u>

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
Total cash outflow for leases	<u>1,695</u>	<u>16,415</u>

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During the Track Record Period, the Group leases a plant, various offices and vehicles for its operations. Lease contracts are entered into for fixed term of 12 months to 122 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

In addition, lease liabilities of RMB30,447,000 and RMB37,532,000 are recognized with related right-of-use assets of RMB31,025,000 and RMB38,125,000 as at December 31, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease committed

As at December 31, 2025, the Group entered into a new lease for a factory premise that has not yet commenced, with a non-cancellable period of 10 years, the total future undiscounted cash flows over the non-cancellable period amounted to RMB42,965,000.

18. INTANGIBLE ASSETS

The Group

	Software	Trademarks	Patents	IPR&D	Marketing authorization licenses	Know-how	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
As at June 11, 2024 (date of incorporation)	—	—	—	—	—	—	—
Addition	941	—	—	—	—	—	941
Addition from a business acquisition (<i>Note 36</i>)	615	1,871,000	19,000	—	1,362,106	463,000	3,715,721
As at December 31, 2024	1,556	1,871,000	19,000	—	1,362,106	463,000	3,716,662
Addition	6,271	—	—	57,585	15,000	—	78,856
Disposals	(150)	—	—	—	—	—	(150)
As at December 31, 2025	7,677	1,871,000	19,000	57,585	1,377,106	463,000	3,795,368
AMORTIZATION							
As at June 11, 2024 (date of incorporation)	—	—	—	—	—	—	—
Provided for the period	12	1,304	691	—	5,675	1,929	9,611
As at December 31, 2024	12	1,304	691	—	5,675	1,929	9,611
Provided for the year	870	15,650	8,286	—	68,543	23,150	116,499
Elimination on disposals	(10)	—	—	—	—	—	(10)
As at December 31, 2025	872	16,954	8,977	—	74,218	25,079	126,100
CARRYING VALUES							
As at December 31, 2024	1,544	1,869,696	18,309	—	1,356,431	461,071	3,707,051
As at December 31, 2025	6,805	1,854,046	10,023	57,585	1,302,888	437,921	3,669,268

During the year ended December 31, 2025, the Group capitalized an amount of RMB57,585,000 in respect of upfront payment made for a license of a particular molecule with the goal of developing and commercializing it as a pharmaceutical product in China. Such intangible assets have finite useful lives and will start to amortize after available for use. As of December 31, 2025, the management performed impairment assessment on the in-process research and development (“IPR&D”) and determined that there is no impairment. Please refer to Note 19 for details of the impairment assessment.

Except trademark with carrying amount of RMB1,558,000,000 having indefinite useful life and IPR&D pipeline which is not yet available for use, intangible assets are amortized on a straight-line basis over the following periods:

Trademarks	20 years
Patents	1.65-4.94 years
Know-how	20 years
MAH	20 years
Software	4-10 years

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19. IMPAIRMENT TESTING ON GOODWILL, INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE AND INTANGIBLE ASSETS NOT READY FOR USE

Goodwill

	Cost and carrying amount
	<i>RMB’000</i>
As at June 11, 2024 (date of incorporation)	—
Goodwill arising on a business acquisition (<i>Note 36</i>)	983,087
As at December 31, 2024 and 2025	<u>983,087</u>

Goodwill arising from the business combination is allocated to a group of cash-generating units that are expected to benefit from the synergies of such business combination for the purpose of impairment testing.

Impairment review on the goodwill of the Group has been conducted by the management of the Company with reference to a report prepared by Valuelink Asia (Beijing) Enterprise Management Consulting Co., Ltd. (“ValueLink”), an external appraiser, as at December 31, 2024 and 2025. The address of ValueLink is Room 511, Jiasheng Center, No. A19, Dongsanhuan Road, Chaoyang District, Beijing, PRC. For the purpose of impairment review, the recoverable amount of the group of cash-generating units is determined based on value-in-use calculations.

With the assistance of the external appraiser, management determined the recoverable amount of goodwill based on the following approach and the key assumptions:

- The cash flow projections are made based on financial budgets prepared by management covering a 5-year period. Cash flows beyond 5 years are extrapolated using the estimated terminal growth rate, which was estimated with reference to the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry;
- The estimated revenue, cost and expenses were based on the past performance and the management’s expectation of future market development; and
- The discount rate used is pre-tax and reflects specific risks relating to the relevant business that would be considered by market participants.

The key parameters used for value-in-use calculations are as follows:

	At December 31, 2024	At December 31, 2025
Pre-tax discount rate	16.79%	16.75%
Expected revenue annual growth rates	5%-32%	5%-32%
Terminal growth rate	2%	2%

The management of the Group was in the view that there was sufficient headroom in respect of the reasonably possible changes in the key parameters, and had not identified that reasonably possible changes in the key parameters would cause the carrying amount of the group of the cash-generating units to exceed the recoverable amount as at December 31, 2024 and 2025.

Intangible asset with indefinite useful life

Impairment review on certain trademark with indefinite useful life of the Group has been conducted by the management of the Company with reference to a report prepared by the external appraiser, ValueLink, as at December 31, 2024 and 2025. For the purpose of impairment review, the recoverable amount of the intangible asset with indefinite useful life is determined based on value-in-use calculations.

With the assistance of the external appraiser, management determined the recoverable amount of the intangible asset with indefinite useful life based on the following approach and the key assumptions:

- The cash flow projections are made based on financial budgets prepared by management covering a 5-year period. Cash flows beyond 5 years are extrapolated using the estimated terminal growth rate, which was estimated with reference to the relevant industry growth forecasts and did not exceed the average long-term growth rate for the relevant industry;
- The estimated revenue was based on the past performance and the management’s expectation of future market development; and
- The discount rate used is pre-tax and reflects specific risks relating to the relevant products that would be considered by market participants.

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The key parameters used for value-in-use calculations are as follows:

	At December 31, 2024	At December 31, 2025
Pre-tax discount rate	17.81%	17.76%
Expected revenue annual growth rates	2%-15%	2%-15%
Terminal growth rate	2%	2%

The management of the Group was in the view that there was sufficient headroom in respect of the reasonably possible changes in the key parameters, and had not identified that reasonably possible changes in the key parameters would cause the carrying amount of the intangible asset with indefinite useful life to exceed the recoverable amount as at December 31, 2024 and 2025.

Intangible asset not ready for use

Intangible asset not yet ready for use is tested annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. Impairment review on the IPR&D pipeline of the Group has been conducted by the management of the Company with reference to a report prepared by the external appraiser, ValueLink, as at December 31, 2025. For the purpose of impairment review, the recoverable amount of the intangible asset not ready for use is determined based on value-in-use calculations.

With the assistance of the external appraiser, management determined the recoverable amount of the intangible asset not yet ready for use based on the following approach and the key assumptions:

- The cash flow projections are made based on financial budgets prepared by management till year 2037 based on the timing of clinical development and regulatory approval of relevant products. The management considers the length of forecast period is appropriate because it generally takes longer to reach a perpetual growth mode, compared to companies in other industries, especially when the related products are still under clinical trial. Hence, the management believes that a forecast period for the cash generating units longer than five years is justifiable and consistent with industry practice;
- The estimated revenue, cost and expenses were based on the market data for similar products and the management’s expectation of future market development;
- The discount rate used is pre-tax and reflects specific risks relating to the relevant products that would be considered by market participants; and
- The expected success rate of commercialization by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

The key parameters used for value-in-use calculations are as follows:

	At December 31, 2024	At December 31, 2025
Pre-tax discount rate	N/A	17.76%
Expected revenue annual growth rates	N/A	-44%-534%
Expected success rate of commercialization	N/A	41.36%

The management of the Group was in the view that there was sufficient headroom in respect of the reasonably possible changes in the key parameters, and had not identified that reasonably possible changes in the key parameters would cause the carrying amount of cash-generating unit to exceed the recoverable amount as at December 31, 2025.

20. INVESTMENT IN A SUBSIDIARY

The Company

	At December 31, 2024	At December 31, 2025
	RMB’000	RMB’000
Cost of investment	3,268,760	3,286,896

The investment in a subsidiary is assessed for impairment whenever there is an indication that may be impaired.

21. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group

	At December 31, 2024	At December 31, 2025
	RMB’000	RMB’000
Deferred tax assets	12,340	37,672
Deferred tax liabilities	(224,898)	(243,028)
	<u>(212,558)</u>	<u>(205,356)</u>

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The following are the major deferred tax assets (liabilities) recognized and movements thereon during the Track Record Period:

	Accrued expenses	Tax losses	Provision	Right-of-use assets	Lease liabilities	Inventory provision	Intangible assets	Revaluation of inventory	Revaluation of property, plant and equipment	Unrealized gains of intercompany sales	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at June 11, 2024 . . .	–	–	–	–	–	–	–	–	–	–	–
Arising from a business acquisition	11,964	–	3,749	(7,996)	7,781	–	(218,730)	(12,065)	(2,757)	–	(218,054)
(Charged) credited to profit or loss	(2,777)	236,350	15	239	(169)	–	(228,292)	31	99	–	5,496
As at December 31, 2024	9,187	236,350	3,764	(7,757)	7,612	–	(447,022)	(12,034)	(2,658)	–	(212,558)
Credited (charged) to profit or loss	2,778	2,938	188	(1,775)	1,771	2,084	(35,636)	11,819	1,189	21,846	7,202
As at December 31, 2025	11,965	239,288	3,952	(9,532)	9,383	2,084	(482,658)	(215)	(1,469)	21,846	(205,356)

As at December 31, 2024 and 2025, the Group has unused tax losses of approximately RMB1,427,935,000 and RMB1,459,698,000 available for offset against future profits, respectively. A deferred tax asset has been recognized in respect of approximately RMB1,427,935,000 and RMB1,450,230,000 of such losses. No deferred tax asset has been recognized in respect of remaining nil and approximately RMB9,468,000 due to the unpredictability of future profit streams. Included in unrecognized tax losses are losses of nil and approximately RMB9,322,000 with expiry dates as disclosed in the following table. Other losses may be carried forward indefinitely.

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
2030	–	9,064
2032	–	258
Indefinite	–	146
	–	9,468
	–	–

22. INVENTORIES

The Group

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
Raw materials and consumables	33,599	27,512
Work in progress	2,885	–
Semi-finished goods	8,312	12,472
Goods in transit	–	12,129
Finished goods	245,128	83,568
	289,924	135,681

Finished goods are net of a write-down of approximately nil and RMB6,666,000 as at December 31, 2024 and 2025, respectively.

Raw materials are net of a write-down of approximately nil and RMB1,670,000 as at December 31, 2024 and 2025, respectively.

23. TRADE AND OTHER RECEIVABLES

The Group

Details of trade and other receivables are as follows:

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
Trade receivables		
– Other related parties	5,528	–
– Third parties	92,066	196,863
Less: allowance for expected credit losses	–	–
	97,594	196,863

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	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
Prepayments	13,685	29,035
Consideration refund receivable (<i>note</i>)	100,551	–
Other receivables	5,197	24,503
	<u>217,027</u>	<u>250,401</u>
Analyzed for reporting purposes such as:		
Current	210,913	229,347
Non-current	6,114	21,054
	<u>217,027</u>	<u>250,401</u>

Note: The amount represents the overpayment of consideration paid for the business acquisition as disclosed in Note 36 upon finalising the acquisition consideration and was received during the year ended December 31, 2025.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on invoice dates:

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
0-30 days	17,048	78,592
31-60 days	80,546	113,993
61-90 days	–	4,278
	<u>97,594</u>	<u>196,863</u>

As at December 31, 2024, there is no trade receivables past due. As at December 31, 2025, trade receivables of RMB1,895,000 are past due and have been settled in January 2026. Details of impairment assessment of trade receivables are set out in note 34.

The directors of the Group have considered the recoverable amount and credit quality of the relevant customers and concluded that the ECL is not significant to the Group. The Group does not hold any collateral over these balances.

The Company

Details of other receivables are as follows:

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
Other receivable from the Trust	–	108,258
Prepayments	–	245
	–	<u>108,503</u>
	–	–

24. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

The Group

Cash and cash equivalents include demand deposits, short-term deposits for the purpose of meeting the Group’s short-term cash commitments, which carried interest at market rates range from 0.1% to 3.78% and 0.05% to 4.18% during the period/year ended December 31, 2024 and 2025, respectively.

As at December 31, 2024 and 2025, bank balances of RMB81,827,000 and RMB33,752,000 are restricted for the repayment of bank borrowings. The balances carrying interest at fixed interest rate of 0.1% and 0.05%, respectively.

Cash and cash equivalent and restricted bank balances that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
US\$	<u>525,114</u>	<u>266,678</u>

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The Company

Cash and cash equivalents include demand deposits, short-term deposits for the purpose of meeting the Company’s short-term cash commitments.

Cash and cash equivalent that are denominated in currencies other than functional currency of the Company are set out below:

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
US\$	35,658	8,175

25. TRADE AND OTHER PAYABLES

The Group

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	128,561	19,723
Other payables	232,756	78,784
Accrued expenses	17,451	38,187
Other tax payables	–	8,034
Payroll payables	17,676	40,142
Accrued sales rebates	26,528	59,429
Accrued sales service fees	–	24,203
	422,972	268,502

The average credit period on purchases of goods of the Group is 60 to 90 days.

The following is an aged analysis of trade payables, presented based on the invoice dates at the end of each reporting period:

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
0-60 days	128,132	16,126
60-120 days	429	2,908
120-365 days	–	689
	128,561	19,723

The Company

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
Other payables	26,985	19

26. BORROWINGS

The Group

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
Secured and unguaranteed	2,003,837	1,994,421

The carrying amounts of the borrowings are analyzed based on contractual repayment date as follows:

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
The carrying amounts of the above borrowings are repayable		
Within one year	42,110	115,133
Within a period of more than one year but not exceeding two years	96,334	99,750
Within a period of more than two years but not exceeding five years . . .	689,403	1,099,802
Within a period of more than five years	1,175,990	679,736
	2,003,837	1,994,421
Less: Amounts due within one year shown under current liabilities	(42,110)	(115,133)

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	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
Amounts shown under non-current liabilities	<u>1,961,727</u>	<u>1,879,288</u>

The exposure of the Group’s borrowings are as follows:

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
Variable-rate borrowing	<u>2,003,837</u>	<u>1,994,421</u>

The Group’s variable-rate borrowing carries interest at loan prime rate plus spread margin rate and arrangement fee rate. The margin rate and arrangement fee rate of the borrowing was modified from 0.25% and 0.75% to -0.2% and 0% on June 27, 2025.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group’s borrowings are as follows:

	At December 31, 2024	At December 31, 2025
Variable-rate borrowings	<u>6.04%</u>	<u>4.64%</u>

The Group’s borrowing is secured by Group’s 100% equity interest in NeuroGen Pharma (Zhuhai) Co., Ltd, NeuroGen Trading (Shanghai) Co., Ltd and Concord Acquisition (HK) Limited.

Loan covenants

In respect of bank borrowings with carrying amount of RMB2,003,837,000 and RMB1,994,421,000 as at December 31, 2024 and 2025, respectively, the Group is required to comply with certain financial covenants which are tested on a yearly basis.

The Group has complied with the relevant covenants at December 31, 2024 and 2025.

27. LEASE LIABILITIES

The Group

	At December 31, 2024	At December 31, 2025
	<i>RMB’000</i>	<i>RMB’000</i>
Lease liabilities payable:		
Within one year	10,435	6,628
Within a period of more than one year but not exceeding two years	8,627	6,240
Within a period of more than two years but not exceeding five years . . .	7,973	22,040
Within a period of more than five years	3,412	2,624
	<u>30,447</u>	<u>37,532</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(10,435)</u>	<u>(6,628)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>20,012</u>	<u>30,904</u>

The incremental borrowing rates applied to lease liabilities range from 2.54% to 4.73% and 2.88% to 4.73% for the period/year ended December 31, 2024 and 2025, respectively.

28. PROVISIONS

The Group

	Restoration provision
	<i>RMB’000</i>
As at June 11, 2024 (date of incorporation)	—
Addition from a business acquisition (<i>Note 36</i>)	14,998
Addition	59
At December 31, 2024	<u>15,057</u>
Addition	2,653
Utilisation of provision	<u>(1,900)</u>
At December 31, 2025	<u>15,810</u>

The Group has entered several lease contracts with the lessors which the restoration term required the Group to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to the condition at the expiration of the leases and bear the costs thereof.

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The restoration provision represent management’s best estimate of the Group’s liability under lease contract for restoration.

29. SHARE CAPITAL

The Group and the Company

	Number of shares	Share capital	
		US\$’000	Equivalent to RMB’000
Ordinary shares			
Ordinary shares of US\$1.00 each			
Authorized			
As at June 11, 2024 (date of incorporation), December 31, 2024 and 2025	583,000,000	583,000	N/A
Issued and fully paid			
As at June 11, 2024 (date of incorporation)	–	–	–
Issuance of ordinary shares	460,000,000	460,000	3,334,649
As at December 31, 2024	460,000,000	460,000	3,334,649
Issuance of ordinary shares	15,456,000	15,456	108,257
As at December 31, 2025	475,456,000	475,456	3,442,906

30. RESERVES OF THE COMPANY

	Share-based payment reserves	Retained profits	Total
	RMB’000	RMB’000	RMB’000
As at June 11, 2024 (date of incorporation)	–	–	–
Profit and total comprehensive income for the period	–	3,575	3,575
Recognition of equity-settled share-based payment expenses (Note 31)	3,774	–	3,774
At December 31, 2024	3,774	3,575	7,349
Loss and total comprehensive expense for the year	–	(3,545)	(3,545)
Recognition of equity-settled share-based payment expenses (Note 31)	18,136	–	18,136
At December 31, 2025	21,910	30	21,940

31. SHARE-BASED PAYMENT TRANSACTIONS

Pre-[REDACTED] Equity Incentive Plan — restricted share units

In recognition of the contributions of certain director, a total of 2,415,000, restricted share units were awarded by the Group during the year ended December 31, 2024. The vesting schedule of the restricted share units is as follows: 50% shall vest on the two (2) year anniversary of the vesting commencement date and the remaining 50% shall vest in a series of four (4) successive equal semi-annual installments of 12.5% each from the second anniversary of the vesting commencement date.

Except for the new grant of 2,415,000 units, there is no movement of restricted share units during the Track Record Period. None of the outstanding restricted shares units had been vested as at December 31, 2024 and 2025, respectively.

The fair value of the restricted share units on the grant date is estimated based on the equity value of the Company per share which is US\$0.956.

Pre-[REDACTED] Equity Incentive Plan — share options

In recognition of the contributions of certain eligible directors and employees, a total of 18,837,000 share options were awarded by the Group during the Track Record Period. 8,211,000 share options are time-based with vesting schedule of 50% shall vest on the two (2) year anniversary of the vesting commencement date and the remaining 50% shall vest in a series of four (4) successive equal semi-annual installments of 12.5% each from the second anniversary of the vesting commencement date. The remaining 10,626,000 share options are milestone-based upon achievement of certain milestone.

Details of the movements of the outstanding share options during the Track Record Period is as follows:

	Outstanding as at June 11, 2024	Granted	Exercised	Forfeited	Outstanding as at December 31, 2024	Granted	Exercised	Forfeited	Outstanding as at December 31, 2025
Time-based	–	5,071,500	–	–	5,071,500	3,139,500	–	–	8,211,000
Milestone-based	–	7,486,500	–	–	7,486,500	3,139,500	–	–	10,626,000

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	Outstanding as at June 11, 2024	Granted	Exercised	Forfeited	Outstanding as at December 31, 2024	Granted	Exercised	Forfeited	Outstanding as at December 31, 2025
	<u>-</u>	<u>12,558,000</u>	<u>-</u>	<u>-</u>	<u>12,558,000</u>	<u>6,279,000</u>	<u>-</u>	<u>-</u>	<u>18,837,000</u>
Exercisable at the end of the year . . .					<u>-</u>				<u>-</u>
Weighted average exercise price (US\$)	<u>N/A</u>	<u>0.95</u>	<u>N/A</u>	<u>N/A</u>	<u>0.95</u>	<u>0.95</u>	<u>N/A</u>	<u>N/A</u>	<u>0.95</u>

The share options outstanding at December 31, 2024 and 2025 had a weighted average remaining contractual life of 9.81 and 9.13 years.

The grant date fair value of the restricted share units was determined based on the difference between the grant date fair value per share (arrives from underlying equity value of the Company divides by the number of shares) of the Company and the subscription price of the restricted share unit. The Group applied the discounted cash flow method under the income approach to determine the underlying equity value of the Company.

The grant date fair value of the time-based share options was estimated using a binomial model, considering the terms and conditions upon which the options were granted. The grant date fair value of the milestone-based share options was estimated using a Monte-Carlo model, considering the terms and conditions upon which the options were granted.

The fair values of the restricted shares units and share options was valued by directors of the Company with reference to valuation reports carried out by ValueLink.

The key assumptions used in the model are as follows:

For those awarded during the period from June 11, 2024 (date of incorporation) to December 31, 2024:

Key assumptions	Time-based share options	Milestone-based share options
Grant date share price	US\$0.956	US\$0.956
Exercise price	US\$0.95	US\$0.95
Expected life	10 years	10 years
Volatility rate	41.62%	41.62%
Expected dividend yield	0%	0%
Risk-free interest rate	4.57%	4.57%

For those awarded during the year ended December 31, 2025:

Key assumptions	Time-based share options	Milestone-based share options
Grant date share price	US\$1.13-1.26	US\$1.26
Exercise price	US\$0.95	US\$0.95
Expected life	10 years	10 years
Volatility rate	39.27%-40.18%	39.27%-40.18%
Expected dividend yield	0%	0%
Risk-free interest rate	4.15%-4.22%	4.15%-4.22%

The Group recognized a total share-based payment expenses of approximately RMB3,774,000 and RMB18,136,000, respectively, during the Track Record Period.

32. RELATED PARTY TRANSACTIONS

Save for disclosed elsewhere of the Historical Financial Information, the Group has following transactions and balances with the related parties during the Track Record Period.

a. Names and relationships with related parties

The following companies are related parties of the Group that had transactions with the Group.

Name of related party	Relationship
C-Bridge V Investment Fifteen Limited	Shareholder
ATIC Second International Investment Company LLC . .	Shareholder
C-Bridge Healthcare Fund V, L.P.	Affiliate of a shareholder
C-Bridge Joint Value Creation (HK)	Affiliate of a shareholder
Concord Acquisition (HK) Limited	A subsidiary of the Company
Yinglian Pharmaceutical (Zhuhai) Co. Ltd.	A company in which a shareholder has significant influence

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ACCOUNTANTS’ REPORT OF THE GROUP

b. Transactions and outstanding balances with related parties

The Group

Transactions

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
Consulting expenses incurred		
– C-Bridge Joint Value Creation (HK)	–	7,117
– ATIC Second International Investment Company LLC	–	7,117
Sales of pharmaceutical goods		
– Yinglian Pharmaceutical (Zhuhai) Co. Ltd.	3,074	3,221
	<u>3,074</u>	<u>17,455</u>

Amounts due to a related party

	At December 31,	At December 31,
	2024	2025
	RMB'000	RMB'000
C-Bridge Healthcare Fund V, L.P.	<u>2,171</u>	<u>408</u>

The amounts are non-trade in nature, interest-free, non-interest bearing and repayable on demand.

The Company

Amounts due from related parties

	At December 31,	At December 31,
	2024	2025
	RMB'000	RMB'000
Concord Acquisition (HK) Limited	<u>64,565</u>	<u>61,577</u>

Amounts due to related parties

	At December 31,	At December 31,
	2024	2025
	RMB'000	RMB'000
Concord Acquisition (HK) Limited	–	70
C-Bridge Healthcare Fund V, L.P.	–	216
	<u>–</u>	<u>286</u>

The amounts are non-trade in nature, interest-free, non-interest bearing and repayable on demand.

c. Compensation of key management personnel

The remuneration of the directors and other key management personnel of the Group during the Track Record Period were as follows:

	Period from June 11, 2024 to December 31,	Year ended December 31,
	2024	2025
	RMB'000	RMB'000
Salaries and other benefits	4,422	14,941
Performance based bonus	39	9,187
Retirement benefit scheme contributions	45	333
Share-based payments	3,626	16,148
	<u>8,132</u>	<u>40,609</u>

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ACCOUNTANTS’ REPORT OF THE GROUP

The remuneration of key management personnel is determined by the management of the Group having regard to the performance of individuals and market trends.

33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group’s overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of net debt, which includes the borrowings and lease liabilities disclosed in Notes 26 and 27 respectively, net of cash and cash equivalents and equity of the Group, comprising issued share capital, retained profits and other reserves.

The management of the Group regularly reviews the capital structure on a continuous basis considering the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through the new shares issues as well as the issue of new debts or the redemption of existing debt.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
Financial assets		
Amortized cost	779,835	984,252
Financial liabilities		
Amortized cost	2,411,304	2,215,155

The Company

	At December 31, 2024	At December 31, 2025
	RMB'000	RMB'000
Financial assets		
Amortized cost	100,223	178,010
Financial liabilities		
Amortized cost	26,985	305

(b) Financial risk management objectives and policies

The Group’s major financial assets and liabilities include trade and other receivables, restricted bank balances, cash and cash equivalents, trade and other payables, amounts due to a related party and borrowings. The Company’s major financial assets and liabilities include other receivables, amounts due from related parties, cash and cash equivalents, trade and other payables, amounts due to related parties. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

The Group’s and the Company’s activities expose them primarily to currency risk and interest rate risk. There has been no change in the Group’s and the Company’s exposure to these risks or the manner in which they manage and measure the risks.

(i) Currency risk

Cash and cash equivalents and trade and other payables denominated in foreign currency of respective group entities are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

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The carrying amounts of the Group’s and the Company’s foreign currency denominated monetary assets and liabilities at the end of each reporting period are mainly as follows:

The Group

	At December 31, 2024	At December 31, 2025
	RMB’000	RMB’000
Assets		
US\$	525,114	266,678

	At December 31, 2024	At December 31, 2025
	RMB’000	RMB’000
Liabilities		
US\$	44,147	47,227

The Company

	At December 31, 2024	At December 31, 2025
	RMB’000	RMB’000
Assets		
US\$	35,658	8,175

Sensitivity analysis

The following table details the Group’s and the Company’s sensitivity to a 5% increase and decrease in foreign currencies against respective entities’ functional currencies, with which the Group and the Company may have a material exposure. 5% represents management’s assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis uses outstanding foreign currency denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. The positive number below indicates an increase in profit where foreign currencies strengthen 5% against functional currencies. For a 5% weakening of foreign currencies against functional currencies, there would be an equal and opposite impact on profit for the year/period.

	Period from June 11, 2024 (date of incorporation) to December 31,	Year ended December 31,
	2024	2025
	RMB’000	RMB’000
The Group	19,946	8,551
The Company	1,783	409

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities and restricted bank balances. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances and loan prime rate arising from the Group’s borrowings. As the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant. Therefore, the management only performs sensitive analysis on variable-rate borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. A 100-basis point increase or decrease in variable-rate borrowings are used and represents management’s assessment of the reasonably possible change in interest rates.

If the interest rate had been 100 basis points higher/lower as at December 31, 2024 and all other variables were held constant, the Group’s post-tax profit for the period from June 11, 2024 to December 31, 2024 would decrease or increase by RMB1,491,000.

If the interest rate had been 100 basis points higher/lower as at December 31, 2025 and all other variables were held constant, the Group’s post-tax profit for the year ended December 31, 2025 would decrease or increase by RMB16,755,000.

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Credit risk

The Group’s maximum exposure to credit risk which will cause a financial loss to the Group, is arising from the amount of each class of financial assets as disclosed in the consolidated statements of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed collectively, based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each year.

For other receivables, the Group has applied 12m ECL in IFRS 9 to measure the loss allowance. The ECL on other receivables are assessed individually based on historical settlement records and past default experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period.

As at December 31, 2024 and December 31, 2025, the Group has insignificant risk that the entity would be exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties.

For bank deposits and other receivables, the management considered those banks and counterparties are with good reputation and transaction record. The management believes that there are no significant increase in credit risk of these amounts since initial recognition, and the Group provided impairment based on 12m ECL. For the year/period ended 31 December 2025 and 2024, the Group assessed the ECL for other receivables and bank deposits are insignificant and thus no loss allowance is recognized.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group’s and the Company’s operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilization of bank borrowings and ensure compliance with loan covenants.

The following table details the Group’s remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are based on variable rate, the undiscounted amount is derived based on management’s best estimates from interest rate at the end of each reporting period, taking into consideration interest rate curve, if available.

The Group

	Weighted average effective interest rate	Within 1 year or on demand	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at December 31, 2024						
Trade and other payables . .	–	405,296	–	–	405,296	405,296
Amounts due to a related party	–	2,171	–	–	2,171	2,171
Lease liabilities	3.64	12,075	21,339	502	33,916	30,447
Borrowings	6.04	153,198	1,195,901	1,264,498	2,613,597	2,003,837
		572,740	1,217,240	1,265,000	3,054,980	2,441,751
As at December 31, 2025						
Trade and other payables . .	–	220,326	–	–	220,326	220,326
Amounts due to a related party	–	408	–	–	408	408
Lease liabilities	3.81	8,444	33,786	–	42,230	37,532
Borrowings	4.64	188,900	1,475,885	701,250	2,366,035	1,994,421
		418,078	1,509,671	701,250	2,628,999	2,252,687

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The Company

	Weighted average effective interest rate	Within 1 year or on demand	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2024						
Other payables	–	26,985	–	–	26,985	26,985
		<u>26,985</u>	–	–	<u>26,985</u>	<u>26,985</u>
As at December 31, 2025						
Amounts due to related parties	–	286	–	–	286	286
Other payables	–	19	–	–	19	19
		<u>305</u>	–	–	<u>305</u>	<u>305</u>

(c) Fair value measurements of financial instruments

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors of the Company consider that the carrying amount of the Group’s and the Company’s financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

35. RETIREMENT BENEFIT PLANS

The employees of the Group’s subsidiary in the PRC are members of state-managed retirement benefit schemes organized by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specified contributions. The total amount provided by the Group to the schemes in the PRC is RMB1,014,000 and RMB15,293,000 for the period from June 11, 2024 (date of incorporation) to December 31, 2024, and the year ended December 31, 2025, respectively.

36. ACQUISITION OF A BUSINESS

On November 29, 2024, the Company acquired allergy and neurology business (the “Business”), comprising of 100% equity interest in NeuroGen Pharma (Zhuhai) Co., Ltd., formerly known as UCB Pharma (ZhuHai) Co., Ltd., and related assets. The Business is to manufacture and sell pharmaceutical products in mainland China and Hong Kong market. The acquisition has been accounted for as acquisition of business using the acquisition method.

Related acquisition costs of RMB55,265,000 have been expensed as incurred under administrative expenses in the consolidated statements of profit or loss and other comprehensive income.

Consideration transferred

	Amount
	RMB'000
Cash	<u>4,682,968</u>

Assets acquired and liabilities recognized at the date of acquisition

	Amount
	RMB'000
Property and equipment	97,458
Right-of-use assets	31,982
Intangible assets	3,715,721
Inventories	271,751
Deferred tax assets	15,498
Trade and other receivables	168,637
Tax recoverable	10,360
Cash and cash equivalent	24,066
Trade and other payable	(355,918)
Lease liabilities	(31,124)
Provisions	(14,998)
Deferred tax liabilities	(233,552)
	<u>3,699,881</u>

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The fair value of the assets acquired and liabilities assumed is estimated by the directors of the Company with reference to a valuation report prepared by Valuelink. The fair value of trade and other receivables at the date of acquisition amounted to RMB168,637,000, which is equivalent to its gross contractual amounts. All the contractual cash flows are expected to be collected at acquisition date. Deferred tax liabilities arising from revaluation of inventories, property and equipment and intangible assets amounting to RMB233,552,000 has been recognized as at the date of acquisition.

Goodwill arising on acquisition

	Amount
	RMB’000
Cash consideration transferred	4,682,968
Less: fair value of net assets acquired	(3,699,881)
Goodwill arising on acquisition	<u><u>983,087</u></u>

Goodwill arose on the acquisition of the Business because the acquisition enables the Group to acquire, operate and expand the mature neurology and allergy product portfolio within the mainland China and Hong Kong market. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill arising from this acquisition is not expected to be deductible for tax purposes.

Net cash outflow on acquisition of a business

	Amount
	RMB’000
Cash paid	4,639,771
Less: cash and cash equivalents balances acquired	(24,066)
	<u><u>4,615,705</u></u>

37. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as at the date of this report, the Company has direct and indirect shareholding interests in the following subsidiaries:

Name of subsidiaries	Place and date of incorporation	Issued and paid-in share capital/registered capital	Shareholding/equity interests attributable to the Company as at			Principal activities
			December 31, 2024	December 31, 2025	Date of the report	
<i>Directly held:</i>						
Concord Acquisition (HK) Limited (<i>note i</i>)	Hong Kong July 19, 2024	HK\$3,503,115,001	100%	100%	[100%]	Investment holding company and trading of pharmaceutical products
<i>Indirectly held:</i>						
NeuroGen (Beijing) Holding Co., Ltd. (<i>note i</i>) 神基(北京)控股有限公司	The PRC June 20, 2025	Registered capital of RMB1,250,000,000 and paid-up capital of RMB150,000,000	N/A	100%	[100%]	Intermediate holding company
NeuroGen Pharma (Zhuhai) Co., Ltd. (<i>note ii, iii</i>) 神基(珠海)製藥有限公司	The PRC April 8, 1997	Registered and paid-up capital of US\$8,500,000	100%	100%	[100%]	Manufacturing and distribution of pharmaceutical products
NeuroGen Trading (Shanghai) Co., Ltd. (<i>note ii, iii</i>) 神基貿易(上海)有限公司	The PRC September 26, 2024	Registered and paid-up capital of US\$30,000,000	100%	100%	[100%]	Trading of goods through bonded areas, promotion service
NeuroGen Pharma (Shanghai) Co., Ltd. (<i>note ii</i>) 神基(上海)製藥有限公司	The PRC July 8, 2025	Registered and paid-up capital of RMB100,000,000	N/A	100%	[100%]	Pipeline management, Research and development of pharmaceutical products
NeuroGen Trading (Beijing) Co., Ltd. (<i>note ii</i>) 神基貿易(北京)有限公司	The PRC December 1, 2025	Registered capital of RMB50,000,000 and paid-up capital of nil	N/A	100%	[100%]	Trading of pharmaceutical products

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Name of subsidiaries	Place and date of incorporation	Issued and paid-in share capital/registered capital	Shareholding/equity interests attributable to the Company as at			Principal activities
			December 31, 2024	December 31, 2025	Date of the report	
NeuroGen Pharma (Singapore) Pte. Ltd (<i>note i</i>)	Singapore November 12, 2025	Issued and paid-up capital of US\$1	N/A	100%	[100%]	License holding company
NeuroGen Pharma Germany GmbH (<i>note i</i>)	Germany January 16, 2025	Registered and paid-up capital of EUR25,000	N/A	100%	[100%]	License holding company
NeuroGen Pharma Switzerland GmbH (<i>note i</i>)	Switzerland September 24, 2025	Registered and paid-up capital of CHF20,000	N/A	100%	[100%]	License holding company

All of the subsidiaries were limited liability companies and adopted December 31 as financial year end.

None of the subsidiaries has issued any debt securities as at December 31, 2024 and 2025.

Notes:

- (i) No audited statutory financial statements have been issued for these subsidiaries for the year ended December 31, 2025 as they are not due for issuance.
- (ii) The statutory financial statements of these subsidiaries for the year ended December 31, 2024 were prepared in accordance with Chinese Accounting Standard for Business Enterprise and were audited by Forvis Mazars Certified Public Accountants, certified public accountants registered in the PRC. The statutory financial statements of these subsidiaries for the year ended December 31, 2025 were prepared in accordance with Chinese Accounting Standard for Business Enterprise and were audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, certified public accountants registered in the PRC.
- (iii) In April 2026, the registered capital of NeuroGen Pharma (Zhuhai) Co., Ltd. was amended to RMB70,363,000; the registered capital of NeuroGen Trading (Shanghai) Co., Ltd. was amended to RMB215,652,000.

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Borrowings	Total
	RMB’000	RMB’000	RMB’000
As at June 11, 2024 (date of incorporation)	–	–	–
Net financing cash flows	(1,695)	1,993,611	1,991,916
Non-cash changes:			
Business acquisition	31,982	–	31,982
Interest expenses	160	10,346	10,506
Others	–	(120)	(120)
At December 31, 2024	<u>30,447</u>	<u>2,003,837</u>	<u>2,034,284</u>
Net financing cash flows	(14,439)	(130,990)	(145,429)
Non-cash changes:			
Addition	26,081	–	26,081
Decrease	(6,617)	–	(6,617)
Interest expenses	2,060	121,574	123,634
At December 31, 2025	<u>37,532</u>	<u>1,994,421</u>	<u>2,031,953</u>

39. SUBSEQUENT EVENTS

Saved as disclosed elsewhere of the Historical Financial Information, there are no material events subsequent to December 31, 2025.

40. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to December 31, 2025.]

APPENDIX IB

ACCOUNTANTS’ REPORT OF NEUROGEN ZHUHAI FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

The following is the text of a report set out on pages IB-1 to [IB-30], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION OF NEUROGEN PHARMA (ZHUHAI) CO., LTD TO THE DIRECTORS OF NEUROGEN PHARMA LIMITED (神基製藥有限公司), J.P. MORGAN SECURITIES (FAR EAST) LIMITED, CITIC SECURITIES (HONG KONG) LIMITED AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED

Introduction

We report on the historical financial information of NeuroGen Pharma (Zhuhai) Co., Ltd. (“NeuroGen Zhuhai”) set out on pages IB-3 to IB-[30], which comprises the statements of financial position of NeuroGen Zhuhai as at December 31, 2023, 2024 and 2025, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for each of the three years ended December 31, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information of NeuroGen Zhuhai set out on pages IB-3 to IB-[30] forms an integral part of this report, which has been prepared for inclusion in the document of NeuroGen Pharma Limited (神基製藥有限公司) (formerly known as Concord Acquisition Holdings Limited) (the “Company”) dated [●] (the “Document”) in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information of NeuroGen Zhuhai

The directors of the Company are responsible for the preparation of the Historical Financial Information of NeuroGen Zhuhai that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information of NeuroGen Zhuhai that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of the Document in which the Historical Financial Information of NeuroGen Zhuhai is included, and such information is prepared based on the accounting policies materially consistent with those of the Company.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information of NeuroGen Zhuhai and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information of NeuroGen Zhuhai is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information of NeuroGen Zhuhai. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information of NeuroGen Zhuhai, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information of NeuroGen Zhuhai that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design

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procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information of NeuroGen Zhuhai.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information of NeuroGen Zhuhai gives, for the purposes of the accountants’ report, a true and fair view of NeuroGen Zhuhai’s financial position as at December 31, 2023, 2024 and 2025 and of NeuroGen Zhuhai’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information of NeuroGen Zhuhai.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information of NeuroGen Zhuhai, no adjustments to the Underlying Financial Statements of NeuroGen Zhuhai as defined on page [IB-3] have been made.

Dividends

We refer to Note [12] to the Historical Financial Information of NeuroGen Zhuhai which contains information about the dividends declared and paid by NeuroGen Zhuhai in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

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HISTORICAL FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

Preparation of Historical Financial Information of NeuroGen Zhuhai

Set out below is the Historical Financial Information of NeuroGen Zhuhai which forms an integral part of this accountants’ report.

The financial statements of NeuroGen Zhuhai for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information of NeuroGen Zhuhai is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
		RMB'000	RMB'000	RMB'000
Revenue	6	935,643	934,942	1,151,646
Cost of sales		(511,592)	(509,613)	(600,491)
Gross profit		424,051	425,329	551,155
Other income	8	516	891	441
Other gains and losses, net	9	(4,327)	(2,137)	(2,836)
Selling and distribution expenses		(286,894)	(310,553)	(252,234)
General and administrative expenses		(50,697)	(69,563)	(89,555)
Finance costs	10	(1,618)	(1,971)	(2,010)
Profit before tax	11	81,031	41,996	204,961
Income tax expense	15	(20,668)	(11,037)	(51,304)
Profit and total comprehensive income for the year		60,363	30,959	153,657

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STATEMENTS OF FINANCIAL POSITION

	NOTES	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
		RMB'000	RMB'000	RMB'000
Non-current assets				
Property and equipment	16	99,699	87,322	82,871
Right-of-use assets	17	48,055	37,233	39,270
Intangible assets	18	1,432	1,066	6,423
Deferred tax assets	19	9,927	7,217	11,613
Other receivables	21	3,726	6,114	4,367
		162,839	138,952	144,544
Current assets				
Inventories	20	252,235	241,791	204,575
Trade and other receivables	21	130,924	87,292	176,881
Tax recoverable		2,782	22,005	7,535
Amounts due from related parties	28	–	1,501	18,925
Cash and cash equivalents	22	36,884	33,463	260,178
		422,825	386,052	668,094
Current liabilities				
Trade and other payables	23	336,142	331,642	460,560
Amounts due to related parties	28	–	762	1,128
Lease liabilities	24	7,789	10,435	6,628
		343,931	342,839	468,316
Net current assets		78,894	43,213	199,778
Total assets less current liabilities		241,733	182,165	344,322
Non-current liabilities				
Lease liabilities	24	31,141	20,012	27,838
Provisions	25	14,455	15,057	15,491
		45,596	35,069	43,329
Net assets		196,137	147,096	300,993
Capital and reserves				
Paid-in capital	26	70,377	70,377	70,377
Reserves		125,760	76,719	230,616
Total equity		196,137	147,096	300,993

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STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Capital reserves	Share-based payment reserve	Surplus reserves	Retained profits	Total
	RMB’000 (Note 26)	RMB’000 (Note (a))	RMB’000	RMB’000 (Note (b))	RMB’000	RMB’000
As at January 1, 2023	70,377	7,591	–	35,188	102,618	215,774
Profit and total comprehensive income for the year	–	–	–	–	60,363	60,363
Dividends recognized as distribution (Note 12)	–	–	–	–	(80,000)	(80,000)
At December 31, 2023	70,377	7,591	–	35,188	82,981	196,137
Profit and total comprehensive income for the year	–	–	–	–	30,959	30,959
Dividends recognized as distribution (Note 12)	–	–	–	–	(80,000)	(80,000)
At December 31, 2024	70,377	7,591	–	35,188	33,940	147,096
Profit and total comprehensive income for the year	–	–	–	–	153,657	153,657
Recognition of equity-settled share-based payment expenses (Note 27)	–	–	240	–	–	240
At December 31, 2025	70,377	7,591	240	35,188	187,597	300,993

Notes:

- (a) Capital reserve represents the capital injected from the former owners of NeuroGen Zhuhai in excess to its paid-in capital.
- (b) Amount represents statutory reserve of NeuroGen Zhuhai in the People’s Republic of China (the “PRC”). According to the relevant laws in the PRC, NeuroGen Zhuhai is required to transfer at least 10% of its net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners.

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STATEMENTS OF CASH FLOWS

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB’000	RMB’000	RMB’000
OPERATING ACTIVITIES			
Profit before tax	81,031	41,996	204,961
Adjustments for:			
Interest income	(183)	(244)	(123)
Interest expenses on lease liabilities	1,618	1,971	2,010
Depreciation of property and equipment	18,897	18,642	11,671
Depreciation of right-of-use assets	10,870	12,865	13,914
Amortisation of intangible assets	636	494	774
Loss on disposal of property and equipment	110	227	504
Loss on disposal of intangible assets	–	939	–
Loss on disposal of right-of-use assets	–	–	2,238
Provision for inventories, net of reversal	9,125	(2,970)	12,438
Recognition of equity-settled share-based payment	–	–	240
Operating cash flow before movements in working capital	122,104	73,920	248,627
Decrease (increase) in trade and other receivables	17,587	42,131	(105,037)
(Decrease) increase in trade and other payables	(77,583)	(3,738)	125,734
Decrease in inventories	51,653	13,414	24,778
Cash generated from operations	113,761	125,727	294,102
Income tax paid	(16,468)	(27,550)	(41,230)
NET CASH FROM OPERATING ACTIVITIES	97,293	98,177	252,872
INVESTING ACTIVITIES			
Interest received	183	244	123
Payment for rental deposits	–	–	(1,976)
Purchase of property and equipment	(9,683)	(8,889)	(6,024)
Proceeds from disposal of property and equipment	1,038	9	47
Purchase of intangible assets	(171)	(1,067)	(6,271)
Proceeds from disposal of intangible assets	–	–	140
NET CASH USED IN INVESTING ACTIVITIES	(8,633)	(9,703)	(13,961)
FINANCING ACTIVITIES			
Repayment of lease liabilities	(11,405)	(9,924)	(10,186)
Lease liabilities interest paid	(1,618)	(1,971)	(2,010)
Dividends paid	(80,000)	(80,000)	–
NET CASH USED IN FINANCING ACTIVITIES	(93,023)	(91,895)	(12,196)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(4,363)	(3,421)	226,715
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	41,247	36,884	33,463
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	36,884	33,463	260,178

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

1. GENERAL INFORMATION

NeuroGen Pharma (Zhuhai) Co., Ltd. was established in Zhuhai, China on April 8, 1997, as a limited liability company. The principal activities of NeuroGen Zhuhai are manufacturing and distribution of pharmaceutical products.

Prior to the Acquisition, NeuroGen Zhuhai was a wholly-owned subsidiary of UCB S.A.. Immediately after the completion of the acquisition by Concord Acquisition (HK) Limited (the “Acquisition”), a wholly-owned subsidiary of the Company, NeuroGen Zhuhai became an indirectly-held wholly-owned subsidiary of the Company.

The Historical Financial Information of NeuroGen Zhuhai is presented in RMB, which is also the functional currency of NeuroGen Zhuhai.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards as issued by the IASB.

The statutory financial statements of NeuroGen Zhuhai for the years ended December 31, 2023 and 2024 were prepared in accordance with Chinese Accounting Standard for Business Enterprise and were audited by Forvis Mazars Certified Public Accountants, certified public accountants registered in the PRC. The statutory financial statements of NeuroGen Zhuhai for the year ended December 31, 2025 was prepared in accordance with Chinese Accounting Standard for Business Enterprise and was audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, certified public accountants registered in the PRC.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information of NeuroGen Zhuhai for the Track Record Period, NeuroGen Zhuhai has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, NeuroGen Zhuhai has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statement ³
IFRS 20	Regulatory Assets and Regulatory Liabilities ⁴

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after January 1, 2026.

3 Effective for annual periods beginning on or after January 1, 2027.

4 Effective for annual periods beginning on or after January 1, 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on NeuroGen Zhuhai’s Historical Financial Information in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements (“IAS 1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statements of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

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IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of NeuroGen Zhuhai in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statements of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Revenue from contracts with customers

Information about NeuroGen Zhuhai’s accounting policies relating to revenue from contracts with customers is provided in Note 6.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (“IFRS 9”)

NeuroGen Zhuhai performs impairment assessment under ECL model on financial assets (including trade and other receivables, cash and cash equivalents and amounts due from related parties) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on NeuroGen Zhuhai’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

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NeuroGen Zhuhai always recognized lifetime ECL for trade receivables.

For all other instruments, NeuroGen Zhuhai measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case NeuroGen Zhuhai recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, NeuroGen Zhuhai compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, NeuroGen Zhuhai considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which NeuroGen Zhuhai’s debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to NeuroGen Zhuhai’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, for example, a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, NeuroGen Zhuhai presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless NeuroGen Zhuhai has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, NeuroGen Zhuhai assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NeuroGen Zhuhai regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, NeuroGen Zhuhai considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including NeuroGen Zhuhai, in full (without taking into account any collaterals held by NeuroGen Zhuhai).

Irrespective of the above analysis, NeuroGen Zhuhai considers that default has occurred when a financial asset is more than 90 days past due unless NeuroGen Zhuhai has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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(iv) Write-off policy

NeuroGen Zhuhai writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under NeuroGen Zhuhai’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to NeuroGen Zhuhai in accordance with the contract and all the cash flows that NeuroGen Zhuhai expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, NeuroGen Zhuhai takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

NeuroGen Zhuhai recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘Other gains and losses, net’ line item (Note 9) as part of the net foreign exchange losses.

Derecognition of financial assets

NeuroGen Zhuhai derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by NeuroGen Zhuhai are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities held by NeuroGen Zhuhai are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities, including trade and other payables and amounts due to related parties, are subsequently measured at amortized cost, using the effective interest method.

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Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the other gains and losses, net line item in profit or loss (note 9) as part of net foreign exchange losses.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

NeuroGen Zhuhai recognized financial liabilities when, and only when, NeuroGen Zhuhai’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities recognized and the consideration paid and payable is recognized in profit or loss.

Leases

NeuroGen Zhuhai assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

NeuroGen Zhuhai as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, NeuroGen Zhuhai allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred by NeuroGen Zhuhai; and
- an estimate of costs to be incurred by NeuroGen Zhuhai in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

NeuroGen Zhuhai presents right-of-use assets as a separate line item on the statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, NeuroGen Zhuhai recognized and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, NeuroGen Zhuhai uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and a credit risk adjustment based on bond yields.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

NeuroGen Zhuhai remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

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- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

NeuroGen Zhuhai presents lease liabilities as a separate line item on the statements of financial position.

Lease modifications

For a lease modification that is not accounted for as a separate lease, NeuroGen Zhuhai remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

NeuroGen Zhuhai accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, NeuroGen Zhuhai allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of NeuroGen Zhuhai, transactions in currencies other than functional currency (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognized at the earlier of when NeuroGen Zhuhai can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payment to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payment determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the NeuroGen Zhuhai’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payment reserve). At the end of each reporting period, the NeuroGen Zhuhai revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimates, with a corresponding adjustment to the share-based payment reserve.

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When share options are exercised, the amount previously recognized in share-based payment reserve will be transferred to capital reserves. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payment reserve will be transferred to capital reserves.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “Profit before tax” because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. NeuroGen Zhuhai’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which NeuroGen Zhuhai expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which NeuroGen Zhuhai recognized the right-of-use assets and the related lease liabilities, NeuroGen Zhuhai first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities and ultimate costs incurred for provisions for restoration, NeuroGen Zhuhai applies IAS 12 requirements to the lease liabilities, the provisions for restoration and the related assets separately. NeuroGen Zhuhai recognized a deferred tax asset related to lease liabilities and the provisions for restoration to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below. Property and equipment are stated in the statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment on property and equipment, right-of-use assets and intangible assets

At the end of each reporting period, NeuroGen Zhuhai reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, NeuroGen Zhuhai estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units (“CGUs”) for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of CGUs to which the corporate asset belong, and is compared with the carrying amount of the relevant cash-generating unit or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, NeuroGen Zhuhai compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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Cash and cash equivalents

Cash and cash equivalents presented on the statements of financial position include:

- (a) cash, which comprises of demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which NeuroGen Zhuhai must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognized when NeuroGen Zhuhai has a present obligation (legal or constructive) as a result of a past event, it is probable that NeuroGen Zhuhai will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognized at the date of inception of the lease at the directors’ best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In applying NeuroGen Zhuhai’s accounting policies, which are described in Note 4, the management are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Accrual of sales rebates

Revenue from sales of pharmaceutical products is recognized based on the price specified in the contract, net of the estimated sales rebates. For contracts that contain sales rebates, NeuroGen Zhuhai estimates the amount of consideration to which it will be entitled using the expected value method at each reporting period end. Revenue is only recognized to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the rebates is subsequently resolved. Accrued sales rebates (included in trade and other payables) are recognized for expected sales rebates payable to customers in relation to sales. As at December 31, 2023, 2024 and 2025, accrued sales rebates are approximately RMB13,962,000, RMB21,521,000 and RMB30,140,000, respectively.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

NeuroGen Zhuhai derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue sources:

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	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB’000	RMB’000	RMB’000
Type of goods or services			
Sales of pharmaceutical products	921,335	920,414	1,151,646
Service income	14,308	14,528	–
	<u>935,643</u>	<u>934,942</u>	<u>1,151,646</u>
	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB’000	RMB’000	RMB’000
Timing of revenue recognition			
At a point in time	921,335	920,414	1,151,646
Over time	14,308	14,528	–
	<u>935,643</u>	<u>934,942</u>	<u>1,151,646</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about NeuroGen Zhuhai’s performance obligations and their corresponding revenue recognition policies are summarised as below:

Sales of pharmaceutical products

For the sale of pharmaceutical products, revenue from the sales of products is recognized when control of the products has transferred, being when the goods have been delivered to the customer’s specific location and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Under NeuroGen Zhuhai’s standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

For contracts that contain variable consideration (eg. volume rebates), NeuroGen Zhuhai estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which NeuroGen Zhuhai will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, NeuroGen Zhuhai updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Service income

NeuroGen Zhuhai entered into services agreements with customers. For the services provided, the management of NeuroGen Zhuhai has assessed and determined that the customers simultaneously receive and consume benefit provided by NeuroGen Zhuhai’s performances. As a result, the performance obligation of service agreements is satisfied over time and revenue is recognized over the service period. The customers shall pay NeuroGen Zhuhai amount for the services based on the cost incurred and markup based on cost.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

As at December 31, 2023, 2024 and 2025, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the chief executive officer of the NeuroGen Zhuhai, being the chief operating decision maker, focuses and reviews on the overall results and financial position of NeuroGen Zhuhai as a whole which are prepared based on the same accounting policies set out in Note 4. Accordingly, NeuroGen Zhuhai has only one single operating segment and except for entity-wide disclosures, major customers and geographic information, no further analysis of the segment is presented.

Geographical markets

All of NeuroGen Zhuhai’s operations and non-current assets are located in the PRC. An analysis of NeuroGen Zhuhai’s revenue from external customers, analyzed by their respective country/region of operation, is detailed below:

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	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
PRC	923,665	923,349	1,151,646
Others	11,978	11,593	—
	<u>935,643</u>	<u>934,942</u>	<u>1,151,646</u>

Information about major customers

During the years ended December 31, 2023, 2024 and 2025, revenue from customers of the corresponding year contributing over 10% of the total revenue of NeuroGen Zhuhai are as follows:

Customer concentration	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Customer A	N/A	99,446	239,437
Customer B	N/A	211,017	N/A
Customer C	242,280	N/A	N/A
Customer D	<u>95,469</u>	<u>N/A</u>	<u>N/A</u>

N/A: not disclosed as revenue from such customers was less than 10% of total revenue during the corresponding year.

8. OTHER INCOME

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Interest income from banks	183	244	123
Others	<u>333</u>	<u>647</u>	<u>318</u>
	<u>516</u>	<u>891</u>	<u>441</u>

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Net foreign exchange losses	(41)	(20)	(47)
Losses on disposal of property and equipment, intangible assets and right-of-use assets	(110)	(1,166)	(2,742)
Disposal of financial assets	(3,266)	(1,000)	—
Others	<u>(910)</u>	<u>49</u>	<u>(47)</u>
	<u>(4,327)</u>	<u>(2,137)</u>	<u>(2,836)</u>

10. FINANCE COSTS

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Interest expenses on lease liabilities	<u>1,618</u>	<u>1,971</u>	<u>2,010</u>

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11. PROFIT BEFORE TAX

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Profit before tax for the year has been arrived at after charging:			
Auditor’s remuneration	—	—	100
Cost of inventories recognized as cost of sales (including accrual of write-down of inventories RMB9,125,000, reversal of write-down of inventories amounting to RMB2,970,000 and accrual of write-down of inventories RMB12,438,000 respectively)	386,328	247,216	303,338
Staff costs:			
– Salaries and other benefits	105,438	98,610	47,576
– Retirement benefit scheme contributions	5,741	5,905	4,260
– Performance-based bonus	8,210	18,392	11,354
– Share-based payment expenses	—	—	240
Total staff costs	119,389	122,907	63,430
Capitalized in inventories	(12,571)	(19,604)	(19,203)
	106,818	103,303	44,227
Depreciation of property and equipment	18,897	18,642	11,671
Depreciation of right-of-use assets	10,870	12,865	13,914
Amortisation of intangible assets	636	494	774
Total depreciation and amortisation	30,403	32,001	26,359
Capitalised in inventories	(11,344)	(16,085)	(15,235)
	19,059	15,916	11,124

12. DIVIDENDS

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Dividends for ordinary shareholders of NeuroGen Zhuhai recognized as distribution during the year	<u>80,000</u>	<u>80,000</u>	<u>—</u>

13. DIRECTORS’, CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	<u>542</u>	<u>1,126</u>	<u>—</u>

The directors’ emoluments shown above were paid for their services in connection with the management of the affairs of NeuroGen Zhuhai.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Track Record Period.

During the Track Record Period, no emoluments were paid by Neurogen Zhuhai to the directors of Neurogen Zhuhai as an inducement to join or upon joining Neurogen Zhuhai or as compensation for loss of office.

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Five highest paid individuals

During the Track Record Period, the five highest paid employees of NeuroGen Zhuhai included nil, nil and nil director of Neurogen Zhuhai. Details of the remuneration of the remaining five, five and five individuals for the Track Record Period, were as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	5,480	12,344	8,452
Performance based bonus	1,169	1,895	1,345
Retirement benefit scheme contributions	257	332	251
Share-based payments	—	—	240
	<u>6,906</u>	<u>14,571</u>	<u>10,288</u>

The numbers of the five highest paid individuals are within the following bands (presented in Hong Kong Dollar (“HK\$”)):

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
		No. of employees	
Nil to HK\$1,000,000	2	—	—
HK\$1,500,001 to HK\$2,000,000	2	—	1
HK\$2,000,001 to HK\$2,500,000	—	2	3
HK\$2,500,001 to HK\$3,000,000	1	1	1
HK\$3,000,001 to HK\$3,500,000	—	1	—
HK\$5,000,001 to HK\$5,500,000	—	1	—
	<u>5</u>	<u>5</u>	<u>5</u>
	<u>=</u>	<u>=</u>	<u>=</u>

14. EARNING PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful.

15. INCOME TAX EXPENSE

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Current tax	23,627	8,327	55,700
Deferred tax (<i>Note 19</i>)	(2,959)	2,710	(4,396)
	<u>20,668</u>	<u>11,037</u>	<u>51,304</u>

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of NeuroGen Zhuhai is 25% during the Track Record Period.

The tax expense for the Track Record Period can be reconciled to the profit before tax per statements of profit or loss and other comprehensive income as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Profit before tax	81,031	41,996	204,961
Tax charge at the PRC EIT rate of 25%	20,258	10,499	51,240
Tax effect of expenses not deductible for tax purpose	410	538	64
Income tax expenses	<u>20,668</u>	<u>11,037</u>	<u>51,304</u>

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16. PROPERTY AND EQUIPMENT

	Machinery	Electronic devices, furniture and office equipment	Leasehold improvements	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
COST					
As at January 1, 2023	118,983	22,541	51,351	20,720	213,595
Additions	—	2,870	—	6,813	9,683
Disposals	(845)	(1,847)	—	—	(2,692)
Transfer	2,055	1,159	60	(3,274)	—
As at December 31, 2023	120,193	24,723	51,411	24,259	220,586
Additions	—	530	—	5,971	6,501
Disposals	(697)	(3,309)	—	—	(4,006)
Transfer	2,467	555	188	(3,210)	—
As at December 31, 2024	121,963	22,499	51,599	27,020	223,081
Additions	397	103	—	7,271	7,771
Disposals	(920)	(3,618)	(3,108)	—	(7,646)
Transfer	19,398	2,757	11,254	(33,409)	—
As at December 31, 2025	140,838	21,741	59,745	882	223,206
ACCUMULATED DEPRECIATION					
As at January 1, 2023	(57,469)	(16,226)	(29,838)	—	(103,533)
Provided for the year	(11,611)	(2,614)	(4,672)	—	(18,897)
Elimination on disposals	309	1,234	—	—	1,543
As at December 31, 2023	(68,771)	(17,606)	(34,510)	—	(120,887)
Provided for the year	(11,257)	(2,710)	(4,675)	—	(18,642)
Elimination on disposals	634	3,136	—	—	3,770
As at December 31, 2024	(79,394)	(17,180)	(39,185)	—	(135,759)
Provided for the year	(6,977)	(2,182)	(2,512)	—	(11,671)
Elimination on disposals	716	3,271	3,108	—	7,095
As at December 31, 2025	(85,655)	(16,091)	(38,589)	—	(140,335)
CARRYING VALUES					
As at December 31, 2023	51,422	7,117	16,901	24,259	99,699
As at December 31, 2024	42,569	5,319	12,414	27,020	87,322
As at December 31, 2025	55,183	5,650	21,156	882	82,871

The above items of property and equipment, except for construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, as follows:

Machinery	9.5%-19% per annum
Electronic devices, furniture and office equipment	9.5%-31.67% per annum
Leasehold improvements	Over the shorter of the lease term or 10 years

17. RIGHT-OF-USE ASSETS

	Leased properties	Leased vehicle	Total
	RMB’000	RMB’000	RMB’000
Carrying amount			
As at January 1, 2023	35,446	552	35,998
Additions	22,927	—	22,927
Depreciation charge	(10,318)	(552)	(10,870)
As at December 31, 2023	48,055	—	48,055
Additions	887	1,156	2,043
Depreciation charge	(12,287)	(578)	(12,865)
As at December 31, 2024	36,655	578	37,233
Additions	22,655	—	22,655
Decreases	(6,704)	—	(6,704)
Depreciation charge	(13,336)	(578)	(13,914)
As at December 31, 2025	39,270	—	39,270

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	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Total cash outflow for leases	13,023	11,895	14,172

During the Track Record Period, NeuroGen Zhuhai leases a plant, various offices and vehicles for its operations. Lease contracts are entered into for fixed term of 12 months to 122 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, NeuroGen Zhuhai applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

In addition, as at December 31, 2023, 2024 and 2025, lease liabilities of RMB38,930,000, RMB30,447,000 and RMB34,466,000 are recognized with related right-of-use assets of RMB48,055,000, RMB37,233,000 and RMB39,270,000, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases committed

As at December 31, 2025, NeuroGen Zhuhai entered into a new lease for a factory premise that has not yet commenced, with non-cancellable period of 10 years, the total future undiscounted cash flows over the non-cancellable period amounted to RMB42,965,000.

18. INTANGIBLE ASSETS

	Software
	RMB'000
COST	
As at January 1, 2023	4,137
Addition	171
As at December 31, 2023	4,308
Addition	1,067
Disposals	(3,854)
As at December 31, 2024	1,521
Addition	6,271
Disposals	(151)
As at December 31, 2025	7,641
AMORTISATION	
As at January 1, 2023	(2,240)
Provided for the year	(636)
As at December 31, 2023	(2,876)
Provided for the year	(494)
Elimination on disposals	2,915
As at December 31, 2024	(455)
Provided for the year	(774)
Elimination on disposals	11
As at December 31, 2025	(1,218)
CARRYING VALUES	
As at December 31, 2023	1,432
As at December 31, 2024	1,066
As at December 31, 2025	6,423

Intangible assets are amortised on a straight-line basis over the following periods:

Software	4-10 years

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19. DEFERRED TAX ASSETS

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
Deferred tax assets	9,927	7,217	11,613

The following are the major deferred tax assets (liabilities) recognized and movements thereon before offsetting during the Track Record Period.

	Accrued expenses	Provision	Right-of-use assets	Lease liabilities	Inventory provision	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	3,723	3,501	(8,999)	6,964	1,779	6,968
Credited (charged) to profit or loss	1,394	113	(3,014)	2,768	1,698	2,959
As at December 31, 2023	5,117	3,614	(12,013)	9,732	3,477	9,927
(Charged) credited to profit or loss	(1,035)	150	2,705	(2,120)	(2,410)	(2,710)
As at December 31, 2024	4,082	3,764	(9,308)	7,612	1,067	7,217
Credited (charged) to profit or loss	837	109	(509)	1,005	2,954	4,396
As at December 31, 2025	4,919	3,873	(9,817)	8,617	4,021	11,613

20. INVENTORIES

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
Raw materials and consumables	45,911	33,599	37,375
Work in progress	2,162	2,885	–
Semi-finished goods	9,073	8,312	12,472
Goods in transit	9,653	–	–
Finished goods	185,436	196,995	154,728
	252,235	241,791	204,575

Finished goods are net of a write-down of approximately RMB5,190,000, RMB784,000 and RMB12,211,000 as at December 31, 2023, 2024 and 2025.

Raw materials are net of a write-down of approximately RMB7,871,000, RMB3,484,000 and RMB3,873,000 as at December 31, 2023, 2024 and 2025.

Semi-finished goods are net of a write-down of approximately RMB848,000, nil and nil as at December 31, 2023, 2024 and 2025.

21. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
Trade receivables			
– Other related parties	–	5,528	–
– Third parties (Note)	117,454	79,939	169,296
Less: allowance for expected credit losses	–	–	–
	117,454	85,467	169,296
Prepayments	2,690	3,074	6,075
Bill receivables	10,663	–	–
Other receivables	3,843	4,865	5,877
	17,196	7,939	11,952
	134,650	93,406	181,248

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	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
Analyzed for reporting purposes as:			
Current	130,924	87,292	176,881
Non-current	3,726	6,114	4,367
	<u>134,650</u>	<u>93,406</u>	<u>181,248</u>

Note: Included in the balance of trade receivables as of December 31, 2023 is RMB3,967,000, which was receivable from the fellow subsidiaries of UCB before the Acquisition.

As at January 1, 2023, trade receivables from contracts with customers amounted to RMB145,167,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on invoice dates:

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
0-30 days	48,066	4,921	67,446
31-60 days	69,388	80,546	100,152
61-90 days	—	—	1,698
	<u>117,454</u>	<u>85,467</u>	<u>169,296</u>

As at December 31, 2023 and 2024, there is no trade receivables past due. As at 31 December 2025, trade receivables of RMB1,895,000 are past due, and has been settled in January 2026. Details of impairment assessment of trade receivables are set out in note 30.

All bills received by NeuroGen Zhuhai are with a maturity period of less than one year.

The management of NeuroGen Zhuhai have considered the recoverable amount and credit quality of the relevant customers and concluded that the ECL is not significant to NeuroGen Zhuhai. NeuroGen Zhuhai does not hold any collateral over these balances.

As part of NeuroGen Zhuhai’s cash flow management, NeuroGen Zhuhai factored certain trade receivables to a financial institution before the receivables are due for payment. The factored trade receivables were derecognized on the basis that NeuroGen Zhuhai had transferred substantially all the risks and rewards to the relevant counterparty. Notwithstanding the derecognition, NeuroGen Zhuhai retained continuing involvement in the derecognized trade receivables. As at December 31, 2023, trade receivables amounting to RMB25,658,000 were derecognized with NeuroGen Zhuhai retaining continuing involvement. Such factoring arrangement ended in March 2024.

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents only include demand deposits during the Track Record Period.

Cash and cash equivalents include short-term deposits for the purpose of meeting NeuroGen Zhuhai’s short-term cash commitments, which carried interest at market rates range from 0.20% to 0.25%, 0.10% to 0.20%, 0.05% to 0.10% during the years ended December 31, 2023, 2024 and 2025, respectively.

All cash and cash equivalent is denominated in RMB.

23. TRADE AND OTHER PAYABLES

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
Trade payables			
– Immediate holding company	—	—	294,160
– Third parties (<i>Note a</i>)	138,276	121,406	3,064
	<u>138,276</u>	<u>121,406</u>	<u>297,224</u>
Other payables			
– Fellow subsidiaries	—	—	70,603
– Third parties (<i>Note b</i>)	144,463	161,581	17,682
	<u>144,463</u>	<u>161,581</u>	<u>88,285</u>
Payroll payables	31,357	14,713	8,561
Accrued sales rebates	13,962	21,521	30,140
Accrued sales service fees	—	—	24,203
Accrued expenses	8,084	12,421	10,782

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	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB’000	RMB’000	RMB’000
Other tax payables	—	—	1,365
	<u>336,142</u>	<u>331,642</u>	<u>460,560</u>

Notes:

- (a) Included in the balance of trade payables as of December 31, 2023 is RMB127,311,000 which was payable to the fellow subsidiaries of the UCB before the Acquisition.
- (b) Included in the balance of other payable as of December 31, 2023 is RMB137,298,000 which was payable to the fellow subsidiaries of the UCB before the Acquisition, which is trade in nature.

The average credit period on purchases of goods of NeuroGen Zhuhai is 60 to 90 days.

The following is an aged analysis of trade payables, presented based on the invoice dates at the end of each reporting period:

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB’000	RMB’000	RMB’000
0 – 60 days	118,808	120,977	209,351
61 – 120 days	18,760	429	28,520
121 – 365 days	708	—	59,353
	<u>138,276</u>	<u>121,406</u>	<u>297,224</u>

24. LEASE LIABILITIES

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB’000	RMB’000	RMB’000
Lease liabilities payable:			
Within one year	7,789	10,435	6,628
Within a period of more than one year but not exceeding two years	10,023	8,627	5,908
Within a period of more than two years but not exceeding five years	13,743	7,973	19,645
Within a period of more than five years	7,375	3,412	2,285
	<u>38,930</u>	<u>30,447</u>	<u>34,466</u>
Less: Amount due for settlement within 12 months shown under current liabilities	(7,789)	(10,435)	(6,628)
Amount due for settlement after 12 months shown under non-current liabilities	<u>31,141</u>	<u>20,012</u>	<u>27,838</u>

The incremental borrowing rates applied to lease liabilities range from 2.54% to 4.73%, 2.54% to 4.73% and 2.88% to 4.73% for the years ended December 31, 2023, 2024 and 2025, respectively.

25. PROVISIONS

	Restoration provision
	RMB’000
As at January 1, 2023	14,005
Addition	450
At December 31, 2023	14,455
Addition	602
At December 31, 2024	15,057
Addition	2,168
Utilisation of Provision	(1,734)
At December 31, 2025	<u>15,491</u>

NeuroGen Zhuhai has entered several lease contracts with the lessors which the restoration term required NeuroGen Zhuhai to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to the condition at the expiration of the leases and bear the costs thereof.

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The restoration provision represent management’s best estimate of NeuroGen Zhuhai’s liability under lease contract for restoration.

26. PAID-IN CAPITAL

	Paid-in capital	Equivalent to RMB
	United States dollar ’000	’000
As at January 1, 2023, December 31, 2023, 2024 and 2025	8,500	70,377

27. SHARE-BASED PAYMENT TRANSACTIONS

Share options

In recognition of the contributions of certain employee of NeuroGen Zhuhai, a total of 483,000 share options were awarded by the Company during the Track Record Period. 241,500 share options are time-based with vesting schedule of 50% shall vest on the two (2) year anniversary of the vesting commencement date and the remaining 50% shall vest in a series of four (4) successive equal semi-annual installments of 12.5% each from the second anniversary of the vesting commencement date. The remaining 241,500 share options are milestone-based upon achievement of certain milestone.

Details of the movements of the outstanding share options during the Track Record Period is as follows:

	Outstanding as at December 31, 2024	Granted	Exercised	Forfeited	Outstanding as at December 31, 2025
Time-based	–	241,500	–	–	241,500
Milestone-based	–	241,500	–	–	241,500
	–	483,000	–	–	483,000
Exercisable at the end of the year . .	–				–
Weighted average exercise price (USD).	N/A	0.95	N/A	N/A	0.95

The share options outstanding at December 31, 2025 had a weighted average remaining contractual life of 9.36 years.

The fair values of the share options was valued by directors of the Company with reference to valuation reports carried out by Valuelink as disclosed in note [31] of Appendix IA to the Document.

The key assumptions used in the model are as disclosed in note [31] of Appendix IA to the Document.

NeuroGen Zhuhai recognized a total share-based payment expenses of nil, nil and RMB240,000 during the Track Record Period.

28. RELATED PARTY TRANSACTIONS

Save for disclosed elsewhere of the Historical Financial Information, NeuroGen Zhuhai has following transactions and balances with the related parties during the Track Record Period.

a. Names and relationships with related parties

The following companies are related parties of NeuroGen Zhuhai that had transactions with NeuroGen Zhuhai during the Track Record Period.

Before the Acquisition:

Name of related party	Relationship
UCB Australia Pty Ltd	Fellow subsidiary
UCB Biosciences, Inc.	Fellow subsidiary
UCB Biopharma S.r.l.	Fellow subsidiary
UCB Trading (Shanghai) Co., Ltd.	Fellow subsidiary
UCB Pharmaceuticals (Taiwan) Ltd.	Fellow subsidiary
UCB Pharma (Hong Kong) Ltd	Fellow subsidiary
UCB Pharma S.A.	Fellow subsidiary

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After the Acquisition:

Name of related party	Relationship
Concord Acquisition (HK) Limited	Immediate holding company
NeuroGen Trading (Shanghai) Co., Ltd.	Fellow subsidiary
NeuroGen Pharma (Shanghai) Co., Ltd.	Fellow subsidiary
Yinglian Pharmaceutical (Zhuhai) Co. Ltd.	A company in which a shareholder has significant influence

b. Transactions and outstanding balances with related parties

Before the Acquisition:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Service income	14,308	13,906	—
Procurement of goods	202,135	112,407	—
Royalty fee expenses	99,161	237,356	—
Promotion service expenses	225,110	256,376	—
IT service expenses	2,710	2,921	—
	<u> </u>	<u> </u>	<u> </u>

After the Acquisition:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Immediate holding company			
– Procurement of goods	—	—	142,065
– Royalty fee expenses	—	—	281,351
A fellow subsidiary			
– Marketing and promotion service charge	—	—	187,281
– General and administrative service charge	—	—	35,052
Other related parties			
– Sales of pharmaceutical goods	—	3,074	3,221
	<u> </u>	<u> </u>	<u> </u>
	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB'000	RMB'000	RMB'000
Amounts due from related parties			
– Immediate holding company	—	501	501
– Fellow subsidiaries	—	1,000	18,424
Amounts due to related parties			
– Immediate holding company	—	762	762
– Fellow subsidiaries	—	—	366
	<u> </u>	<u> </u>	<u> </u>

The amounts were non-trade in nature, unsecured, interest-free and repayable on demand.

c. Compensation of key management personnel

The remuneration of the directors and other key management personnel of NeuroGen Zhuhai during the Track Record Period were as follows:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	RMB'000	RMB'000
Salaries and other benefits	7,126	15,960	10,441
Performance based bonus	1,310	2,302	1,719
Retirement benefit scheme contributions	349	471	411
Share-based payments	—	—	240
	<u>8,785</u>	<u>18,733</u>	<u>12,811</u>

The remuneration of key management personnel is determined by the management of NeuroGen Zhuhai having regard to the performance of individuals and market trends.

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29. CAPITAL RISK MANAGEMENT

NeuroGen Zhuhai manages its capital to ensure that entities in NeuroGen Zhuhai will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. NeuroGen Zhuhai’s overall strategy remains unchanged throughout the Track Record Period.

The capital structure of NeuroGen Zhuhai consists of net debts, which includes the lease liabilities disclosed in Note 24, net of cash and cash equivalents and equity of NeuroGen Zhuhai, comprising paid-in capital, retained profits and other reserves.

The management of NeuroGen Zhuhai regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. NeuroGen Zhuhai will balance its overall capital structure through the new shares issues as well as the issue of new debts or the redemption of existing debt.

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025
	RMB’000	RMB’000	RMB’000
Financial assets			
Amortised cost	168,844	125,296	454,276
Financial liabilities			
Amortised cost	304,785	317,691	451,762

(b) Financial risk management objectives and policies

NeuroGen Zhuhai’s major financial assets and liabilities include trade and other receivables, amounts due from related parties, cash and cash equivalents, trade and other payables, amounts due to related parties. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market Risk

(i) Interest rate risk

NeuroGen Zhuhai is exposed to fair value interest rate risk in relation to lease liabilities. NeuroGen Zhuhai is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. NeuroGen Zhuhai’s cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

Credit risk

NeuroGen Zhuhai’s maximum exposure to credit risk which will cause a financial loss to NeuroGen Zhuhai is arising from the amount of each class of financial assets as disclosed in the statements of financial position. NeuroGen Zhuhai does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

For trade receivables, NeuroGen Zhuhai has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed collectively, based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each year.

For other receivables and bill receivables, NeuroGen Zhuhai has applied 12m ECL in IFRS 9 to measure the loss allowance. The ECL on other receivables and bill receivables are assessed individually based on historical settlement records and past default experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period.

As at December 31, 2023, 2024 and 2025, NeuroGen Zhuhai has no risk that it would be exposure to credit risk which will cause a financial loss to NeuroGen Zhuhai due to failure to discharge an obligation by the counterparties.

For bank deposits, the management considered those banks and counterparties are with good reputation and transaction record.

Liquidity risk

In the management of the liquidity risk, NeuroGen Zhuhai monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance NeuroGen Zhuhai’s operations and mitigate the effects of fluctuations in cash flows.

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The following table details NeuroGen Zhuhai’s remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which NeuroGen Zhuhai can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are based on variable rate, the undiscounted amount is derived based on management’s best estimates from interest rate at the end of each reporting period, taking into consideration interest rate curve, if available.

	Weighted average effective interest rate	Within 1 year or on demand	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at December 31, 2023						
Trade and other payables	–	304,785	–	–	304,785	304,785
Lease liabilities	3.76	9,941	26,261	7,703	43,905	38,930
		<u>314,726</u>	<u>26,261</u>	<u>7,703</u>	<u>348,690</u>	<u>343,715</u>
As at December 31, 2024						
Trade and other payables	–	316,929	–	–	316,929	316,929
Amounts due to related parties	–	762	–	–	762	762
Lease liabilities	3.87	12,075	18,329	3,511	33,915	30,447
		<u>329,766</u>	<u>18,329</u>	<u>3,511</u>	<u>351,606</u>	<u>348,138</u>
As at December 31, 2025						
Trade and other payables	–	450,634	–	–	450,634	450,634
Amounts due to related parties	–	1,128	–	–	1,128	1,128
Lease liabilities	3.97	8,444	28,042	2,308	38,794	34,466
		<u>460,206</u>	<u>28,042</u>	<u>2,308</u>	<u>490,556</u>	<u>486,228</u>

(c) Fair value measurements of financial instruments

Fair value of financial assets and financial liabilities that are not measured at fair value

The management consider that the carrying amount of NeuroGen Zhuhai’s financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

31. RETIREMENT BENEFIT PLANS

The employees of NeuroGen Zhuhai are members of state-managed retirement benefit schemes organized by the relevant local government authority in the PRC. NeuroGen Zhuhai is required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit schemes to fund the benefits. The only obligation of the NeuroGen Zhuhai with respect to the retirement benefit schemes is to make the specified contributions. The total amount provided by NeuroGen Zhuhai to the schemes in the PRC is RMB5,741,000, RMB5,905,000 and RMB4,260,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in NeuroGen Zhuhai’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in NeuroGen Zhuhai’s statements of cash flows as cash flows from financing activities.

	Lease liabilities
	RMB’000
As at January 1, 2023	27,857
Net financing cash flows	(13,023)
Non-cash change:	
Addition	22,478
Interest expenses	1,618
At December 31, 2023	<u>38,930</u>

APPENDIX IB

ACCOUNTANTS’ REPORT OF NEUROGEN ZHUHAI FOR THE YEARS ENDED DECEMBER 31, 2023, 2024 AND 2025

	Lease liabilities
	<i>RMB’000</i>
Net financing cash flows	(11,895)
Non-cash change:	
Addition	1,499
Decrease	(58)
Interest expenses	1,971
At December 31, 2024	<u>30,447</u>
Net financing cash flows	(12,196)
Non-cash change:	
Addition	20,487
Decrease	(6,282)
Interest expenses	2,010
At December 31, 2025	<u>34,466</u>

33. SUBSEQUENT EVENTS

[There are no material events subsequent to December 31, 2025.]

34. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of NeuroGen Zhuhai have been prepared in respect of any period subsequent to December 31, 2025.]

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

The following is the text of a report set out on pages IC-1 to [IC-27], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION OF NEUROGEN PHARMA (ZHUHAI) CO., LTD TO THE DIRECTORS OF NEUROGEN PHARMA LIMITED (神基製藥有限公司)

Introduction

We report on the historical financial information of NeuroGen Pharma (Zhuhai) Co., Ltd. (“NeuroGen Zhuhai”) set out on pages IC-3 to IC-[27], which comprises the statements of financial position of NeuroGen Zhuhai as at December 31, 2023 and November 29, 2024, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of NeuroGen Zhuhai for the year ended December 31, 2023 and period from January 1, 2024 to November 29, 2024 (the “Relevant Periods”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information of NeuroGen Zhuhai set out on pages IC-3 to IC-[27] forms an integral part of this report, which has been prepared for inclusion in the document of NeuroGen Pharma Limited (神基製藥有限公司) (the “Company”) dated [●] (the “Document”) in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information of NeuroGen Zhuhai that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information of NeuroGen Zhuhai that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of the Document in which the Historical Financial Information of NeuroGen Zhuhai is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information of NeuroGen Zhuhai and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information of NeuroGen Zhuhai is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information of NeuroGen Zhuhai. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information of NeuroGen Zhuhai, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information of NeuroGen Zhuhai that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

**APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION
FINANCIAL INFORMATION OF NEUROGEN ZHUHAI**

the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information of NeuroGen Zhuhai.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information of NeuroGen Zhuhai gives, for the purposes of the accountants’ report, a true and fair view of NeuroGen Zhuhai’s financial position as at December 31, 2023 and November 29, 2024, and of NeuroGen Zhuhai’s financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information of NeuroGen Zhuhai.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information of NeuroGen Zhuhai, no adjustments to the Underlying Financial Statements of NeuroGen Zhuhai as defined on page [IC-3] have been made.

Dividends

We refer to Note [12] to the Historical Financial Information of NeuroGen Zhuhai which contains information about the dividends declared and paid by NeuroGen Zhuhai in respect of the Relevant Periods.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

HISTORICAL FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

Preparation of Historical Financial Information of NeuroGen Zhuhai

Set out below is the Historical Financial Information of NeuroGen Zhuhai which forms an integral part of this accountants’ report.

The financial statements of NeuroGen Zhuhai for the Relevant Periods, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information of NeuroGen Zhuhai is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
		RMB’000	RMB’000
Revenue	6	935,643	930,680
Cost of sales		(511,592)	(507,933)
Gross profit		424,051	422,747
Other income	8	516	875
Other gains and losses, net	9	(4,327)	(2,143)
Selling and distribution expenses		(286,894)	(308,042)
General and administrative expenses		(50,697)	(47,677)
Finance costs	10	(1,618)	(1,812)
Profit before tax	11	81,031	63,948
Income tax expense	14	(20,668)	(16,305)
Profit and total comprehensive income for the year/period		60,363	47,643

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

STATEMENTS OF FINANCIAL POSITION

	NOTES	As at December 31, 2023 <i>RMB’000</i>	As at November 29, 2024 <i>RMB’000</i>
Non-current assets			
Property and equipment	15	99,699	86,431
Right-of-use assets	16	48,055	38,304
Intangible assets	17	1,432	615
Deferred tax assets	18	9,927	13,917
Other receivables	20	3,726	3,726
		162,839	142,993
Current assets			
Inventories	19	252,235	223,490
Trade and other receivables	20	130,924	164,911
Tax recoverable		2,782	10,360
Cash and cash equivalents	21	36,884	24,066
		422,825	422,827
Current liabilities			
Trade and other payables	22	336,142	355,918
Lease liabilities	23	7,789	8,719
		343,931	364,637
Net current assets		78,894	58,190
Total assets less current liabilities		241,733	201,183
Non-current liabilities			
Lease liabilities	23	31,141	22,405
Provisions	24	14,455	14,998
		45,596	37,403
Net assets		196,137	163,780
Capital and reserves			
Paid-in capital	25	70,377	70,377
Reserves		125,760	93,403
Total equity		196,137	163,780

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

STATEMENTS OF CHANGES IN EQUITY

	Paid-in capital	Capital reserves	Surplus reserves	Retained profits	Total
	RMB'000 (Note 25)	RMB'000 (Note a)	RMB'000 (Note b)	RMB'000	RMB'000
As at January 1, 2023	70,377	7,591	35,188	102,618	215,774
Profit and total comprehensive income for the year	–	–	–	60,363	60,363
Dividends recognized as distribution (Note 12)	–	–	–	(80,000)	(80,000)
At December 31, 2023	70,377	7,591	35,188	82,981	196,137
Profit and total comprehensive income for the period	–	–	–	47,643	47,643
Dividends recognized as distribution (Note 12)	–	–	–	(80,000)	(80,000)
At November 29, 2024	70,377	7,591	35,188	50,624	163,780

Notes:

- (a) Capital reserve represents the capital injected from the former owners of NeuroGen Zhuhai in excess to its paid-in capital.
- (b) Amount represents statutory reserve of NeuroGen Zhuhai in the People’s Republic of China (the “PRC”). According to the relevant laws in the PRC, NeuroGen Zhuhai is required to transfer at least 10% of its net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

STATEMENTS OF CASH FLOWS

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
OPERATING ACTIVITIES		
Profit before tax	81,031	63,948
Adjustments for:		
Interest income	(183)	(228)
Interest expenses on lease liabilities	1,618	1,812
Depreciation of property and equipment	18,897	17,142
Depreciation of right-of-use assets	10,870	11,793
Amortisation of intangible assets	636	489
Loss on disposal of property and equipment	110	234
Loss on disposal of intangible assets	–	939
Provision for inventories, net of reversal	9,125	(2,921)
Operating cash flow before movements in working capital	122,104	93,208
Decrease (increase) in trade and other receivables	17,587	(35,780)
(Decrease) increase in trade and other payables	(77,583)	21,246
Decrease in inventories	51,653	31,666
Cash generated from operations	113,761	110,340
Income tax paid	(16,468)	(27,550)
NET CASH FROM OPERATING ACTIVITIES	97,293	82,790
INVESTING ACTIVITIES		
Interest received	183	228
Purchase of property and equipment	(9,683)	(4,108)
Proceeds from disposal of property and equipment	1,038	–
Purchase of intangible assets	(171)	(611)
NET CASH USED IN INVESTING ACTIVITIES	(8,633)	(4,491)
FINANCING ACTIVITIES		
Repayment of lease liabilities	(11,405)	(9,305)
Lease liabilities interest paid	(1,618)	(1,812)
Dividends paid	(80,000)	(80,000)
NET CASH USED IN FINANCING ACTIVITIES	(93,023)	(91,117)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,363)	(12,818)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	41,247	36,884
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	36,884	24,066

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

1. GENERAL INFORMATION

NeuroGen Pharma (Zhuhai) Co., Ltd. was established in Zhuhai, China on April 8, 1997, as a limited liability company. The principle activities of NeuroGen Zhuhai are manufacturing and distribution of pharmaceutical products.

Prior to the Acquisition, NeuroGen Zhuhai was a wholly-owned subsidiary of UCB S.A.. Immediately after the completion of the acquisition by Concord Acquisition (HK) Limited (the “Acquisition”), a wholly-owned subsidiary of the Company, NeuroGen Zhuhai became a wholly owned subsidiary of NeuroGen Pharma Limited (神基製藥有限公司).

The Historical Financial Information of NeuroGen Zhuhai is presented in RMB, which is also the functional currency of NeuroGen Zhuhai.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards as issued by the IASB.

The statutory financial statements of NeuroGen Zhuhai for the year ended December 31, 2023 was prepared in accordance with Chinese Accounting Standard for Business Enterprise and was audited by Forvis Mazars Certified Public Accountants, certified public accountants registered in the PRC.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information of NeuroGen Zhuhai for the Relevant Periods, NeuroGen Zhuhai has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2025 throughout the Relevant Periods.

New and amendments to IFRS Accounting Standards in issue but not yet effective

NeuroGen Zhuhai has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statement ³
IFRS 20	Regulatory Assets and Regulatory Liabilities ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after January 1, 2026.

³ Effective for annual periods beginning on or after January 1, 2027.

⁴ Effective for annual periods beginning on or after January 1, 2029.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on NeuroGen Zhuhai’s Historical Financial Information in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements (“IAS 1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statements of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of NeuroGen Zhuhai in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statements of profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Revenue from contracts with customers

Information about NeuroGen Zhuhai’s accounting policies relating to revenue from contracts with customers is provided in Note 6.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments (“IFRS 9”)

NeuroGen Zhuhai performs impairment assessment under ECL model on financial assets (including trade and other receivables and cash and cash equivalents) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on NeuroGen Zhuhai’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

NeuroGen Zhuhai always recognized lifetime ECL for trade receivables.

For all other instruments, NeuroGen Zhuhai measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case NeuroGen Zhuhai recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, NeuroGen Zhuhai compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, NeuroGen Zhuhai considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which NeuroGen Zhuhai’s debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to NeuroGen Zhuhai’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, for example, a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, NeuroGen Zhuhai presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless NeuroGen Zhuhai has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, NeuroGen Zhuhai assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NeuroGen Zhuhai regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) *Definition of default*

For internal credit risk management, NeuroGen Zhuhai considers an event of default to have occurred when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including NeuroGen Zhuhai, in full (without taking into account any collaterals held by NeuroGen Zhuhai).

Irrespective of the above analysis, NeuroGen Zhuhai considers that default has occurred when a financial asset is more than 90 days past due unless NeuroGen Zhuhai has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

(iv) *Write-off policy*

NeuroGen Zhuhai writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under NeuroGen Zhuhai’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries made are recognized in profit or loss.

(v) *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to NeuroGen Zhuhai in accordance with the contract and all the cash flows that NeuroGen Zhuhai expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, NeuroGen Zhuhai takes into consideration the following characteristics when formulating the grouping:

- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

NeuroGen Zhuhai recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the ‘Other gains and losses, net’ line item (Note 9) as part of the net foreign exchange losses.

Derecognition of financial assets

NeuroGen Zhuhai derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by NeuroGen Zhuhai are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities held by NeuroGen Zhuhai are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities, including trade and other payables, are subsequently measured at amortized cost, using the effective interest method.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the other gains and losses, net line item in profit or loss (note 9) as part of net foreign exchange losses.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

NeuroGen Zhuhai recognized financial liabilities when, and only when, NeuroGen Zhuhai’s obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities recognized and the consideration paid and payable is recognized in profit or loss.

Leases

NeuroGen Zhuhai assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

NeuroGen Zhuhai as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, NeuroGen Zhuhai allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred by NeuroGen Zhuhai; and
- an estimate of costs to be incurred by NeuroGen Zhuhai in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

NeuroGen Zhuhai presents right-of-use assets as a separate line item on the statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, NeuroGen Zhuhai recognized and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, NeuroGen Zhuhai uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and a credit risk adjustment based on bond yields.

The lease payments include fixed payments (including in-substance fixed payment).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

NeuroGen Zhuhai remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

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- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

NeuroGen Zhuhai presents lease liabilities as a separate line item on the statements of financial position.

Lease modifications

For a lease modification that is not accounted for as a separate lease, NeuroGen Zhuhai remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

NeuroGen Zhuhai accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, NeuroGen Zhuhai allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

In preparing the financial statements of NeuroGen Zhuhai, transactions in currencies other than functional currency (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognized at the earlier of when NeuroGen Zhuhai can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “Profit before tax” because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. NeuroGen Zhuhai’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is recognized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which NeuroGen Zhuhai expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which NeuroGen Zhuhai recognized the right-of-use assets and the related lease liabilities, NeuroGen Zhuhai first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities and ultimate costs incurred for provisions for restoration, NeuroGen Zhuhai applies IAS 12 requirements to the lease liabilities, the provisions for restoration and the related assets separately. NeuroGen Zhuhai recognized a deferred tax asset related to lease liabilities and the provisions for restoration to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below. Property and equipment are stated in the statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

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- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Impairment on property and equipment, right-of-use assets and intangible assets

At the end of each reporting period, NeuroGen Zhuhai reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, NeuroGen Zhuhai estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units (“CGUs”) for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of CGUs to which the corporate asset belong, and is compared with the carrying amount of the relevant cash-generating unit or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, NeuroGen Zhuhai compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated to the assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the statements of financial position include:

- (a) cash, which comprises of demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which NeuroGen Zhuhai must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

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Provisions

Provisions are recognized when NeuroGen Zhuhai has a present obligation (legal or constructive) as a result of a past event, it is probable that NeuroGen Zhuhai will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognized at the date of inception of the lease at the directors’ best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTIES

In applying NeuroGen Zhuhai’s accounting policies, which are described in Note 4, the management are required to make judgments (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Accrual of sales rebates

Revenue from sales of pharmaceutical products is recognized based on the price specified in the contract, net of the estimated sales rebates. For contracts that contain sales rebates, NeuroGen Zhuhai estimates the amount of consideration to which it will be entitled using the expected value method at each reporting period end. Revenue is only recognized to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the rebates is subsequently resolved. Accrued sales rebates (included in trade and other payables) are recognized for expected sales rebates payable to customers in relation to sales. As at December 31, 2023 and November 29, 2024, accrued sales rebates are approximately RMB13,962,000 and RMB22,168,000, respectively.

6. REVENUE

(i) Disaggregation of revenue from contracts with customers

NeuroGen Zhuhai derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue sources:

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB’000	RMB’000
Type of goods or services		
Sales of pharmaceutical products	921,335	916,152
Service income	14,308	14,528
	935,643	930,680
	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB’000	RMB’000
Timing of revenue recognition		
At a point in time	921,335	916,152
Over time	14,308	14,528
	935,643	930,680

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(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about NeuroGen Zhuhai’s performance obligations and their corresponding revenue recognition policies are summarised as below:

Sales of pharmaceutical products

For the sale of pharmaceutical products, revenue from the sales of products is recognized when control of the products has transferred, being when the goods have been delivered to the customer’s specific location and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Under NeuroGen Zhuhai’s standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

For contracts that contain variable consideration (eg. volume rebates), NeuroGen Zhuhai estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which NeuroGen Zhuhai will be entitled. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At the end of each reporting period, NeuroGen Zhuhai updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Service income

NeuroGen Zhuhai entered into services agreements with customers. For the services provided, the management of NeuroGen Zhuhai has assessed and determined that the customers simultaneously receive and consume benefit provided by NeuroGen Zhuhai’s performances. As a result, the performance obligation of service agreements is satisfied over time and revenue is recognized over the service period. The customers shall pay NeuroGen Zhuhai amount for the services based on the cost incurred and markup based on cost.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

As at December 31, 2023 and November 29, 2024, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the chief executive officer of the NeuroGen Zhuhai, being the chief operating decision maker, focuses and reviews on the overall results and financial position of NeuroGen Zhuhai as a whole which are prepared based on the same accounting policies set out in Note 4. Accordingly, NeuroGen Zhuhai has only one single operating segment and except for entity-wide disclosures, major customers and geographic information, no further analysis of the segment is presented.

Geographical markets

All of NeuroGen Zhuhai’s operations and non-current assets are located in the PRC. An analysis of NeuroGen Zhuhai’s revenue from external customers, analyzed by their respective country/region of operation, is detailed below:

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB’000	RMB’000
PRC	923,665	919,087
Others	11,978	11,593
	<u>935,643</u>	<u>930,680</u>

Information about major customers

During the year ended December 31, 2023 and period from January 1, 2024 to November 29, 2024, revenue from customers of the corresponding year/period contributing over 10% of the total revenue of NeuroGen Zhuhai are as follows:

Customer concentration	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB’000	RMB’000
Customer A	N/A	210,962
Customer B	N/A	99,446
Customer C	242,280	N/A
Customer D	<u>95,469</u>	<u>N/A</u>

N/A: not disclosed as revenue from such customers was less than 10% of total revenue during the corresponding year/period.

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8. OTHER INCOME

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB'000	RMB'000
Interest income from banks	183	228
Others	333	647
	<u>516</u>	<u>875</u>

9. OTHER GAINS AND LOSSES, NET

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB'000	RMB'000
Net foreign exchange losses	(41)	(20)
Losses on disposal of property and equipment and intangible assets	(110)	(1,173)
Disposal of financial assets	(3,266)	(1,000)
Others	(910)	50
	<u>(4,327)</u>	<u>(2,143)</u>

10. FINANCE COSTS

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB'000	RMB'000
Interest expenses on lease liabilities	<u>1,618</u>	<u>1,812</u>

11. PROFIT BEFORE TAX

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB'000	RMB'000
Profit before tax for the year/period has been arrived at after charging:		
Cost of inventories recognized as cost of sales (including accrual of write-down of inventories amounting to RMB9,125,000 and reversal of write-down of RMB2,921,000, respectively)	386,328	245,790
Staff costs:		
– Salaries and other benefits	105,438	90,084
– Retirement benefit scheme contributions	5,741	5,571
– Performance-based bonus	8,210	14,733
Total staff costs	<u>119,389</u>	<u>110,388</u>
Capitalised in inventories	(12,571)	(17,758)
	<u>106,818</u>	<u>92,630</u>
Depreciation of property and equipment	18,897	17,142
Depreciation of right-of-use assets	10,870	11,793
Amortisation of intangible assets	636	489
Total depreciation and amortisation	<u>30,403</u>	<u>29,424</u>
Capitalised in inventories	(11,344)	(14,265)
	<u>19,059</u>	<u>15,159</u>

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12. DIVIDENDS

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
Dividends for ordinary shareholders of NeuroGen Zhuhai recognized as distribution during the year/period	80,000	80,000

13. EARNING PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful.

14. INCOME TAX EXPENSE

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
Current tax	23,627	20,295
Deferred tax (<i>Note 18</i>)	(2,959)	(3,990)
	<u>20,668</u>	<u>16,305</u>

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of NeuroGen Zhuhai is 25% during the Relevant Periods.

The tax expense for the Relevant Periods can be reconciled to the profit before tax per statements of profit or loss and other comprehensive income as follows:

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
Profit before tax	81,031	63,948
Tax charge at the PRC EIT rate of 25%	20,258	15,987
Tax effect of expenses not deductible for tax purpose	410	318
Income tax expenses	<u>20,668</u>	<u>16,305</u>

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15. PROPERTY AND EQUIPMENT

	Machinery	Electronic devices, furniture and office equipment	Leasehold improvements	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
COST					
As at January 1, 2023	118,983	22,541	51,351	20,720	213,595
Additions	–	2,870	–	6,813	9,683
Disposals	(845)	(1,847)	–	–	(2,692)
Transfer	2,055	1,159	60	(3,274)	–
As at December 31, 2023	120,193	24,723	51,411	24,259	220,586
Additions	–	97	–	4,011	4,108
Disposals	(696)	(3,310)	–	–	(4,006)
Transfer	2,186	556	188	(2,930)	–
As at November 29, 2024	121,683	22,066	51,599	25,340	220,688
ACCUMULATED DEPRECIATION					
As at January 1, 2023	(57,469)	(16,226)	(29,838)	–	(103,533)
Provided for the year	(11,611)	(2,614)	(4,672)	–	(18,897)
Elimination on disposals	309	1,234	–	–	1,543
As at December 31, 2023	(68,771)	(17,606)	(34,510)	–	(120,887)
Provided for the period	(10,366)	(2,494)	(4,282)	–	(17,142)
Elimination on disposals	636	3,136	–	–	3,772
As at November 29, 2024	(78,501)	(16,964)	(38,792)	–	(134,257)
CARRYING VALUES					
As at December 31, 2023	51,422	7,117	16,901	24,259	99,699
As at November 29, 2024	43,182	5,102	12,807	25,340	86,431

The above items of property and equipment, except for construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, as follows:

Machinery	9.5%-19% per annum
Electronic devices, furniture and office equipment	9.5%-31.67% per annum
Leasehold improvements	Over the shorter of the lease term or 10 years

16. RIGHT-OF-USE ASSETS

	Leased properties	Leased vehicle	Total
	RMB’000	RMB’000	RMB’000
Carrying amount			
As at January 1, 2023	35,446	552	35,998
Additions	22,927	–	22,927
Depreciation charge	(10,318)	(552)	(10,870)
As at December 31, 2023	48,055	–	48,055
Additions	886	1,156	2,042
Depreciation charge	(11,263)	(530)	(11,793)
As at November 29, 2024	37,678	626	38,304
	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024	
	RMB’000	RMB’000	
Total cash outflow for leases	13,023	11,117	

During the Relevant Periods, NeuroGen Zhuhai leases a plant, various offices and vehicles for its operations. Lease contracts are entered into for fixed term of 12 months to 122 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, NeuroGen Zhuhai applies the definition of a contract and determines the period for which the contract is enforceable.

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Restrictions or covenants on leases

In addition, as at December 31, 2023 and November 29, 2024, lease liabilities of RMB38,930,000 and RMB31,124,000 are recognized with related right-of-use assets of RMB48,055,000 and RMB38,304,000, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INTANGIBLE ASSETS

	Software
	RMB'000
COST	
As at January 1, 2023	4,137
Addition	171
As at December 31, 2023	4,308
Addition	611
Disposals	(3,854)
As at November 29, 2024	1,065
AMORTISATION	
As at January 1, 2023	(2,240)
Provided for the year	(636)
As at December 31, 2023	(2,876)
Provided for the period	(489)
Elimination on disposals	2,915
As at November 29, 2024	(450)
CARRYING VALUES	
As at December 31, 2023	1,432
As at November 29, 2024	615

Intangible assets are amortised on a straight-line basis over the following periods:

Software	4-10 years

18. DEFERRED TAX ASSETS

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31, 2023	As at November 29, 2024
	RMB'000	RMB'000
Deferred tax assets	9,927	13,917

The following are the major deferred tax assets (liabilities) recognized and movements thereon before offsetting during the Relevant Periods.

	Accrued expenses	Provision	Right-of-use assets	Lease liabilities	Inventory provision	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	3,723	3,501	(8,999)	6,964	1,779	6,968
Credited (charged) to profit or loss	1,394	113	(3,014)	2,768	1,698	2,959
As at December 31, 2023	5,117	3,614	(12,013)	9,732	3,477	9,927
Credited (charged) to profit or loss	5,766	136	2,438	(1,952)	(2,398)	3,990
As at November 29, 2024	10,883	3,750	(9,575)	7,780	1,079	13,917

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19. INVENTORIES

	As at December 31, 2023	As at November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
Raw materials and consumables	45,911	30,912
Work in progress	2,162	721
Semi-finished goods	9,073	12,905
Goods in transit	9,653	–
Finished goods	185,436	178,952
	252,235	223,490

Finished goods are net of a write-down of approximately RMB5,190,000 and RMB788,000 as at December 31, 2023 and November 29, 2024.

Raw materials are net of a write-down of approximately RMB7,871,000 and RMB3,529,000 as at December 31, 2023 and November 29, 2024.

Semi-finished goods are net of a write-down of approximately RMB848,000 and nil as at December 31, 2023 and November 29, 2024.

20. TRADE AND OTHER RECEIVABLES

Details of trade and other receivables are as follows:

	As at December 31, 2023	As at November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables (<i>Note</i>)	117,454	162,763
Less: allowance for expected credit losses	–	–
	117,454	162,763
Prepayments	2,690	1,009
Bill receivables	10,663	–
Other receivables	3,843	4,865
	17,196	5,874
	134,650	168,637
Analyzed for reporting purposes as:		
Current	130,924	164,911
Non-current	3,726	3,726
	134,650	168,637

Note: Included in the balance of trade receivables as of December 31, 2023 and November 29, 2024 is RMB3,967,000 and RMB2,680,000 which was receivable from the fellow subsidiaries of the UCB.

As at January 1, 2023, trade receivables from contracts with customers amounted to RMB145,167,000.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on invoice dates:

	As at December 31, 2023	As at November 29, 2024
	<i>RMB’000</i>	<i>RMB’000</i>
0 – 30 days	48,066	66,406
31 – 60 days	69,388	96,217
61 – 90 days	–	140
	117,454	162,763

As at December 31, 2023 and November 29, 2024, there is no debtor past due trade receivables.

All bills received by NeuroGen Zhuhai are with a maturity period of less than one year.

The management of NeuroGen Zhuhai have considered the recoverable amount and credit quality of the relevant customers and concluded that the ECL is not significant to NeuroGen Zhuhai. NeuroGen Zhuhai does not hold any collateral over these balances.

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As part of NeuroGen Zhuhai’s cash flow management, NeuroGen Zhuhai factored certain trade receivables to a financial institution before the receivables are due for payment. The factored trade receivables were derecognized on the basis that NeuroGen Zhuhai had transferred substantially all the risks and rewards to the relevant counterparty. Notwithstanding the derecognition, NeuroGen Zhuhai retained continuing involvement in the derecognized trade receivables. As at December 31, 2023, trade receivables amounting to RMB25,658,000 were derecognized with NeuroGen Zhuhai retaining continuing involvement. Such factoring arrangement ended in March 2024.

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents only include demand deposits during the Relevant Periods.

Cash and cash equivalents include short-term deposits for the purpose of meeting NeuroGen Zhuhai’s short-term cash commitments, which carried interest at market rates range from 0.20% to 0.25%, 0.10% to 0.20% during the year ended December 31, 2023 and the period from January 1, 2024 to November 29, 2024.

All cash and cash equivalent is denominated in RMB.

22. TRADE AND OTHER PAYABLES

	As at December 31, 2023	As at November 29, 2024
	RMB'000	RMB'000
Trade payables (Note a)	138,276	106,708
Other payables (Note b)	144,463	197,649
Payroll payables	31,357	26,899
Accrued sales rebates	13,962	22,168
Accrued expenses	8,084	2,437
Other tax payables	—	57
	336,142	355,918

Notes:

- (a) Included in the balance of trade payables as of December 31, 2023 and November 29, 2024 is RMB127,311,000 and RMB96,155,000 which was payable to the fellow subsidiaries of the UCB.
- (b) Included in the balance of other payables as of December 31, 2023 and November 29, 2024 is RMB137,298,000 and RMB191,390,000 which was payable to the fellow subsidiaries of the UCB.

The average credit period on purchases of goods of NeuroGen Zhuhai is 60 to 90 days.

The following is an aged analysis of trade payables, presented based on the invoice dates at the end of each reporting period:

	As at December 31, 2023	As at November 29, 2024
	RMB'000	RMB'000
0-60 days	118,808	106,279
61-120 days	18,760	429
121-365 days	708	—
	138,276	106,708

23. LEASE LIABILITIES

	As at December 31, 2023	As at November 29, 2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	7,789	8,719
Within a period of more than one year but not exceeding two years	10,023	9,835
Within a period of more than two years but not exceeding five years	13,743	8,436
Within a period of more than five years	7,375	4,134
	38,930	31,124
Less: Amount due for settlement within 12 months shown under current liabilities	(7,789)	(8,719)

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	As at December 31, 2023	As at November 29, 2024
	RMB’000	RMB’000
Amount due for settlement after 12 months shown under non-current liabilities	<u>31,141</u>	<u>22,405</u>

The incremental borrowing rates applied to lease liabilities range from 2.54% to 4.73%, 2.54% to 4.73% for the year ended December 31, 2023 and the period from January 1, 2024 to November 29, 2024.

24. PROVISIONS

	Restoration provision
	RMB’000
As at January 1, 2023	14,005
Addition	<u>450</u>
At December 31, 2023	14,455
Addition	<u>543</u>
As at November 29, 2024	<u>14,998</u>

NeuroGen Zhuhai has entered several lease contracts with the lessors which the restoration term required NeuroGen Zhuhai to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to the condition at the expiration of the leases and bear the costs thereof.

The restoration provision represent management’s best estimate of NeuroGen Zhuhai’s liability under lease contract for restoration.

25. PAID-IN CAPITAL

	Paid-in capital	Equivalent to RMB
	United States dollar’000	’000
As at January 1, 2023, December 31, 2023 and November 29, 2024	<u>8,500</u>	<u>70,377</u>

26. RELATED PARTY TRANSACTIONS

Save for disclosed elsewhere of the Historical Financial Information, NeuroGen Zhuhai has following transactions and balances with the related parties during the Relevant Periods.

a. Names and relationships with related parties

The following companies are related parties of NeuroGen Zhuhai that had transactions with NeuroGen Zhuhai during the Relevant Periods.

Name of related party	Relationship
UCB Australia Pty Ltd	Fellow subsidiary
UCB Biosciences, Inc.	Fellow subsidiary
UCB Biopharma S.r.l.	Fellow subsidiary
UCB Trading (Shanghai) Co., Ltd.	Fellow subsidiary
UCB Pharmaceuticals (Taiwan) Ltd.	Fellow subsidiary
UCB Pharma (Hong Kong) Ltd	Fellow subsidiary
UCB Pharma S.A.	Fellow subsidiary

b. Transactions with related parties

	Year ended December 31, 2023	Period from January 1, 2024 to November 29, 2024
	RMB’000	RMB’000
Service income	14,308	13,906
Procurement of goods	202,135	112,407
Royalty fee expenses	99,161	237,356
Promotion service expenses	225,110	256,376
IT service expenses	<u>2,710</u>	<u>2,921</u>

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

27. CAPITAL RISK MANAGEMENT

NeuroGen Zhuhai manages its capital to ensure that entities in NeuroGen Zhuhai will be able to continue as going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. NeuroGen Zhuhai’s overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of NeuroGen Zhuhai consists of net debts, which includes the lease liabilities disclosed in Note 23, net of cash and cash equivalents and equity of NeuroGen Zhuhai, comprising paid-in capital, retained profits and other reserves.

The management of NeuroGen Zhuhai regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. NeuroGen Zhuhai will balance its overall capital structure through the new shares issues as well as the issue of new debts or the redemption of existing debt.

28. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at December 31, 2023	As at November 29, 2024
	RMB'000	RMB'000
Financial assets		
Amortised cost	168,844	191,694
Financial liabilities		
Amortised cost	304,785	328,962

(b) Financial risk management objectives and policies

NeuroGen Zhuhai’s major financial assets and liabilities include trade and other receivables, cash and cash equivalents, trade and other payables. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with these financial assets and liabilities include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market Risk

(i) Interest rate risk

NeuroGen Zhuhai is exposed to fair value interest rate risk in relation to lease liabilities. NeuroGen Zhuhai is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. NeuroGen Zhuhai’s cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

Credit risk

NeuroGen Zhuhai’s maximum exposure to credit risk which will cause a financial loss to NeuroGen Zhuhai is arising from the amount of each class of financial assets as disclosed in the statements of financial position. NeuroGen Zhuhai does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

For trade receivables, NeuroGen Zhuhai has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed collectively, based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of each year.

For other receivables and bill receivables, NeuroGen Zhuhai has applied 12m ECL in IFRS 9 to measure the loss allowance. The ECL on other receivables and bill receivables are assessed individually based on historical settlement records and past default experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period.

As at December 31, 2023 and November 29, 2024, NeuroGen Zhuhai has no risk that it would be exposure to credit risk which will cause a financial loss to NeuroGen Zhuhai due to failure to discharge an obligation by the counterparties.

For bank deposits, the management considered those banks and counterparties are with good reputation and transaction record.

Liquidity risk

In the management of the liquidity risk, NeuroGen Zhuhai monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance NeuroGen Zhuhai’s operations and mitigate the effects of fluctuations in cash flows.

APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION FINANCIAL INFORMATION OF NEUROGEN ZHUHAI

The following table details NeuroGen Zhuhai’s remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which NeuroGen Zhuhai can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are based on variable rate, the undiscounted amount is derived based on management’s best estimates from interest rate at the end of each reporting period, taking into consideration interest rate curve, if available.

	Weighted average effective interest rate	Within 1 year or on demand	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at December 31, 2023						
Trade and other payables	–	304,785	–	–	304,785	304,785
Lease liabilities	3.76	9,941	26,261	7,703	43,905	38,930
		314,726	26,261	7,703	348,690	343,715
As at November 29, 2024						
Trade and other payables	–	328,962	–	–	328,962	328,962
Lease liabilities	3.86	11,616	18,999	4,311	34,926	31,124
		340,578	18,999	4,311	363,888	360,086

(c) **Fair value measurements of financial instruments**

Fair value of financial assets and financial liabilities that are not measured at fair value

The management consider that the carrying amount of NeuroGen Zhuhai’s financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

29. RETIREMENT BENEFIT PLANS

The employees of NeuroGen Zhuhai are members of state-managed retirement benefit schemes organised by the relevant local government authority in the PRC. NeuroGen Zhuhai is required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit schemes to fund the benefits. The only obligation of the NeuroGen Zhuhai with respect to the retirement benefit schemes is to make the specified contributions. The total amount provided by NeuroGen Zhuhai to the schemes in the PRC is RMB5,741,000 and RMB5,571,000 for the year ended December 31, 2023 and the period from January 1, 2024 to November 29, 2024, respectively.

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in NeuroGen Zhuhai’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in NeuroGen Zhuhai’s statements of cash flows as cash flows from financing activities.

	Lease liabilities
	RMB’000
As at January 1, 2023	27,857
Net financing cash flows	(13,023)
Non-cash change:	
Addition	22,478
Interest expenses	1,618
At December 31, 2023	38,930
Net financing cash flows	(11,117)
Non-cash change:	
Addition	1,499
Interest expenses	1,812
At November 29, 2024	31,124

**APPENDIX IC ACCOUNTANTS’ REPORT OF THE PRE ACQUISITION
FINANCIAL INFORMATION OF NEUROGEN ZHUHAI**

31. SUBSEQUENT EVENTS

[There are no material events subsequent to November 29, 2024.]

32. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of NeuroGen Zhuhai have been prepared in respect of any period subsequent to December 31, 2025.]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was registered by way of continuation in the Cayman Islands as an exempted company with limited liability on 30 April 2026 under the Cayman Islands Companies Act. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association as adopted on [●] 2026 (**Memorandum**) and its Amended and Restated Articles of Association as adopted on [●] 2026 (**Articles**).

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares. The authorised share capital of the Company as at the date of adoption of the Articles is [US\$583,000,000 divided into 583,000,000 shares of US\$1.00 par value each].

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Cayman Islands Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall mutatis mutandis apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a shareholder being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

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SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; (g) change the currency of denomination of its share capital; and (h) reduce its share premium account in any manner authorised and subject to any conditions prescribed by law.

(iv) Transfer of shares

Subject to the Cayman Islands Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may be closed on such terms as if the Company were subject to the Companies Ordinance.

APPENDIX III

SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

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(b) Directors

(i) *Appointment, retirement and removal*

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

- (aa) resign;
- (bb) dies;
- (cc) is declared to be of unsound mind and the Board resolves that his office be vacated;
- (dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ee) he is prohibited from being or ceases to be a director by operation of law;
- (ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

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(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Islands Companies Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Cayman Islands Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

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(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Islands Companies Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Cayman Islands Companies Act, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Company may grant pensions, allowances, gratuities and bonuses to employees or ex-employees of the Company or the dependents of such persons, to establish and maintain any employee share incentive scheme; share option plan or other employee incentive scheme and to support, establish or subscribe to any charitable or other institutions, clubs, societies or funds or to any national or patriotic fund.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

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(vii) Loans and provision of security for loans to Directors

Subject to the Articles, the Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and (unless otherwise agreed between the Company and the Director) shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

- (aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

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- (cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the [REDACTED] or sub-[REDACTED] of the offer;
- (dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(c) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(d) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(e) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Cayman Islands Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

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(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

- (A) at least two members;
- (B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

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(iv) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Cayman Islands Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

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The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(f) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Cayman Islands Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Cayman Islands Companies Act or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to shareholders who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those shareholders that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of the shareholders by way of ordinary resolution at each annual general meeting, but if an appointment is not made, the auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed auditors of the Company. Subject to the Listing Rules, the Board may fill any casual vacancy in the office of auditors, but while any such vacancy continues the surviving or continuing auditors (if any) may act.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

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(g) Dividends and other methods of distribution

Subject to the Companies Act and the Articles, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

- (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;
- (ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and
- (iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (ii) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

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All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(h) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, then the excess shall be distributed *pari passu* among such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution among the members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Cayman Islands Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or

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different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(k) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Cayman Islands Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was registered by way of continuation in the Cayman Islands as an exempted company with limited liability on 30 April 2026 subject to the Cayman Islands Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Islands Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under the Cayman Islands Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (i) paying distributions or dividends to members;
- (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (iii) any manner provided in section 37 of the Cayman Islands Companies Act;
- (iv) writing-off the preliminary expenses of the company; and
- (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

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Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to the provisions of the Companies Act and confirmation by the Grand Court of the Cayman Islands (the "**court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Islands Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Cayman Islands Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

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(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Cayman Islands Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

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(j) Taxation

Pursuant to section 6 of the Tax Concessions Act (as amended) of the Cayman Islands, the Company may obtain an undertaking from the Governor-in-Cabinet that:

- (i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and
- (ii) no tax be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (aa) on or in respect of the shares, debentures or other obligations of the Company; or
 - (bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (as amended).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (as amended) of the Cayman Islands.

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(o) Register of Directors and officers

Pursuant to the Cayman Islands Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

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(q) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

APPENDIX IV BIOGRAPHICAL DETAILS OF THE MEMBERS OF THE NEUROGEN ZHUHAI MANAGEMENT TEAM

Name	Age	Position in NeuroGen Zhuhai	Time of joining in UCB Group /NeuroGen Zhuhai	Date of appointment as a management member of UCB Zhuhai /NeuroGen Zhuhai	Roles and responsibilities
Dr. CHEN Peng-Hsuan (陳鵬亘) . .	47	Chief Executive Officer	November 2024	November 2024	Responsible for the post-acquisition integration and scaling of the Group’s neurology and allergy business, including portfolio strategy, commercial execution, in-licensing and lifecycle management.
Mr. ZHANG Jiong (張炯)	49	Chief Financial Officer	November 2024	November 2024	Responsible for overseeing the financial operations of NeuroGen Zhuhai.
Mr. YANG Zecheng (楊澤成)	48	Vice President of Sales and Marketing	December 2024	December 2024	Responsible for marketing operations, sales management and post-marketing medical management.
Mr. HU Fan (胡帆) .	44	Vice President of Channel and Distribution	November 2024	November 2024	Responsible for managing the overall operation of the channel and the distribution department.
Ms. QU Junhua (曲俊華)	56	Vice President of Supply Chain	March 1998	June 2008	Responsible for overseeing supply chain and plant operations, ensuring compliance with quality and safety standards, optimizing drug accessibility and building high-performing teams.
Mr. FU Lianchang (符聯昌)	44	Associate Director of Zhuhai Supply Technology	July 2022	February 2024	Responsible for ensuring the safe and reliable operation of facilities and equipment, as well as building and managing a professional technical service team covering plumbing, electrical, HVAC, metering, automation, instrumentation and technology transfer.
Mr. ZENG Qingjie (曾慶傑)	50	Associate Director of Supply Chain	March 2001	August 2015	Responsible for coordinating procurement, material storage, production scheduling, product logistics and distribution.
Mr. HUANG Jian (黃鍵)	58	Associate Director of CMC	May 1997	December 2021	Responsible for the Company’s drug CMC function, including drug development, leading acquired product development, building manufacturing capacity, optimizing process and material supply, and overseeing key projects such as product technology transfer.

APPENDIX IV BIOGRAPHICAL DETAILS OF THE MEMBERS OF THE NEUROGEN ZHUHAI MANAGEMENT TEAM

Name	Age	Position in NeuroGen Zhuhai	Time of joining in UCB Group /NeuroGen Zhuhai	Date of appointment as a management member of UCB Zhuhai /NeuroGen Zhuhai	Roles and responsibilities
Ms. LIU Ruxuan (劉汝炫)	48	Associate Director of QA	December 2016	December 2016	Responsible for overseeing quality management throughout the entire lifecycle of the Company’s products.
Ms. GAN Qin (甘勤)	55	Senior Regional Channel and Distribution Lead – East	September 2010	September 2010	Responsible for managing commercial operations in the east region, overseeing channel performance, commercial shipments and inventory management, and leading the regional team to achieve retail business objectives.
Ms. YANG Ying (楊瑩)	49	Head of Tender	October 2009	April 2015	Responsible for listing new products on tender platforms, renaming corporate projects and handling related items, maintaining the normal tender listing status of established products across all provinces, and managing the provincial tender listing process.
Ms. SHI Yajuan (石禹娟)	43	Distribution Strategy Director	July 2023	July 2023	Responsible for leading commercial operations, distribution data analysis, and CSO management to support the Group’s business development.
Ms. BAO Qiulin (鮑秋霖)	44	Channel Strategy Director	November 2023	November 2023	Responsible for managing e-commerce operations and leading channel strategies and projects, including retail, broad marketing, and e-commerce.
Ms. ZHOU Ying (周瑩)	45	Sales Operation Lead	January 2021	January 2021	Responsible for strategic solution design and development for 44 the sales team, performance management, capability enhancement, and commercial optimization.
Mr. MAN Sin Keung (文善強)	59	Brand Marketing Lead of Keppra	June 2018	June 2018	Responsible for brand management of the Keppra® product group, including value propositions, core messaging, patient persona development and healthcare professional segmentation strategies.

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BIOGRAPHICAL DETAILS OF THE MEMBERS OF THE NEUROGEN ZHUHAI MANAGEMENT TEAM

Dr. CHEN Peng-Hsuan (陳鵬亘), aged 47, is the executive Director and Chief Executive Officer of our Company. For his biography, see “Directors and Senior Management — Board of Directors — Executive Director.”

Mr. ZHANG Jiong (張炯), aged 49, has been serving as the Chief Financial Officer of our Company. For his biography, see “Directors and Senior Management — Senior Management.”

Mr. YANG Zecheng (楊澤成), aged 48, has been serving as the Vice President of Sales and Marketing of our Company. For his biography, see “Directors and Senior Management — Senior Management.”

Mr. HU Fan (胡帆), aged 44, has been serving as the Vice President of Channel and Distribution of our Company. For his biography, see “Directors and Senior Management — Senior Management.”

Ms. QU Junhua (曲俊華), aged 56, is the Vice President of Supply Chain of our Company. For her biography, see “Directors and Senior Management — Senior Management.”

Mr. FU Lianchang (符聯昌), aged 44, has been an Associate Director of Zhuhai Supply Technology at NeuroGen Zhuhai since November 2024 and is primarily responsible for ensuring the safe and reliable operation of facilities and equipment, as well as building and managing a professional technical service team covering plumbing, electrical, heating, ventilation and air conditioning (“HVAC”), metering, automation, instrumentation and technology transfer. He has over 17 years of experience in drug development, product technology transfer and technical service.

From July 2022 to February 2024, Mr. Fu served as the process manager at UCB Zhuhai, primarily responsible for product technology transfer, product process optimization, troubleshooting and audit investigations. From February 2024 to November 2024, he served as the technical service lead of Zhuhai site, where he was primarily responsible for overseeing facility and equipment operations and building a professional technical service team. From July 2008 to April 2016, Mr. Fu worked at Anshi Pharmaceutical (Zhongshan) Inc. (安士製藥(中山)有限公司). From June 2016 to March 2020, he worked at Sandoz (China) Pharmaceutical Co., Ltd. (山德士(中國)製藥有限公司) (currently known as Aspen (Guangdong) Pharmaceutical Co., Ltd. (愛施健(廣東)製藥有限公司), a subsidiary of Aspen Pharmacare Holdings Limited (JSE: APN)). From April 2020 to July 2022, he worked at Zhuhai Rundu Pharmaceutical Co., Ltd. (珠海潤都製藥股份有限公司).

Mr. Fu obtained a master’s degree in pharmacy from Guangdong Pharmaceutical University (廣東藥學院) in Guangzhou, China in June 2008.

Mr. ZENG Qingjie (曾慶傑), aged 50, has been an Associate Director of Supply Chain at NeuroGen Zhuhai since November 2024 and is primarily responsible for coordinating procurement, material storage, production scheduling, product logistics and distribution. He has more than 28 years of experience in sales, procurement and supply chain management.

From March 2001 to August 2015, Mr. Zeng served as the procurement manager at UCB Zhuhai, where he was primarily responsible for procurement management of the Zhuhai factory, including direct and indirect procurement as well as import and export business management. From August 2015 to November 2024, he served as the supply chain lead of Zhuhai site at UCB Zhuhai, where he was primarily responsible for production and material planning, inventory supply, import and export, and warehousing and distribution. Prior to joining UCB Zhuhai, Mr. Zeng worked at Zhuhai Coca-Cola Beverage Co., Ltd. (珠海可口可樂飲料有限公司) from October 1999 to March 2001. Prior to that, he worked at Zhuhai Gree Group (珠海格力集團).

Mr. Zeng obtained a bachelor’s degree in industrial foreign trade from Guangdong University of Technology (廣東工業大學) in Guangzhou, China in July 1997.

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Mr. HUANG Jian (黃鍵), aged 58, has been an Associate Director, Chemistry, Manufacturing and Controls (“CMC”) of NeuroGen Zhuhai since December 2024 and is primarily responsible for the Company’s drug CMC function, including drug development, leading acquired product development, building manufacturing capacity, optimizing process and material supply, and overseeing key projects such as product technology transfer. He has more than 30 years of experience in pharmaceutical production, process quality control and technical management.

From May 1997 to November 2024, Mr. Huang held various positions at UCB Zhuhai, including roles in production, validation and project management. From January 2020 to November 2024, he served as associate director, CMC. Prior to joining UCB Zhuhai, from July 1993 to February 1996, he served as manager of the R&D and technical department at Guangdong Heping Pharmaceutical Co., Ltd. (廣東和平藥業有限公司), and from February 1996 to April 1997, he held multiple roles at Zhuhai Special Economic Zone Er kang Pharmaceutical Co., Ltd. (珠海經濟特區爾康藥業有限公司), including engineer in the production department and the manager.

Mr. Huang obtained a bachelor’s degree in traditional Chinese medicine from Jiangxi University of Chinese Medicine (江西中醫學院) in Nanchang, China in July 1989.

Ms. LIU Ruxuan (劉汝炫), aged 48, has been an Associate Director, Quality Assurance (“QA”) of NeuroGen Zhuhai since December 2024 and is primarily responsible for overseeing quality management throughout the entire lifecycle of the Company’s products. She has more than 25 years of experience in pharmaceutical quality assurance.

From December 2016 to November 2024, Ms. Liu served as associate director, QA at UCB Zhuhai, where she acted as the qualified person responsible for establishing and maintaining a comprehensive quality management system, implementing quality risk management across product lifecycles, and ensuring compliance with relevant quality standards. Prior to joining UCB Zhuhai, she served as QA supervisor at Lonza Guangzhou Ltd. (廣州龍沙有限公司) from July 2000 to October 2014, system QA supervisor at Zhejiang Langhua Pharmaceutical Co., Ltd. (浙江朗華製藥有限公司) from August 2015 to December 2015, and QA supervisor at Guangzhou Qianyanmei Cosmetics Co., Ltd. (廣州千研美化妝品有限公司), a group member of L’Oréal S.A. (Euronext Paris: OR) from March 2016 to November 2016.

Ms. Liu obtained a bachelor’s degree in biotechnology from South China Agricultural University (華南農業大學) in Guangzhou, China in July 2000.

Ms. GAN Qin (甘勤), aged 55, has been a Senior Regional Channel and Distribution Lead responsible for the east region (“**Senior Regional Channel and Distribution Lead — East**”) of NeuroGen Zhuhai since November 2024 and is primarily responsible for managing commercial operations in the east region, overseeing channel performance, commercial shipments and inventory management, and leading the regional team to achieve retail business objectives. She has more than 30 years of experience in the pharmaceutical industry.

From September 2010 to November 2024, Ms. Gan held various positions at UCB Zhuhai, including key account management, regional sales management and market access, and most recently served as senior regional channel and distribution lead responsible for the east region. Prior to joining UCB Zhuhai, she held multiple managerial roles in multinational pharmaceutical companies, including Shanghai branch of AstraZeneca (Wuxi) Trading Co., Ltd. (阿斯利康(無錫)貿易有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN) from April 2009 to September 2010, Abbott Laboratories (NYSE: ABT) from February 2008 to April 2009, and Eli Lilly and Company (NYSE: LLY) from January 2005 to February 2008.

Ms. Gan obtained a diploma in secretary from Xi’an Translation Training Institute (西安翻譯培訓學院) and a diploma in English from Xi’an International Studies University (西安外國語學院) in Xi’an, China in June 1992 and June 1994, respectively.

Ms. YANG Ying (楊瑩), aged 49, has been the Head of Tender of NeuroGen Zhuhai since November 2024 and is primarily responsible for listing new products on tender platforms, renaming corporate projects and handling related items, maintaining the normal tender listing status of established products across all provinces, and managing the provincial tender listing process. She has more than 25 years of experience in the pharmaceutical industry.

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BIOGRAPHICAL DETAILS OF THE MEMBERS OF THE NEUROGEN ZHUHAI MANAGEMENT TEAM

From October 2009 to April 2015, Ms. Yang served as the regional key account manager at UCB Zhuhai, where she was primarily responsible for hospital listing and operations in the north region. From April 2015 to October 2019, she served as a local patient access leader at UCB Zhuhai, where she was primarily responsible for product pricing strategy, hospital access strategy and solution design. From October 2019 to April 2023, she served as the senior regional distribution and retail lead responsible for the north region at UCB Zhuhai, primarily responsible for managing the operations of commercial channels in the north region, achieving commercial shipments as planned, and monitoring inventory management to ensure market supply.

Prior to joining UCB Zhuhai, Ms. Yang served as a district sales manager at Beijing branch of Hangzhou MSD Pharmaceutical Co., Ltd. (杭州默沙東製藥有限公司), a subsidiary of Merck & Co., Inc. (NYSE: MRK) from July 2002 to October 2009.

Ms. Yang obtained a bachelor’s degree in bio-pharmaceuticals from Jilin University (吉林大學) in Changchun, China in December 2001.

Ms. SHI Yujuan (石禹娟), aged 43, has been the Distribution Strategy Director of NeuroGen Zhuhai since November 2024 and is primarily responsible for leading commercial operations, distribution data analysis, and contract sales organization (“CSO”) management to support the Group’s business development. She has more than 18 years of experience in commercial operations across the pharmaceutical industry and consulting.

From July 2023 to November 2024, Ms. Shi served as the distribution strategy and excellence lead at UCB Zhuhai, where she was primarily responsible for managing commercial operations, distribution analysis, and CSO management until the acquisition. Prior to joining UCB Zhuhai, she served as senior consultant in the Asia-Pacific business advisory division at Bayer (China) Limited (拜爾(中國)有限公司), a subsidiary of Bayer AG (FSE: BAYN), from October 2011 to October 2014. From July 2020 to July 2023, she served as the supply chain and operation director at Junshi Biosciences (Hainan) Co., Ltd. (君實生物醫藥科技(海南)有限公司), a subsidiary of Junshi Biosciences (上海君實生物醫藥科技股份有限公司) (SSE: 688180).

Ms. Shi obtained a master’s degree in global business analysis from the University of Manchester Business School in Manchester, the United Kingdom in June 2006.

Ms. BAO Qiulin (鮑秋霖), aged 44, has been the Channel Strategy Director of NeuroGen Zhuhai since November 2024 and is primarily responsible for managing e-commerce operations and leading channel strategies and projects, including retail, broad marketing, and e-commerce. She has more than 20 years of experience in the multinational pharmaceutical and biotechnology industries.

From November 2023 to November 2024, Ms. Bao served as the retail and broad marketing strategy lead at UCB Zhuhai, where she was primarily responsible for developing marketing strategies to promote pharmaceutical products in retail and broad markets, as well as defining marketing objectives, target audiences, positioning, and messaging in collaboration with cross-functional teams. Prior to joining UCB Zhuhai, she served as a senior assistant in the marketing department at Hong Kong Huwei Medical Supplies Co., Ltd. (香港虎威醫療用品有限公司) from August 2005 to August 2006. From April 2011 to December 2011, she worked at Shanghai branch of AstraZeneca (Wuxi) Trading Co., Ltd. (阿斯利康(無錫)貿易有限公司), a subsidiary of AstraZeneca PLC (LSE: AZN; NASDAQ: AZN; Stockholm: AZN). From April 2014 to July 2017, she served as a senior product manager and senior group brand manager at Novartis China. From September 2017 to December 2017, she worked as a marketing manager at MSD China Holding Co., Ltd. (默沙東(中國)投資有限公司), a subsidiary of Merck & Co., Inc. (NYSE: MRK). She then joined Teva Pharmaceutical Information Consulting (Shanghai) Co. Ltd. (泰衛醫藥信息諮詢(上海)有限公司) as commercial associate director from April 2019 to December 2019. From April 2022 to December 2022, she served as the central nervous system franchise head at Citrine Pharmaceuticals (Shanghai) Co., Ltd. (琅鐸醫藥(上海)有限公司).

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Ms. Bao obtained a bachelor’s degree in pharmaceuticals from Wuhan Institute of Chemical Technology (武漢化工學院) in Wuhan, China, in June 2003. Besides, she also completed the Novartis China Management Program offered by National School of Development, Peking University (北京大學國家發展研究院) in Beijing, China in December 2016.

Ms. ZHOU Ying (周瑩), aged 45, has been a Sales Operation Lead of NeuroGen Zhuhai since November 2024 and is primarily responsible for strategic solution design and development for the sales team, performance management, capability enhancement, and commercial optimization. She has more than 20 years of experience in the pharmaceutical industry.

From January 2021 to October 2024, Ms. Zhou served as Client-Facing Team (“CFT”) solution and operations lead at UCB, where she was responsible for CFT strategy, efficiency and cross-functional collaboration. Prior to that, she worked at GlaxoSmithKline plc (LSE: GSK; NYSE: GSK) from January 2010 to December 2010. From January 2011 to December 2018, she worked at Lundbeck (Beijing) Pharmaceutical Information Consulting Co., Ltd. (靈北(北京)醫藥信息諮詢有限公司), a subsidiary of H. Lundbeck A/S (CSE: HLUN). Afterwards, she worked at Sumitomo Pharma Co., Ltd. (TSE: 4506) from April 2019 to January 2021.

Ms. Zhou obtained a bachelor’s degree in applied psychology from Shanghai Normal University (上海師範大學) in Shanghai, China in July 2003 and a part-time master’s degree in business administration from Fudan University (復旦大學) in Shanghai, China in June 2021.

Mr. MAN Sin Keung (文善強), aged 59, has been the Brand Marketing Lead for Keppra at NeuroGen Zhuhai since November 2024 and is primarily responsible for brand management of the Keppra product group, including value propositions, core messaging, patient persona development and healthcare professional segmentation strategies. He has more than 30 years of experience in the pharmaceutical industry.

From June 2018 to June 2021, Mr. Man served as the strategy lead at UCB Trading (Shanghai) Co., Ltd. (優時比貿易(上海)有限公司), responsible for Parkinson’s launch and promotion in the China market. He was subsequently promoted to Keppra group brand owner, a position he held from June 2021 to June 2024, with overall responsibility for brand strategy and marketing execution.

Prior to joining UCB, Mr. Man served in various capacities at Bayer Healthcare Co., Ltd. (拜耳醫藥保健有限公司), a subsidiary of Bayer AG (FSE: BAYN) from June 2012 to May 2018, including head of sales special projects, head of sales special projects in the consumer health division, and regional expansion associate director in the consumer health division. Prior to that, he held various positions at Bristol-Myers Squibb (Hong Kong) Ltd. from February 1992, including medical sales representative, marketing executive, product manager, senior product manager, regional brand champion, franchise manager and senior compliance manager.

Mr. Man obtained a bachelor’s degree in medicine from Jinan University (暨南大學) in Guangzhou, China in June 1990.

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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

The Company, formerly known as Concord Acquisition Holdings Limited, was incorporated in the British Virgin Islands as a BVI business company on June 11, 2024. The Company re-domiciled to the Cayman Islands and was registered by way of continuation as an exempted company with limited liability under the laws of the Cayman Islands on April 30, 2026 and changed its name to NeuroGen Pharma Limited on May 1, 2026. Our registered office is at PO Box 1348, 94 Solaris Avenue, Camana Bay, Grand Cayman, KY1-1108, Cayman Islands. Accordingly, our corporate structure and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of certain aspects of the Cayman Islands company law and a summary of certain provisions of our Articles of Association are set out in the section headed “Summary of the Constitution of our Company and Cayman Islands Company Law” in Appendix III of this document.

Our registered place of business in Hong Kong is at Room 1915, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We have registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance on June 1, 2026. Ms. MAK Sin Ki, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of the service of process on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

2. Changes in the Share Capital of Our Company

Save as disclosed in the section headed “History and Corporate Structure” in this document, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 and Note 37 to the Accountants’ Report as set out in Appendix IA to this document.

On April 8, 2026, the registered capital of NeuroGen Zhuhai was increased from US\$8.5 million to RMB70.36 million.

On April 8, 2026, the registered capital of NeuroGen Shanghai Trading was changed from US\$30 million to RMB216.7 million.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries during the two years immediately preceding the date of this document.

4. Resolutions of Shareholders of Our Company Passed on [●]

Written resolutions of our Shareholders were passed on [●], pursuant to which, among others:

- (i) the Memorandum and Articles of Association was approved and adopted conditional upon [REDACTED];
- (ii) conditional upon all the conditions set out in “Structure of the [REDACTED] — Conditions of the [REDACTED]” being fulfilled:
 - (a) the [REDACTED] and the granting of the [REDACTED] [was approved];
 - (b) the Board (or any of its duly authorized committee or person thereof) [was authorized] to allot and issue the new Shares pursuant to the [REDACTED] and the [REDACTED];
 - (c) the Board (or any of its duly authorized committee or person thereof) [was authorized] to agree to the [REDACTED] per [REDACTED] with [the [REDACTED]];
 - (d) a general unconditional mandate [was granted] to our Directors to allot, issue and deal with Shares (including the resale or transfer of Treasury Shares by our Company) or securities convertible into Shares or options, warrants or similar rights to subscribe for

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Shares or such convertible securities and to make or grant offers, agreements or options (including but not limited to warrants, bonds, debentures, notes and other securities convertible into Shares) which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares allotted or agreed conditionally or unconditionally to be allotted by our Directors other than pursuant to (A) a rights issue, (B) any scrip dividend scheme or similar arrangement providing for the allotment and issuance of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, (C) the exercise of any subscription or conversion rights attaching to any warrants or securities which are convertible into Shares or in issue prior to the date of passing the relevant resolution or (D) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of (1) 20% of the total nominal value of the share capital of our Company in issue (excluding Treasury Shares) immediately following the completion of and the [REDACTED] (assuming the [REDACTED] is not exercised) and (2) the total nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph (e) below, such mandate to remain in effect during the period from the passing of the resolution until the earliest of the conclusion of our next annual general meeting, the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting or the date on which the resolution is varied or revoked by an ordinary resolution of the Shareholders in general meeting (the “**Applicable Period**”);

- (e) a general unconditional mandate [was granted] to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose Shares with a total nominal value of not more than 10% of the total nominal value of the share capital of our Company in issue (excluding Treasury Shares, if any) immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), such mandate to remain in effect during the Applicable Period (the “**Repurchase Mandate**”); and
- (f) the general unconditional mandate mentioned in paragraph (d) above be extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of our Company’s share capital in issue (excluding Treasury Shares, if any) immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

5. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities. Our Directors confirm that neither the explanatory statement of the Share Repurchase Mandate nor the proposed share repurchase has any unusual features.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own Shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders’ Approval

All proposed repurchase of Shares (which must be fully paid up) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

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Pursuant to a resolution passed by our then Shareholders on [●], the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total number up to 10% of the aggregate number of our Shares in issue immediately following the completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED]) with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held, and (iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

(ii) Source of Funds

Any repurchases of Shares by us must be funded out of funds legally available for the purpose in accordance with our Memorandum and Articles of Association, the Listing Rules and the applicable laws of Hong Kong and the Cayman Islands. We are not permitted to repurchase our Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman law, any purchases by our Company may be made out of profits or out of proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue (excluding Treasury Shares).

A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring our Company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing [REDACTED] for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

Pursuant to the Listing Rules, the shares repurchased by an issuer shall be held as Treasury Shares or cancelled. The [REDACTED] of all shares which are held as Treasury Shares shall be retained. The issuer shall ensure that Treasury Shares are appropriately identified and segregated. The [REDACTED] of all repurchased securities (whether on the Stock Exchange or otherwise) but not held as Treasury Shares is automatically cancelled upon repurchase and our Company must apply for [REDACTED] of any further Shares in the normal way. The relative certificates must be cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital of our Company under the Cayman Companies Act.

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(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if the Stock Exchange considers the listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to our Company.

(b) Reasons for Repurchase

Our Directors believe that it is in the best interest of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands.

Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases out of profits of the Company, out of the share premium account of the Company or out of the proceeds of a new issuance of shares made for the purpose of the repurchase and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company. Subject to the Cayman Companies Act, a repurchase may also be made out of capital.

However, our Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

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(d) General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue (excluding Treasury Shares) immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period prior to: (i) the conclusion of the next annual general meeting of our Company; (ii) the expiry of the period within which our Company is required by the Articles of Association or any applicable law to hold our annual general meeting; or (iii) the variation or revocation by an ordinary resolution of the Shareholders passed in a general meeting, whichever is the earliest.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the Articles of Association, the Cayman Companies Act or any other applicable laws of the Cayman Islands.

Subject to the applicable requirements under the Listing Rules, our Company may cancel the repurchased Shares following settlement of any such repurchase or hold them as Treasury Shares, subject to, for example, market conditions and its capital management needs at the relevant time of the repurchases.

Should our Company decide to hold repurchased Shares as Treasury Shares, we will, upon completion of the Share repurchase, withdraw the repurchased Shares from CCASS and register the Treasury Shares in our Company's name. We may re-deposit its Treasury Shares into CCASS only if it has an imminent plan to resell these Treasury Shares on the Stock Exchange and will complete such resale as soon as possible. We will have appropriate measures to ensure that it would not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the relevant laws with respect to Treasury Shares. These measures include, for example, an approval by the Board that (i) our Company should procure its broker not to give any instructions to HKSCC to vote at general meetings for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, our Company should withdraw the Treasury Shares from CCASS, and either re-register them in our Company's name as Treasury Shares or cancel them, in each case before the record date for the dividends or distributions.

Holders of Treasury Shares (if any) shall abstain from voting on matters that require Shareholders' approval at our Company's general meetings.

If, as a result of a repurchase of our Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the minimum percentage of public float as prescribed by Rule 8.08(1) of the Listing Rules could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person, as defined in the Listing Rules, has notified us that he/she/it has a present intention to sell their Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

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B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

- (i) the [REDACTED].

2. Intellectual Property Rights

(a) Trademarks

Registered Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Owner	Class	Place of Registration	Expiry Date	Registration Number
1. . .	优闲	NeuroGen HK	5	PRC	December 27, 2035	3675215
2. . .	开帕	NeuroGen HK	5	PRC	January 13, 2029	4840044
3. . .	开浦兰	NeuroGen HK	5	PRC	January 13, 2029	4840043
4. . .	可锐	NeuroGen HK	5	PRC	February 27, 2033	3053744
5. . .	康必坦	NeuroGen HK	5	PRC	April 27, 2029	5024589
6. . .	康菲坦	NeuroGen HK	5	PRC	April 27, 2029	5024590
7. . .	纽普洛	NeuroGen HK	5	PRC	April 27, 2029	5024591
8. . .	葆洛	NeuroGen HK	5	PRC	April 27, 2029	5024592
9. . .	优普洛	NeuroGen HK	5	PRC	March 13, 2029	4916596
10. . .	NEUPRO	NeuroGen Singapore	5	PRC	July 27, 2034	12128335
11. . .	NEUPRO	NeuroGen Singapore	5	PRC	August 21, 2030	G740032
12. . .	 Neupro	NeuroGen Singapore	5, 16, 41	PRC	February 14, 2029	G1003483
13. . .	左仙明	NeuroGen HK	5	PRC	February 6, 2033	3038747
14. . .	左特明	NeuroGen HK	5	PRC	February 6, 2033	3038748
15. . .	左仙特明	NeuroGen HK	5	PRC	February 6, 2033	3038749
16. . .	优泽	NeuroGen HK	5	PRC	April 6, 2036	3822154
17. . .	赛泽	NeuroGen HK	5	PRC	April 6, 2036	3822155
18. . .	佐比林	NeuroGen HK	5	PRC	April 6, 2036	3822156

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No.	Trademark	Owner	Class	Place of Registration	Expiry Date	Registration Number
19. . .	Zyrtec	NeuroGen HK	5	PRC	July 13, 2033	69019505
20. . .	ZYRTEC	NeuroGen HK	5	PRC	July 13, 2033	69031300
21. . .	仙特敏 ZYRTEC	NeuroGen HK	5	PRC	August 20, 2034	702215
22. . .	仙特明 ZYRTEC	NeuroGen HK	5	PRC	August 27, 2029	1307761
23. . .	ZYRTEC	NeuroGen HK	5	PRC	January 19, 2027	275051
24. . .	贊爾泰克 仙特明	NeuroGen HK	5	PRC	July 13, 2033	69031281
25. . .	蜚常乐孕	NeuroGen Zhuhai	44	PRC	January 20, 2027	18575456
26. . .	蜚常优孕	NeuroGen Zhuhai	44	PRC	January 20, 2027	18575457
27. . .		NeuroGen Shanghai	5	PRC	April 13, 2035	81161739
28. . .		NeuroGen Shanghai	5	PRC	November 27, 2034	79239771

(b) Patents

Registered Patents

As of the Latest Practicable Date, we owned the following registered patents which we consider to be or may be material to our business:

No.	Patent	Type of patent	Place of registration	Patent number	Owner	Expiration date	Acquisition way
1. . .	Pharmaceutical compositions comprising levetiracetam and process for their preparation (包括左乙拉西坦的藥物組合物及其制備方法)	Invention	PRC	200680001279.9	NeuroGen HK	July 24, 2026	Assigned
2. . .	Novel process for the preparation of amino acid derivatives (制備氨基酸衍生物的新方法)	Invention	PRC	201410247216.8	NeuroGen HK	November 6, 2029	Assigned

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No.	Patent	Type of patent	Place of registration	Patent number	Owner	Expiration date	Acquisition way
3. . .	Novel process for the preparation of amino acid derivatives (制備氨基酸衍生物的新方法)	Invention	PRC	200980144201.6	NeuroGen HK	November 6, 2029	Assigned
4. . .	Brepiprazole oral film inclusion complex, preparation method and use thereof (布瑞哌唑口溶膜組合物, 其制備方法及用途)	Invention	Taiwan	111114134	Shanghai Yunsheng Yanxin Biotechnology Co., Ltd. (上海雲晟研新生物科技股份有限公司)	April 13, 2042	Licensed (Sole license)
5. . .	Brepiprazole oral film, manufacture method thereof, and use thereof (布瑞哌唑物口腔薄膜劑, 其制備方法及用途)	Invention	Taiwan	111114135	Shanghai Yunsheng Yanxin Biotechnology Co., Ltd. (上海雲晟研新生物科技股份有限公司)	April 13, 2042	Licensed (Sole License)
6. . .	GABA CONJUGATES AND METHODS OF USE THEREOF (GABA偶聯物及其使用方法)	Invention	PRC	200980145237.6	Xgene Pharmaceutical Inc.	October 8, 2029	Licensed (Exclusive License)
7. . .	Injectable long-acting local anesthetic semi-solid gel formulations (可注射長效局麻藥半固體凝膠制劑)	Invention	PRC	201880079042.5	Huizhou Jizhong Biological Technology Co., Ltd. (湖州惠中濟世生物科技股份有限公司)	December 6, 2038	Licensed (Exclusive License)
8. . .	Injectable long-acting local anesthetic semi-solid formulations and composition thereof (可注射長效局麻藥半固體制劑及其組成成分)	Invention	PRC	201480011256.0	Huizhou Jizhong Biological Technology Co., Ltd. (湖州惠中濟世生物科技股份有限公司)	February 28, 2034	Licensed (Exclusive License)
9. . .	Injectable long-acting semi-solid gel formulations (可注射長效半固體凝膠制劑)	Invention	PRC	202010506479.1	Huizhou Jizhong Biological Technology Co., Ltd. (湖州惠中濟世生物科技股份有限公司)	June 5, 2040	Licensed (Exclusive License)

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No.	Patent	Type of patent	Place of registration	Patent number	Owner	Expiration date	Acquisition way
10	A levetiracetam sustained-release granule and its preparation process (一種左乙拉西坦緩釋顆粒及其製備工藝)	Invention	PRC	202511677294.6	NeuroGen Shanghai	November 17, 2045	Assigned

(c) Domain Names

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Owner	Expiry date
1.	neurogen.com.cn	NeuroGen Shanghai Trading	October 9, 2026
2.	neurogen-pharma.com	NeuroGen Shanghai Trading	October 9, 2026

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents or other intellectual or industrial property rights which were material in relation to our Group’s business.

C. SHARE INCENTIVE PLAN

The Pre-[REDACTED] Equity Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the granting of Shares or options by our Company after the [REDACTED]. Since all underlying Shares under the Pre-[REDACTED] Equity Incentive Plan have already been allotted and issued to the ESOP Holdcos prior to the [REDACTED], no options or RSUs will be outstanding upon the [REDACTED] under the Pre-[REDACTED] Equity Incentive Plan. Therefore, there will be no dilutive effect on the issued Shares upon the vesting of Incentive Awards (as defined below) under the Pre-[REDACTED] Equity Incentive Plan.

A summary of the principal terms of the Pre-[REDACTED] Equity Incentive Plan adopted by our Company on August 4, 2025 (as amended on May 25, 2026) is set out below:

(a) Purposes

The purposes of the Pre-[REDACTED] Equity Incentive Plan are to advance the interests of our Group and Shareholders by providing Eligible Participants (as defined below) with the opportunity to participate in the ownership and future growth of our Company, thereby promoting retention, motivation and alignment of interests.

(b) Administration

The Pre-[REDACTED] Equity Incentive Plan is administered by the Board or a committee duly authorized by the Board (the “Administrator”). The Administrator has full authority to make all determinations, necessary or advisable, such as interpreting the Pre-[REDACTED] Equity Incentive Plan and determining the terms and conditions of each Incentive Award (as defined below), for the administration of the Pre-[REDACTED] Equity Incentive Plan. All determinations made by the Administrator in good faith shall be final, binding and conclusive.

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(c) Eligible Participants

The participants (collectively, the “**Eligible Participants**”) who are eligible to participate in the Pre-[REDACTED] Equity Incentive Plan include employees, directors and consultants.

(d) Types of Awards

The Pre-[REDACTED] Equity Incentive Plan permits (a) options, (b) RSUs, and (c) other share-based awards as approved by the Administrator (collectively, the “**Incentive Awards**”).

(e) Grant of Incentive Awards

The Incentive Awards shall be evidenced by award agreement specifying the type of Incentive Award, number of Shares, vesting schedule, exercise price or purchase price, term of the Incentive Awards and such other terms as may be determined by the Administrator. Unless otherwise determined, the grant date shall be the date the Administrator authorizes the Incentive Awards.

(f) Maximum Number of Shares Available for Grant

The maximum number of Shares available for grant under the Pre-[REDACTED] Equity Incentive Plan shall not exceed 23,000,000 Shares, representing 4.76% of the total issued share capital of our Company as of the Latest Practicable Date.

(g) Grant of Incentive Awards

Each Incentive Award shall be evidenced by an award agreement specifying the number of Shares, vesting schedule, exercise price (in the case of options) or consideration (in the case of RSUs), term and such other terms as determined by the Administrator. RSUs may be settled by in any form of legal consideration as determined by the Administrator.

(h) Exercise of Options

The exercise price for each option may be a fixed or variable price related to the fair market value of the Shares, and is intended to increase incrementally with each batch of grants. The exercise price may be adjusted in the absolute discretion of the Administrator. Each option shall be exercisable within a period not exceeding ten (10) years from the date of grant. Options may be exercised by written notice accompanied by full payment, which may be made by cash, net exercise, deferred payment or any other form of legal consideration acceptable to the Administrator.

(i) Vesting of Incentive Awards

The vesting schedule of each Incentive Award shall be determined by the Administrator. Vesting may be time-based, performance-based, or subject to other conditions as determined by the Administrator. Unvested Incentive Awards are generally forfeited upon termination of employment or service unless otherwise specified.

(j) Cancellation, Lapse or Termination of Incentive Awards

The Administrator may cancel any Incentive Award, whether vested or not, in cases involving serious breach of conduct or competition with our Company.

Options

Unvested options shall automatically lapse upon the earliest of: (a) mutual agreement between the Company and Eligible Participants; (b) corporate transactions such as acquisition, merger, dissolution or liquidation of our Company. In the case of mutual termination, vested but unexercised options shall remain exercisable. In the case of corporate transactions, our Company may repurchase any vested but unexercised options.

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In terms of the termination of continuous service: (i) if terminated for cause or breach of confidentiality/non-compete covenants (“**Bad Leave**”), unvested options shall lapse automatically, and our Company may repurchase any Shares acquired through exercised options and recover any proceeds from unauthorized transfers; (ii) if terminated other than for cause (“**Good Leave**”), unvested options shall lapse automatically, while vested but unexercised options shall remain exercisable within the exercise period.

RSUs

In the event of termination, the arrangement for the disposal of RSUs shall be finalized in the relevant award agreement as approved by the Board.

(k) Transferability

Incentive Awards are not transferable other than by will or by the laws of descent and distribution, unless otherwise determined by the Administrator. Prior to the [REDACTED], Eligible Participants shall not sell or transfer any Shares acquired through Incentive Awards, except: (i) pursuant to a customary pro rata tag-along right in the event of a change of control (i.e., CBC Shareholding Group and Mubadala Shareholding Group collectively ceasing to hold more than 50% of the issued share capital of NeuroGen HK or voting rights before [REDACTED], or ceasing to hold more than 30% of the issued share capital of our Company after [REDACTED]) resulting from a sale by CBC Shareholding Group and Mubadala Shareholding Group; or (ii) with the majority consent of the Board.

(l) Shareholder Rights and Adjustments

Upon delivery of the corresponding Shares, all voting and dividend rights shall be assigned to the Eligible Participant. In the event of any recapitalization, share split, reorganization or other similar corporate transaction, the Administrator may make appropriate adjustments to the number of Shares available for issuance, the exercise price and the number of Shares subject to outstanding Incentive Awards.

(m) Expansion of Incentive Awards Pool

The Board may approve an increase in the pool of Incentive Awards in recognition of transformative progress or significant expansion of our Group, including achievement of material revenue or profit milestones, entry into new markets, or securing major partnerships or acquisitions.

(n) Amendment and Termination

The Board may amend, suspend, or terminate the Pre-[REDACTED] Equity Incentive Plan at any time, subject to Shareholders’ approval where required by applicable laws. No such action may materially and adversely affect outstanding Incentive Awards without the relevant Eligible Participant’s consent.

The Pre-[REDACTED] Equity Incentive Plan will expire on the 10th anniversary of its adoption unless terminated earlier.

(o) Incentive Awards Granted

We had granted (a) options and (b) RSUs corresponding to a total of 22,701,000 underlying Shares to 25 Eligible Participants, including one Director, four members of senior management of our Company who are not Directors, and 20 other employees who are not connected persons of our Company. The Company expects to grant the remaining 299,000 options to Eligible Participants before the [REDACTED], in accordance with its actual incentive needs.

We have established ThriveCap Ltd. and AxisPoint Holdings Ltd. (collectively, the “**ESOP Holdcos**”), each incorporated under the laws of the British Virgin Islands on August 27, 2025, to serve as holding vehicles for the ordinary Shares corresponding to incentives granted to Eligible Participants under our Pre-[REDACTED] Equity Incentive Plan.

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On December 29, 2025, our Company issued and allotted 15,456,000 ordinary Shares of par value US\$1.00 each to ThriveCap Ltd., with the consideration for the shares remaining unpaid. On March 31, 2026, our Company further issued and allotted 7,544,000 ordinary Shares of par value US\$1.00 each to AxisPoint Holdings Ltd., with the consideration for the shares remaining unpaid. Upon completion of the foregoing issuances, an aggregate of 23,000,000 ordinary Shares are held by the ESOP Holdcos.

Trident Trust Company (HK) Limited, an independent professional trustee, has been appointed to manage the Shares held by the ESOP Holdcos. In compliance with Rule 17.05A of the Listing Rules, upon [REDACTED], the trustee holding unvested Shares shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owners’ instructions and such instructions are given in compliance with Rule 17.05A of the Listing Rules.

Apart from the disclosure above, no other types of share awards have been awarded by our Company. No awards will be granted under the Pre-[REDACTED] Equity Incentive Plan after [REDACTED].

As of the Latest Practicable Date, the Shares underlying the options and/or RSUs granted under the Pre-[REDACTED] Equity Incentive Plan were held through ThriveCap Ltd. and AxisPoint Holdings Ltd. In particular, (i) the Shares held through ThriveCap Ltd. were the Shares underlying options and/or RSUs granted to one Director, three members of senior management of our Company who are not also Directors, and two other employees who are not connected persons of our Company; and (ii) the Shares held through AxisPoint Holdings Ltd. were the Shares underlying options granted to one member of senior management of our Company and 18 other employees who are not connected persons of our Company.

The table below set forth the details of options and/or RSUs granted to Directors and senior management of our Company under the Pre-[REDACTED] Equity Incentive Plan as of the Latest Practicable Date:

No.	Grantee	Position/ Relationship	Address	Number of Shares underlying outstanding Options/RSUs granted	Date of Grant	Vesting Period	Purchase Price	Exercise Price (US\$ per Share)	Approximate Percentage of Enlarged Issued Shares upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽¹⁾
<i>ThriveCap Ltd.</i>									
1. . .	Mr. Chen Peng- Hsuan (陳鵬亘)	Executive Director and Chief Executive Officer	Room 802, No. 16, Lane 2466, Jinxiu Road, Pudong New District, Shanghai, PRC	2,415,000 ⁽²⁾ 2,415,000 ⁽³⁾ 4,830,000 ⁽⁴⁾	October 1, 2024 October 1, 2024 October 1, 2024	Four years Four years Ten years	Nil Nil Nil	N/A 0.95 0.95	[REDACTED]% [REDACTED]% [REDACTED]%
2. . .	Mr. ZHANG Jiong (張炯)	Chief Financial Officer	No. 30, Lane 388, Furongjiang Road, Changning District, Shanghai, PRC	724,500 ⁽³⁾ 724,500 ⁽⁴⁾	November 11, 2024 November 11, 2024	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%
3. . .	Mr. YANG Zecheng (楊澤成)	Vice President of Sales and Marketing	Building E-15, No. 368, Wangjiang Road West, Shushan District, Hefei City, Anhui Province, PRC	966,000 ⁽³⁾ 966,000 ⁽⁴⁾	December 2, 2024 December 2, 2024	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%

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No.	Grantee	Position/ Relationship	Address	Number of Shares underlying outstanding Options/RSUs granted	Date of Grant	Vesting Period	Purchase Price	Exercise Price (US\$ per Share)	Approximate Percentage of Enlarged Issued Shares upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽¹⁾
4. . .	Mr. HU Fan (胡帆)	Vice President of Channel and Distribution	No. 25, Lane 1515, Pingyang Road, Minhang District, Shanghai, PRC	241,500 ⁽³⁾	November 11, 2024	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽⁴⁾	November 11, 2024	Ten years	Nil	0.95	[REDACTED]%
				483,000 ⁽³⁾	October 24, 2025	Four years	Nil	0.95	[REDACTED]%
				483,000 ⁽⁴⁾	October 24, 2025	Ten years	Nil	0.95	[REDACTED]%
<i>AxisPoint Holdings Ltd.</i>									
5. . .	Ms. QU Junhua (曲俊華)	Vice President of Supply Chain	Building 2-1, No. 216, Xingyuan Road, Xiangzhou District, Zhuhai, Guangdong Province, PRC	241,500 ⁽³⁾	May 9, 2025	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽⁴⁾	May 9, 2025	Ten years	Nil	0.95	[REDACTED]%
Total				14,973,000					[REDACTED]%

Notes:

- (1) The table above assumes (i) the [REDACTED] becomes unconditional and the [REDACTED] are issued pursuant to the [REDACTED]; and (ii) the [REDACTED] is not exercised.
- (2) The RSUs shall vest over a four-year period: subject to the grantee’s continued service with our Group on each applicable vesting date, 50% of the RSUs shall vest on the second anniversary of the date of grant, and the remaining 50% of the RSUs shall vest in four equal semi-annual installments of 12.5% each thereafter. Accordingly, the RSUs shall become fully vested on the fourth anniversary of the date of grant.
- (3) Representing options granted under the Pre-[REDACTED] Equity Incentive Plan that are subject to a fixed vesting period (the “**Time-based Options**”). The Time-based Options shall vest over a four-year period. On the second anniversary of the date of grant set forth in the relevant notice of award and award agreement, 50% of the Time-based Options shall vest, and the remaining 50% shall vest in four successive equal semi-annual installments of 12.5% each thereafter, provided that the relevant grantee continues to provide continuous service as of each applicable vesting date.
- (4) Representing options granted under the Pre-[REDACTED] Equity Incentive Plan that are subject to the achievement of specified per-share price milestones or a change of control of the Company with a specified minimum per-share price (the “**Performance-based Options**”). The Performance-based Options shall vest upon the achievement of the following per-share price milestones: (i) 20% of the Performance-based Options shall vest upon the Company’s per-share price reaching 2.0 times the Company’s current per-share price; (ii) an additional 20% shall vest upon the Company’s per-share price reaching 2.5 times the Company’s current per-share price; (iii) an additional 30% shall vest upon the Company’s per-share price reaching 3.0 times the Company’s current per-share price; and (iv) the remaining 30% shall vest upon a change of control of the Company at a per-share price of no less than 3.5 times the Company’s current per-share price, provided that the relevant grantee continues to provide continuous service as of each applicable vesting date. For this purpose, the Company’s current per-share price refers to US\$1.26, being the per-share price determined by reference to the Company’s equity valuation as of December 31, 2025, as determined by the Board.

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The table below set forth the details of options granted other employees of our Company under the Pre-[REDACTED] Equity Incentive Plan as of the Latest Practicable Date:

No.	Grantee	Position/ Relationship	Address	Number of Shares underlying outstanding options granted	Date of Grant	Vesting Period	Purchase Price	Exercise Price (US\$ per Share)	Approximate Percentage of Enlarged Issued Shares upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽¹⁾
<i>ThriveCap Ltd.</i>									
1. . .	CAO Liang (曹亮)	Chief Human Resources Officer	Building 4, Lane 2125 East, Hongmei Road, Xuhui District, Shanghai, PRC	241,500 ⁽²⁾	October 25, 2024	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	October 25, 2024	Ten years	Nil	0.95	[REDACTED]%
2. . .	Ms. WANG Lu (王璐)	General Counsel and Company Secretary	Building 4, Lane 500, Changde Road, Jing'an District, Shanghai, PRC	241,500 ⁽²⁾	November 19, 2024	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	November 19, 2024	Ten years	Nil	0.95	[REDACTED]%
<i>AxisPoint Holdings Ltd.</i>									
3. . .	XUE Lisong (薛李松)	Head of Marketing, Epi and PD Marketing	No. 195, Lane 503, Zhubai Road, Nanhui New Town, Pudong New District, Shanghai, PRC	241,500 ⁽²⁾	November 21, 2024	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	November 21, 2024	Ten years	Nil	0.95	[REDACTED]%
4. . .	LUO Qiang (羅強)	Head of Key Account and Market Access	Building 2-1, Block 25, Changqing Garden, Dongxihu District, Wuhan, Hubei Province, PRC	241,500 ⁽²⁾	January 2, 2025	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	January 2, 2025	Ten years	Nil	0.95	[REDACTED]%
5. . .	GU Jiang (顧江)	Vice President of Information Technology and Business Information & Sales Operation	Building 1-3, Vanke Blue Mountain, Mofang Road South, Chaoyang District, Beijing, PRC	241,500 ⁽²⁾	May 9, 2025	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	May 9, 2025	Ten years	Nil	0.95	[REDACTED]%
6. . .	CHEN Ming (陳明)	Vice President of Regulatory Affairs and Pharmacovigilance	Oulu Garden, 8 Yuyang Road, Shunyi District, Beijing, PRC	241,500 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
7. . .	ZHU Dan (朱丹)	HR Business Partner and Head of Organizational Development	Building 14, No. 6 Xinghai Road, Baixia District, Nanjing, Jiangsu Province, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%

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No.	Grantee	Position/ Relationship	Address	Number of Shares underlying outstanding options granted	Date of Grant	Vesting Period	Purchase Price	Exercise Price (US\$ per Share)	Approximate Percentage of Enlarged Issued Shares upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽¹⁾
8. . .	ZHANG Ying (張瑩)	Head of Financial Planning and Analysis	No. 6, Lane 155, Jingning Road, Putuo District, Shanghai, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
9. . .	WU Xiaojing (吳曉婧)	Head of Compliance	No. 1, Lane 299, Yaohong Road, Minhang District, Shanghai, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
10. .	WANG Jiarong (王佳蓉)	Head of Accounting and Reporting	No. 1, Lane 99, Haoliang Road, Nanxiang Town, Jiading District, Shanghai, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
11.. .	WANG Ting (王婷)	Head of Pipeline Development	No. 118, Lane 2861, Gaoqing Road, Pudong New Area, Shanghai	241,500 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
12. .	LI Chun (李純)	Pharmacovigilance Director	Building 30-1, Poly Times Tianyue, Hongshan District, Wuhan, Hubei Province, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
13. .	HUANG Liyun (黃莉雲)	Head of Pipeline Alliance	No. 27, Lane 88, Tianshan Road, Shanghai, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
14. .	YAN Liqun (嚴力群)	Head of Medical Affairs	Unit 1, Building 109, Block 1, Wanxiang Xintian, Chaoyang District, Beijing, PRC	120,750 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				120,750 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%
15. .	LIU Yanxia (劉彥霞)	National Sales Director	Building 2-2, Wenhua Garden, 118 Lishan Road, Lixia District, Jinan, Shandong Province, PRC	241,500 ⁽²⁾	December 8, 2025	Four years	Nil	0.95	[REDACTED]%
				241,500 ⁽³⁾	December 8, 2025	Ten years	Nil	0.95	[REDACTED]%

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No.	Grantee	Position/ Relationship	Address	Number of Shares underlying outstanding options granted	Date of Grant	Vesting Period	Purchase Price	Exercise Price (US\$ per Share)	Approximate Percentage of Enlarged Issued Shares upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽¹⁾
16.	WANG Wei (王維)	QA Director	No. 7, Lane 825, Chenhui Road, Pudong New Area, Shanghai, PRC	120,750 ⁽²⁾ 120,750 ⁽³⁾	December 8, 2025 December 8, 2025	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%
17.	ZHANG Jin (章津)	Head of Clinical Operations	Building 1-T4, No. 166 Huanle Avenue, Donghu Scenic Area, Wuhan, Hubei Province, PRC	120,750 ⁽²⁾ 120,750 ⁽³⁾	December 8, 2025 December 8, 2025	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%
18.	XIN Chen (辛晨)	Head of Corporate Affairs	Building 1, Lane 69-C, Gao'an Road, Xuhui District, Shanghai, PRC	120,750 ⁽²⁾ 120,750 ⁽³⁾	December 8, 2025 December 8, 2025	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%
19.	LOU Yiwen (婁逸文)	Head of Marketing, Allergy and New Products Marketing	No. 8, Lane 669, Liuying Road, Jing'an District, Shanghai, PRC	241,500 ⁽²⁾ 241,500 ⁽³⁾	January 27, 2026 January 27, 2026	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%
20.	ZHU Shunwei (諸舜偉)	Vice President of Research and Development	Building 1, Bafang Tower, 1589 Zhangyang Road, Pudong New District, Shanghai, PRC	483,000 ⁽²⁾ 483,000 ⁽³⁾	March 23, 2026 March 23, 2026	Four years Ten years	Nil Nil	0.95 0.95	[REDACTED]% [REDACTED]%
Total				7,728,000					[REDACTED]%

Notes:

- (1) The table above assumes (i) the [REDACTED] becomes unconditional and the [REDACTED] are issued pursuant to the [REDACTED]; and (ii) the [REDACTED] is not exercised.
- (2) Representing the Time-based Options. The Time-based Options shall vest over a four-year period. On the second anniversary of the date of grant set forth in the relevant notice of award and award agreement, 50% of the Time-based Options shall vest, and the remaining 50% shall vest in four successive equal semi-annual installments of 12.5% each thereafter, provided that the relevant grantee continues to provide continuous service as of each applicable vesting date.
- (3) Representing the Performance-based Options. The Performance-based Options shall vest upon the achievement of the following per-share price milestones: (i) 20% of the Performance-based Options shall vest upon the Company's per-share price reaching 2.0 times the Company's current per-share price; (ii) an additional 20% shall vest upon the Company's per-share price reaching 2.5 times the Company's current per-share price; (iii) an additional 30% shall vest upon the Company's per-share price reaching 3.0 times the Company's current per-share price; and (iv) the remaining 30% shall vest upon a change of control of the Company at a per-share price of no less than 3.5 times the Company's current per-share price, provided that the relevant grantee continues to provide continuous service as of each applicable vesting date. For this purpose, the Company's current per-share price refers to US\$1.26, being the per-share price determined by reference to the Company's equity valuation as of December 31, 2025, as determined by the Board.

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D. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interest

(a) *Interests and Short Positions of the Directors and Chief Executive of Our Company in the Shares, Underlying Shares and Debentures of Our Company and Our Associated Corporation*

The following table sets out the interests and short positions of our Directors and chief executive of our Company as of the date of this document and immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

(i) *Interests in the Shares and underlying Shares of our Company*

Name	Nature of interest	As of the Latest Practicable date of this document		Immediately after the [REDACTED]	
		Number of Shares ⁽¹⁾	Approximate percentage of interest in our Company	Number of Shares ⁽¹⁾	Approximate percentage of interest in our Company
Mr. Fu Wei	Founder of a trust ⁽²⁾	230,000,000	47.62%	280,000,000 ⁽³⁾	[REDACTED]%
	Beneficiary of a trust ⁽²⁾	230,000,000	47.62%	280,000,000 ⁽³⁾	[REDACTED]%
	Interest in controlled corporation ⁽²⁾	230,000,000	47.62%	280,000,000 ⁽³⁾	[REDACTED]%
Dr. CHEN Peng-Hsuan (陳鵬亘) . .	Beneficial owner ⁽⁴⁾	2,415,000	0.50%	2,415,000	[REDACTED]%
	Beneficial owner ⁽⁵⁾	7,245,000	1.50%	2,415,000	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) C-Bridge V Investment Fifteen Limited was owned as to 67.83% by C-Bridge V Investment Holdings Pte. Ltd. and 20.00% by C-Bridge IV Investment Twenty-three Limited. C-Bridge V Investment Holdings Pte. Ltd. was wholly owned by C-Bridge Healthcare Fund V, L.P., which was controlled by its general partner, C-Bridge Healthcare Fund GP V, L.P. The general partner of C-Bridge Healthcare Fund GP V, L.P. was C-Bridge Capital GP V Ltd., which was wholly controlled by Nova Aqua Limited. Nova Aqua Limited was held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. FU Wei as settlor for the benefit of Mr. FU Wei and his family. C-Bridge IV Investment Twenty-three Limited was wholly owned by Shanghai Kangzhichuan Enterprise Management Consulting Partnership (Limited Partnership) (上海康之川企業管理諮詢合夥企業(有限合夥)) (“Shanghai Kangzhichuan”), whose general partner, Shanghai Kangshida Management Consulting Co., Ltd. (上海康士達管理諮詢有限公司) (“Shanghai Kangshida”), was wholly owned by CBC Group (HK) Limited. CBC Group (HK) Limited was in turn owned as to 92.5% by Nova Aqua Limited and was therefore controlled by Mr. FU Wei. Therefore, Mr. FU Wei is deemed interested in all the Shares held by C-Bridge V Investment Fifteen Limited under the SFO.
- (3) Assuming that the full amount of the proposed capital injection under the Share Subscription Agreement will be completed on or before August 15, 2026, pursuant to which each of C-Bridge V Investment Fifteen Limited and ATIC Second International Investment Company LLC will subscribe for 50,000,000 Shares for an aggregate subscription price of US\$50.0 million. For details, please see “History and Corporate Structure — Corporate Development and Major Shareholding Changes — Capital Injection by Existing Shareholders”.
- (4) Dr. CHEN Peng-Hsuan was granted a RSUs under the Pre-[REDACTED] Equity Incentive Plan to subscribe for 2,415,000 underlying Shares of our Company.
- (5) Dr. CHEN Peng-Hsuan was granted the options under the Pre-[REDACTED] Equity Incentive Plan, including (i) a time-based option to subscribe for 2,415,000 underlying Shares of our Company; and (ii) a performance-based option to subscribe for 4,830,000 underlying Shares of our Company.

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(b) Interests of the substantial Shareholders in the Shares and Underlying Shares of our Company

Save as disclosed below and in the section headed “Substantial Shareholders,” immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the voting power at any general meeting of any member of our Group.

2. Directors’ Service Contracts and Letters of Appointment

(a) Executive Director and Non-executive Directors

Each of the executive Director and the non-executive Directors [has entered] into a service contract with our Company under which they agreed to act as an executive Director or a non-executive Director for an initial term of three years commencing from the date of his appointment as a Director and continue for a period of three years or until the third annual general meeting of the Company since the [REDACTED], whichever is earlier, which may be terminated by not less than three months’ notice in writing served by either the executive Director or our Company.

The appointments of the executive Director and the non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

(b) Independent non-executive Directors

Each of the independent non-executive Directors [has signed] an appointment letter with our Company for a term of three years with effect from the date of his appointment as a Director and continue for a period of three years or until the third annual general meeting of the Company since the [REDACTED], whichever is earlier. The appointments of the independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

3. Director’s Remuneration

Save as disclosed in “Directors and Senior Management” of this document and Note 13 to the Accountant’s Report as set out in Appendix IA to this document, for the three financial years ended December 31, 2023 and 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

There was no arrangements under which any Director has waived or agree to waive any emolument during the Track Record Period.

4. Disclaimers

Save as disclosed in this document:

- (i) there is no existing or proposed service contract (excluding any contract expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (ii) none of our Directors or the experts named in the paragraph headed “— E. Other Information — 8. Qualifications and Consents of Experts” in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

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- (iii) save in connection with the [REDACTED], none of our Directors nor any of the experts named in the paragraph headed “— E. Other Information — 8. Qualifications and Consents of Experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group as a whole;
- (iv) none of our Directors and the chief executive of our Company has any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange; and
- (v) none of our Directors or their respective close associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of the number of our issued shares) has any interest in our five largest suppliers or our five largest customers.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of the subsidiaries of our Company.

2. Litigation

As of the Latest Practicable Date, we were not aware of any other litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that would have a material adverse effect on our financial condition or results of operations.

3. Joint Sponsors

As of the Latest Practicable Date, the Joint Sponsors satisfied the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The total amount of sponsor’s fee is US\$700,000.

The Joint Sponsors have made an application on our Company’s behalf to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this document. All necessary arrangements [have been made] for the Shares to be admitted into CCASS.

4. Preliminary Expenses

As of the Latest Practicable Date, our Company did not incur any material preliminary expenses.

5. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025 (being the date to which the latest consolidated financial statements of our Group were prepared).

APPENDIX V

STATUTORY AND GENERAL INFORMATION

6. Promoter

Our Company has no promoter for the purpose of the [REDACTED]. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

7. Agency Fees or Commissions Received

Save as disclosed in the section headed “[REDACTED] — [REDACTED] Arrangements and Expenses” in this document, within the two years immediately preceding the date of this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries. Within the two years preceding the date of this document, no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Shares in our Company.

8. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualification
J.P. Morgan Securities (Far East) Limited .	Licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
CITIC Securities (Hong Kong) Limited . . .	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
HSBC Corporate Finance (Hong Kong) Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities under the SFO
Commerce & Finance Law Offices	Legal advisors to our Company as to PRC law
Mourant Ozannes (Singapore) LLP	Legal advisors to our Company as to Cayman Islands law
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co	Independent Industry consultant

Each of the experts named above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report, letter, summary of valuations, valuation certificates and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

Save as disclosed in this document and in connection with the [REDACTED], none of the experts named above is interested legally or beneficially in any shares of any member of our Group or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

9. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this document, the English language version shall prevail.

11. Miscellaneous

- (i) Save as disclosed in “History, Reorganization and Corporate Structure” and in connection with the [REDACTED], within the two years immediately preceding the date of this document:
 - (a) no share or loan capital of our Company or any of our subsidiaries has been issued nor agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
 - (c) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (d) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions of any share in our Company or any of our subsidiaries.
- (ii) There are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries.
- (iii) There are no arrangements under which future dividends are waived or agreed to be waived.
- (iv) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (v) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months immediately preceding the date this document.
- (vi) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.
- (vii) No part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought.
- (viii) Our Company has no outstanding convertible debt securities or debentures.

APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) a copy of the material contracts referred to in “Appendix V — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract.” in this document; and
- (b) the written consents referred to in “Appendix V — Statutory and General Information — E. Other Information — 8. Qualifications and Consents of Experts” in this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange’s website at www.hkexnews.hk and our Company’s website at <https://www.neurogen.com.cn> during a period of 14 days from the date of this document:

- (a) the Memorandum and Articles of Association;
- (b) the Accountants’ Reports from Deloitte Touche Tohmatsu, the text of which is set out in Appendix IA, Appendix IB and Appendix IC to this document;
- (c) the audited financial statements of our Group from June 11, 2024 to December 31, 2024 and the year ended December 31, 2025;
- (d) the audited financial statements of NeuroGen Zhuhai for the year ended December 31, 2023 and from January 1, 2024 to November 29, 2024;
- (e) the audited financial statements of NeuroGen Zhuhai for the three years ended December 31, 2023, 2024 and 2025;
- (f) the report on unaudited [REDACTED] financial information of our Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this document;
- (g) the PRC legal opinions issued by Commerce & Finance Law Offices, our PRC Legal Advisor in respect of certain general corporate matters of our Group in the PRC;
- (h) the industry report prepared by Frost & Sullivan, the summary of which is set forth in the section headed “Industry Overview” of this document;
- (i) the letter of advice prepared by Mourant Ozannes (Singapore) LLP, our legal advisor as to Cayman Islands law, summarizing certain aspects of Cayman company law referred to in “Appendix III — Summary of the Constitution of our Company and Cayman Islands Company Law” in this document;
- (j) the material contract referred to in “Appendix V — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract” in this document;
- (k) the written consents referred to in “Appendix V — Statutory and General Information — E. Other Information — 8. Qualifications and Consents of Experts” in this document;
- (l) the service contracts and letters of appointment referred to in “Appendix V — Statutory and General Information — D. Further Information about Our Directors and Substantial Shareholders — 2. Directors’ Service Contracts and Letters of Appointment” in this document;
- (m) the Cayman Companies Act; and
- (n) the terms of the Pre-[REDACTED] Equity Incentive Plan.