OVERVIEW

We are a biopharmaceutical company dedicated to the research, development, manufacturing, and commercialization of innovative vaccines. We have established a systematic product development framework that prioritizes key research areas and manages our R&D projects across different development stages. Our strategic focus centers on two key areas, namely, "superbug vaccines" (超級細菌疫苗) and "adult vaccines (成人疫苗)."

Distinct from many pre-revenue biotechnology companies, we have three commercialized products: Adsorbed Tetanus Vaccine, Hib Conjugate Vaccine, and AC Conjugate Vaccine. Leveraging our commercialization capabilities, our Adsorbed Tetanus Vaccine has maintained a dominant position in China during the Track Record Period. According to the CIC Report, in terms of revenue, our Adsorbed Tetanus Vaccine ranked first in the adsorbed tetanus vaccine market in China in 2025, with a market share of approximately 98.8%. According to the same report, the adsorbed tetanus vaccine market accounted for approximately 1.0% of the total vaccine market in China in 2025, in terms of revenue. Our portfolio of commercialized products serves as the cornerstone of our continued business development, generating stable cash flow and providing a solid foundation to fund and facilitate the development of our vaccine pipeline.

We have multiple vaccine pipelines targeting "superbugs", which exhibit significant resistance to multiple antibiotics and pose serious public health challenges globally due to limited or no effective treatment options. Our Class 1.1 superbug vaccine candidates are strategically developed to target five pathogens, comprising (i) rFSAV targeting Staphylococcus aureus, a "high priority" pathogen identified in both the WHO 2024 Superbug List and the WHO 2017 Superbug List; (ii) rHPV targeting Helicobacter pylori, a "high priority" pathogen identified in the WHO 2017 Superbug List; (iii) rFPAV targeting Pseudomonas aeruginosa, a "high priority" pathogen identified in the WHO 2024 Superbug List and a "critical priority" in the WHO 2017 Superbug List; (iv) rABV targeting Acinetobacter baumannii, a "critical priority" pathogen identified in both the WHO 2024 Superbug List and the WHO 2017 Superbug List; and (v) GAS Vaccine, targeting Group A Streptococcus identified as a "medium priority" pathogen in the WHO 2024 Superbug List.

Furthermore, we are actively exploring the development of "superbug" combination vaccines that can combine several of these bacterial targets, with the objective of achieving broader protection against multiple resistant infections. With no comparable commercialized product available globally targeting these superbugs, we anticipate a vast market for our superbug vaccine candidates.

During the Track Record Period, we experienced growth and business expansion, reflecting the success of our commercialization strategy and operational efficiency. Our revenue increased from RMB494.3 million in 2023 to RMB586.1 million in 2024 and to RMB700.1 million in 2025. Such financial performance provides a solid foundation for our continued investment in R&D and the advancement of our innovative pipeline, as well as our international expansion.

The following chart summarizes the status of our commercialized products and main pipeline products as of the Latest Practicable Date:

Product	Indication	Preclinical	IND Approval	Phase I	Phase II	Phase III	NDA Approval	Regulatory Agency	Year of NDA Approval/ Expected Near-term Milestone	Class[5]	Commercialization Rights
Commercialized products											
Adsorbed Tetanus Vaccine (吸附破傷風疫苗)	Prevention of Tetanus							NMPA	2016/2023[1]	3.3	Global
Haemophilus Influenzae Type b Conjugate Vaccine (b型流感嗜血桿菌結合疫苗)	Prevention of Infections caused by Haemophilus influenzae type b							NMPA	2017	3.3	Global
Group A and C Meningococcal Polysaccharide Conjugate Vaccine (A群C群腦膜炎球菌多糖結合疫苗)	Prevention of Meningococcal disease							NMPA	2020	3.3	Global
Pipeline products											
Recombinant Five-antigen Staphylococcus Aureus Vaccine (重組金葡菌疫苗)	Prevention of post-operative S. aureus infection							NMPA	NDA submission in H2 2026	1.1	Global
Oral Recombinant Helicobacter Pylori Vaccine (E. Coli) ((口服重組幽門螺桿菌疫苗(大腸桿菌))	Prevention of H. pylori infection			[2]				NMPA/TGA	IND submission in H2 2026 in China	1.1	Global
Recombinant Four-antigen Pseudomonas Aeruginosa Vaccine (重組銅綠假單胞菌疫苗)	Prevention of P. aeruginosa infection							NMPA	IND submission in H2 2026 in China	1.1	Global
Recombinant Acinetobacter Baumannii Vaccine (重組鮑曼不動桿菌蛋白疫苗)	Prevention of A. baumannii infection							NMPA	IND submission by the end of 2027	1.1	Global
Group A Streptococcus Vaccine (A群鏈球菌疫苗)	Prevention of Group A Streptococcus infection							NMPA	IND submission by the end of 2028	1.1	Greater China (Excluding Macau)
Quadrivalent Influenza Virus Split Vaccine (MDCK Cells) (四價流感病毒裂解疫苗 (MDCK細胞))[3]	Prevention of influenza					[3][4]		NMPA	NDA submission by the end of 2026	2.2	Global
Trivalent Influenza Virus Split Vaccine (MDCK Cells) (三價流感病毒裂解疫苗 (MDCK細胞))[3]	Prevention of influenza				[3]			NMPA	NDA submission by the end of 2027	2.2	Global
Adjuvanted Trivalent Influenza Virus Split Vaccine (MDCK Cells) (三價佐劑流感病毒裂解疫苗 (MDCK細胞))[3]	Prevention of influenza							NMPA	IND submission by the end of 2026	2.2	Global

Notes:

(1) We obtained NMPA approval for the vial formulation of our Adsorbed Tetanus Vaccine on October 25, 2016. Subsequently, on August 21, 2023, the NMPA approved our supplemental application to add the pre-filled syringe formulation. This 2023 approval serves as the current registration for both the vial and pre-filled syringe formulations.

(2) We received the approval to initiate a Phase I clinical trial in Australia in June 2024. We plan to submit an IND submission to the NMPA in China in the second half of 2026.

(3) In line with established regulatory guidelines, our clinical development of such vaccine candidate did not include Phase II clinical trials.

(4) On November 21, 2025, we completed full subject enrollment for the Phase IIIa clinical trial.

(5) For details on the definitions of Class 1.1, Class 2.2 and Class 3.3 vaccines, please refer to the section headed "Glossary" in this document.

OUR COMPETITIVE STRENGTHS

We believe our past success and future prospects are founded on a combination of distinct and sustainable competitive strengths that differentiate us from our competitors. These strengths have been instrumental in our growth and have established a solid foundation for our future development. They include:

Proven Commercialization Capabilities

We possess proven commercialization capabilities, demonstrated by our success in leading the adult tetanus vaccine market in China. This capability is built on a multi-faceted strategy that combines policy influence, academic promotion, and a robust sales infrastructure.

- ***Market Creation through Evidence-based Advocacy and Policy Leadership:*** We strategically created and expanded the adult tetanus vaccine market in China, a market previously focused only on pediatrics. We achieved this by collaborating with clinical experts to establish over 80 hospital-based monitoring sites to collect real-world data on the disease burden of non-neonatal tetanus. Leveraging this compelling data, we actively supported the formulation and updates of five national-level clinical guidelines and expert consensuses. The data revealed a serious public-health challenge, with the incidence rate in China estimated to be approximately 100 times that of developed countries. This evidence-based advocacy established a robust policy framework that standardized clinical practices nationwide and created a high entry barrier for potential competitors.

- ***Integrated Clinical and Immunization Model:*** We developed and implemented a strategic model designed to bridge the operational gap between clinical treatment facilities and vaccination sites in China. Through national-level "Standardized Tetanus Prevention Clinic Construction Projects", we provide hospitals with a replicable roadmap to obtain the required qualifications to become POVs. By integrating emergency-department resources in general hospitals, our model enables hospitals to perform the full-process, one-stop service of "wound debridement – assessment – wound treatment – vaccination". This initiative contributes to China's 2030 National Tetanus Elimination Goal of achieving "zero tetanus incidence in post-exposure prophylaxis" and "zero mortality among tetanus-treated patients."

- ***Extensive Nationwide Sales Network and Deep Market Penetration:*** Our strategies have translated into significant commercial success and a dominant market position. Our Adsorbed Tetanus Vaccine achieved revenue of RMB463.0 million, RMB535.8 million and RMB613.7 million in 2023, 2024 and 2025, respectively. According to the CIC Report, in terms of revenue, our Adsorbed Tetanus Vaccine ranked first in the adsorbed

tetanus vaccine market in China in 2025, with a market share of approximately 98.8%. According to the same report, in terms of revenue, the adsorbed tetanus vaccine market accounted for approximately 1.0% of the total vaccine market in China in 2025. As of the Latest Practicable Date, our sales network covered 30 provinces, municipalities, and autonomous regions in China. As of the same date, we have established direct commercial relationships with over 2,000 district- and county-level CDCs, and one or more of our three commercialized vaccine products were available at approximately 9,100 POVs nationwide, including approximately 2,400 general hospitals. This deeply-rooted commercialization engine provides a critical strategic advantage for the future launch of our innovative pipeline products, particularly the rFSAV.

- ***Mature and Compliant Commercial Organization:*** Our commercial operations are managed by a professional marketing center comprising experienced teams in sales, marketing, medical affairs, and operations. We engage a network of marketing service providers to engage in academic promotion and market education initiatives, and we exercise stringent oversight through contractual obligations, regular compliance training, and continuous supervision to ensure all activities are conducted in strict compliance with applicable laws and regulations.

An Innovative Platform for Class 1.1 Vaccines with the Most Comprehensive "Superbug" Vaccine Pipeline in the World

We have established a innovative platform focused on developing Class 1.1 vaccines. We have strategically chosen to develop vaccines targeting superbugs, which exhibit significant resistance to multiple antibiotics and pose serious public health challenges globally due to limited or no effective treatment options. According to the CIC Report, we have the most comprehensive "superbug" vaccine pipeline globally, with five candidates targeting Staphylococcus aureus, Helicobacter pylori, Pseudomonas aeruginosa, Acinetobacter baumannii and Group A Streptococcus, contributing to global efforts to address antimicrobial resistance. Furthermore, we are actively exploring the development of combination "superbug" vaccines, combining several of these bacterial targets, with the objective of achieving broader protection against multiple resistant infections.

In addition, from a health economics perspective, our superbug vaccine candidates offer a compelling value proposition of "prevention over cure." The treatment of superbug infections, particularly those caused by highly resistant strains, is associated with prolonged hospital stays, high-cost antibiotic regimens, and significant morbidity and mortality. By preventing these infections, our vaccine candidates have the potential to dramatically reduce direct medical costs, lessen the economic burden of antimicrobial resistance on the healthcare system, and improve patient outcomes.

(1) Recombinant Five-antigen Staphylococcus Aureus Vaccine (重組五組分金葡菌疫苗)

Our leadership in this field is spearheaded by our rFSAV, a Class 1.1 innovative drug co-developed with our Key R&D Partner. This vaccine candidate embodies our technical and clinical development advantages.

Our rFSAV utilizes a multicomponent recombinant protein technology platform, representing a major advancement over the single-target approaches adopted by previously unsuccessful international vaccine candidates. Its five-antigen design (mHla, IsdB-N2, SpA5, mSEB and MntC) comprehensively covers the core pathogenic mechanisms of Staphylococcus aureus, including metabolic survival, adhesion and colonization, toxin secretion and immune evasion, thereby forming a "combination-punch" defense mechanism. Unlike previously failed Phase III candidates that did not use adjuvants, our vaccine candidate incorporates an aluminum-based adjuvant to enhance the immune response. In addition, we have specifically designed and optimized a novel "perioperative" three-dose, two-visit immunization regimen to meet the rapid protection needs of high-risk surgical patients.

As a Class 1.1 innovative vaccine, our rFSAV is the only candidate of its kind to have entered clinical trials in China. According to the CIC Report, it is the only vaccine candidate targeting Staphylococcus aureus globally that is currently undergoing Phase III clinical trials. This pivotal clinical trial, a multi-center, randomized, double-blind, placebo-controlled study. We expect to unblind the data in the third quarter of 2026 and submit the NDA by the end of 2026. Our Phase II clinical trial has already demonstrated a good safety and immunogenicity profile in the target population of orthopedic surgery patients aged between 18 and 70 years, with specific antibody levels peaking just 10 to 14 days after the first dose, validating our rapid immunization strategy.

With no approved Staphylococcus aureus vaccine currently on the global market, our rFSAV, if successfully developed, would address a critical medical need and break the "zero vaccine" impasse in this field. Following its initial approval for orthopedic surgery patients, we plan to systematically expand the indications of this vaccine candidate. Our strategy is to extend its use to other high-risk populations, including patients susceptible to hospital-acquired infections, elderly and pediatric populations with reduced immunity, and professionals such as emergency responders who are at increased risk of infection. Our long-term vision is to achieve broad application across these target populations, thereby capturing substantial market potential.

(2) Oral Recombinant Helicobacter Pylori Vaccine (E. Coli) (口服重組幽門螺桿菌疫苗(大腸桿菌))

Our pipeline is further distinguished by our rHPV, which has received Phase I clinical trial approval in Australia, with plans to subsequently advance its clinical development in China. It has the potential to become the one of the first vaccines for the prevention of Helicobacter pylori infection in the world, according to the CIC Report. This vaccine candidate adopts a clinically validated recombinant protein technology platform and is enhanced through the addition of unique adjuvants and absorption enhancers to strengthen the human immune response. We are currently exploring the conversion of the liquid formulation into an oral capsule form, which is expected to significantly improve patient compliance. This approach represents a meaningful advancement in the development of protein-based vaccines. According to the CIC Report, we are the only company in China with the capability to achieve mass production of this vaccine candidate as of the Latest Practicable Date. In addition, the market opportunity for our rHPV is vast. According to the CIC Report, Helicobacter pylori affects up to 50% of the population worldwide, with a higher prevalence in developing countries. In China, as highlighted in a June 2023 white paper issued by the CDC, the infection rate in China is nearly 50%, with prevalence in different populations ranging from 35.4% to 66.4%.

(3) Recombinant Four-antigen Pseudomonas Aeruginosa Vaccine (重組銅綠假單胞菌疫苗)

Our rFPAV addresses a pathogen with over 600 serotypes, making a broad-spectrum antigen design exceptionally difficult. This four-component vaccine candidate adopts an artificial-intelligence-driven antigen design and optimization approach. Leveraging our R&D team's proprietary database of protective and non-protective antigens, a generative adversarial network model was established and trained to identify and refine candidate antigen targets. The resulting construct is designed to elicit robust and comprehensive cellular and humoral immune responses, enabling effective bacterial clearance and infection control. In multiple animal models, including acute pneumonia, burn-associated infection and systemic infection models, the vaccine has demonstrated protective immunogenic activity. It is also the one vaccine candidate targeting this pathogen in China for which a Pre-IND submission has been completed. As a Class 1.1 innovative vaccine candidate developed via a genetic engineering technology route, our rFPAV is currently in the late preclinical research stage.

(4) Recombinant Acinetobacter Baumannii Vaccine (重組鮑曼不動桿菌蛋白疫苗)

Our rABV is the world's first currently active vaccine candidate for this pathogen to enter the research and development stage, accordingly to the CIC Report. Acinetobacter baumannii is a Gram-negative coccobacillus with extreme intrinsic resistance to antibiotics and a high survival capacity in hospital environments. It accounted for approximately 15.1% of hospital-acquired infections globally and 19.0% in Asia in 2025, making it one of the most critical superbugs in China, according to the CIC Report. This vaccine candidate adopts an innovative multi-antigen protein combination design that integrates selected conserved Acinetobacter baumannii antigens to achieve broad strain coverage. It is designed to activate both rapid innate and long-term adaptive immune responses for improved protection. In addition, the underlying design concept demonstrates cross-species protective potential and may serve as a platform for developing combination vaccines against other hospital-acquired drug-resistant bacteria.

(5) Group A Streptococcus Vaccine (A組鏈球菌疫苗)

Our GAS Vaccine is an innovative peptide vaccine candidate being developed for the prevention of diseases caused by Streptococcus pyogenes. Group A streptococcus is a gram-positive, nonspore-forming bacterium that grows in pairs and chains. It is responsible for a wide spectrum of skin, soft tissue, and respiratory tract infections, ranging from pharyngitis, scarlet fever, impetigo, cellulitis, and erysipelas to severe invasive infections such as streptococcal toxic shock syndrome and necrotizing fasciitis. There is currently no approved vaccine available globally, largely due to challenges in ensuring vaccine safety. This vaccine candidate adopts an innovative multi-peptide design specifically developed to address historical safety concerns associated with GAS vaccines. It utilizes two peptide antigens that together aim to provide broader protection across multiple serotypes, enhance defense against highly pathogenic CovR/S mutant strains, and minimize the potential risk of autoimmune cross-reactivity.

Cell-culture-based Influenza Vaccines Addressing an Unmet Domestic Supply Need

We currently leverage our advanced technology platforms to develop new influenza vaccines, positioning us to capture the market shift away from traditional production methods and fill a significant gap in the domestic market. Our influenza vaccine candidates are produced using an MDCK cell-culture-based platform, which uses a type of animal cell as the environment to grow vaccine viruses, rather than using chicken eggs. This platform offers certain advantages over the traditional chicken embryo culture-based production method that is prevalent in China.

Our MDCK cell-culture-based platform represents an alternative production method to traditional chicken embryo-based methods. According to the CIC Report, as the MDCK cell-culture-based vaccine production process does not involve the use of chicken eggs, it eliminates the risk of egg protein-related allergic reactions, making the vaccines safer for individuals with egg allergies and improving overall vaccine tolerability. In addition, because the virus is grown in cells rather than eggs, the production process help reduce changes to the virus during production and support more consistent product quality. Furthermore, the platform is designed for large-scale cultivation in bioreactors, which are controlled production tanks used to grow cells and viruses on a commercial scale, which dramatically shortens the production cycle and improve production efficiency. Finally, our MDCK cells are readily adapted for serum-free media and suspension culture, meaning that the cells can grow without animal serum and can float and multiply in liquid culture rather than attaching to a surface. These features make the production process easier to expand for large-scale manufacturing and may help reduce production costs.

As of the Latest Practicable Date, no cell-culture-based influenza vaccine has been approved for marketing in China, positioning us as a first mover in this emerging field, according to the CIC Report. Our Trivalent Influenza Vaccine and Quadivalent Influenza Vaccine candidates received IND approvals from the NMPA in May and October 2024, respectively. The Trivalent Vaccine Candidate, the first of its kind approved for clinical trials in China, is currently in Phase I clinical

trial, while the Quadrivalent Vaccine Candidate has progressed to Phase III clinical trial in October 2025, highlighting our early progress in developing cell-culture-based influenza vaccines in China. In addition, our Adjuvanted Influenza Vaccine candidate is rapidly advancing in the preclinical stage. According to CIC, as international regulatory bodies, such as the U.S. FDA, began to shift away from the traditional chicken embryo culture-based influenza production, hinting at a potential future pathway for China, we believe our advanced platform enables us to participate in the potential upgrade of production methods in influenza vaccine market in China. According to the CIC Report, this market is projected to grow from RMB8.6 billion in 2025 to RMB39.7 billion in 2035, representing a CAGR of 16.5%.

R&D and Collaboration Capabilities Supporting New Vaccine Development

Our vaccine R&D capabilities are supported by our technology platforms, collaborations with academic institutions, and experience in product development and operations.

Our vaccine R&D capability is enabled by our robust and integrated ecosystem of technology platforms. This system, which covers the entire vaccine lifecycle from target discovery to industrialization, provides the engine for our innovative pipeline. We have also built our success on a proven "industry-academia-research" model, forming close partnerships with leading academic institutions to accelerate our FIC development. Our cornerstone collaboration is with our Key R&D Partner, with whom we have co-developed our lead vaccine candidate, rFSAV. This long-term partnership has been instrumental in advancing the world's only active Staphylococcus Aureus vaccine candidate into a Phase III clinical trial, demonstrating our ability to successfully translate cutting-edge domestic research into a globally leading clinical asset. This domestic success is complemented by our international partnerships, most notably with our GAS Partner, with whom we have co-developed a Class 1.1 innovative GAS Vaccine since 2016. In a significant validation of our production and quality systems, our GAS Partner entrusted us in 2025 with a contract to manufacture the GAS Vaccine for its overseas clinical trials, demonstrating our capability to manufacture vaccines that meet standards acceptable to our international partners. We also have experience with overseas product and business operation. We have conducted overseas clinical activities for our rHPV candidate, which obtained Phase I clinical trial ethics approval from the Human Research Ethics Committee in Australia and was filed with the TGA. These activities reflect our ability to prepare and submit regulatory documents in accordance with applicable foreign requirements. We are also evaluating potential development and registration arrangements for our rFSAV candidate in selected overseas markets in light of its ongoing Phase III clinical trial. We have commenced certain overseas business development activities, including the out-licensing of regional marketing rights for selected products. These arrangements enable us to collaborate with local partners in overseas markets for product registration and potential future commercialization.

Mature Technology and Individualization Platform Supported by a Strong Talent Reserve

Our R&D and industrialization capabilities are driven by an integrated ecosystem that combines in-house expertise with external collaborations, ensuring a seamless transition from laboratory discovery to commercial-scale production. This strength is built upon our technology platforms, advanced infrastructure, and a team of experienced professionals.

Our R&D is powered by a suite of technology platforms that form an integrated ecosystem covering the entire vaccine lifecycle. This allows us to innovate across multiple modalities and address complex development challenges. We employ the following core technology platforms in connection with the development of our vaccines.

- ***Genetic Engineering and Multi-dimensional Target Vaccine Design Platform (基因工程與多維靶標疫苗設計平台):*** This platform is the foundation of our innovative vaccine development, enabling the discovery of novel vaccine candidates by blocking key bacterial pathogenic pathways. By integrating technologies from bacterial infection immunoproteomics to computer-aided screening, we have identified 15 novel and effective vaccine targets. The platform utilizes advanced techniques such as precision detoxification to eliminate toxicity while preserving immunogenicity, and protein polymerization to enhance the immunogenicity of specific targets by more than 10-fold. It is the engine behind our superbug vaccine candidates.

- ***Polysaccharide-protein Conjugation Technology Platform (多糖蛋白結合技術平台):*** This platform overcomes the technical limitations of traditional polysaccharide vaccines through our proprietary conjugation processes, which increase the yield of vaccine bulk solution by 50% to 100%, and significantly improves product homogeneity. Our high-quality carrier protein technology, including a preparation process for low-polymerization tetanus toxoid that reduces adverse reaction rates by up to 30% and our independently developed CRM197 carrier protein filed with the U.S. FDA, demonstrates our internationally recognized standards. This platform is the core technology behind our successfully commercialized Hib Conjugate Vaccine and our AC Conjugate Vaccine, the latter being the only one approved in China for booster immunization in children at 18 months of age.

- ***Integrated "Molecule-to-human" Vaccine Efficacy Evaluation Platform ("分子-細胞-動物-人體"一體化疫苗效力評價平台):*** This platform provides critical, end-to-end efficacy evaluation to ensure our development process is scientific and efficient. We have established a series of animal models that highly simulate clinical infection scenarios such as pneumonia, sepsis, and trauma. We employ innovative immunological assays, including the Opsonophagocytic Activity Assay to evaluate functional antibody quality and Luminex-based multiplex assays for comprehensive immune response analysis. This platform, whose methods have been adopted by over dozens of institutions in China, including the NIFDC, provided crucial data support for the successful execution of the clinical trials for our rFSAV.

- ***Digital and Automated Vaccine Industrialization Platform (數字化與自動化疫苗產業化平台):*** This platform is designed to achieve high-quality and high-efficiency commercial-scale production. It integrates digitally controlled, 1,000-liter scale high-density fermentation and advanced chromatography purification systems, which have increased the proportion of high-quality toxoid in a specific product from 70% to 98% and doubled the yield of Hib polysaccharide. We employ green and digitalized processes, replacing traditional toxic chemicals and implementing automated controls to ensure batch-to-batch consistency. This platform has successfully supported the manufacturing of our commercialized products within our production base containing multiple GMP-compliant workshops.

Our research and development system is founded on our "industry-academia-research" model, which facilitates the progression of novel concepts to late-stage clinical development through strategic academic partnerships. This successful collaborative framework is supported and amplified by our two in-house R&D centers. Our Chengdu R&D center focuses on the research and development of bacterial and viral vaccines as well as adjuvants, while our Chongqing R&D center is dedicated to the research and development of anti-infective antibody drugs. Both centers are equipped with advanced facilities and GMP-compliant pilot workshops, offering end-to-end capabilities in antigen design, screening, target validation, cell line development, process optimization, scale-up, and sophisticated quality control analytics, ensuring an efficient pathway from laboratory discovery to commercial-scale manufacturing.

Our R&D efforts are also driven by a team of qualified and experienced scientists and engineers. Led by Dr. Fan Fan (樊釩), our core R&D team includes distinguished experts with decades of experience and numerous accolades in vaccine research and development, providing strong leadership and scientific direction to our innovation programs. Dr. Fan Fan is supported by a team of senior scientists with proven track records in both academic research and industrial product development. Among them are individuals who have served as key inventors of nationally commercialized vaccines and principal investigators of National Major New Drug Creation (國家重大新藥創制) projects. Their achievements include leading vaccine candidates from concept to market, publishing extensively in peer-reviewed journals, securing multiple invention patents, and receiving provincial and ministerial science and technology awards. This strong and diverse R&D talent base provides the technical depth and innovation capability essential to advancing our long-term growth strategy and maintaining our competitiveness in vaccine development and commercialization. As of December 31, 2025, our R&D team comprised 143 members. For details, see "— Our Competitive Strengths — A Visionary and Experienced Core Management Team" in this section.

Our R&D capabilities and innovative pipeline have received recognition from industry bodies and governmental authorities, validating our position at the forefront of vaccine development in China. Our rFSAV was selected for the prestigious "Pioneer Technology List" by the China Association for Science and Technology and won an Excellence Award at the National Disruptive Technology Innovation Competition. Our success in collaborative innovation was specifically honored with the 2024 "China Industry-University-Research Cooperation Innovation Award" (中國產學研合作創新獎). Furthermore, our broader technological prowess and intellectual property strength are evidenced by our inclusion in the 2024 lists of "Top 100 Sichuan Enterprises for Technological Innovation Capability" (四川企業技術創新能力百強企業) and "Top 100 Sichuan Enterprises by Number of Invention Patents Owned" (四川企業發明專利擁有量百強企業). These accolades, along with others serve as a testament to our recognized leadership in disruptive vaccine innovation. For more information, see "— Awards and Recognitions" in this section.

International-standard Vaccine Production Capability and a Comprehensive Quality Management System

We have established a robust, in-house manufacturing and quality management system that ensures product quality, supply chain stability, and the protection of our proprietary technologies. This vertically integrated capability is a core competitive advantage that underpins both our business operation and pipeline development.

Demonstrating our execution capabilities and efficient use of capital, we have successfully constructed advanced manufacturing facilities that include multiple GMP-compliant production workshops. These facilities are designed with a modular approach, housing dedicated and physically separated workshops for different vaccine types to prevent cross-contamination. This design provides both the scale and flexibility to support our diverse portfolio.

Our quality philosophy is centered on the principle of "quality by design," which ensures that quality is proactively integrated into each stage of the product lifecycle, from development to manufacturing. Our quality management system, which is certified under ISO 9001, covers the control of raw materials, in-process quality management and final product release. We procure raw materials only from qualified suppliers and test incoming materials before release. We also strictly control critical starting materials, such as master and working cell banks and bacterial seed lots, to ensure genetic stability and consistent performance. During production, we use information systems, including a manufacturing execution system, to support data integrity and traceability. Key manufacturing steps are monitored, and on-site quality assurance personnel oversee important operations. We also set warning and action limits for critical quality attributes, allowing us to identify and address potential issues at an early stage. Before release, each batch must pass our

internal quality control tests and documentation review. Our internal standards are often stricter than regulatory requirements. After internal release, each batch of biological products is submitted to the NIFDC for independent testing and approval before it can be sold in China.

Our commitment to quality is demonstrated by our impeccable regulatory track record. We have maintained a 100% lot release pass rate for all our commercialized products since their respective launches and have consistently passed all GMP inspections from the NMPA without material deficiencies. Crucially, our quality system has been proven to meet stringent international standards. Our engagement by our GAS Partner to manufacture the GAS Vaccine for its overseas clinical trials serves as concrete evidence of our capability to operate and manage in compliance with the internationally recognized guidelines, which are required by the TGA for manufacture of clinical trial materials for the Australian market. This external validation underscores our readiness for overseas collaboration and potential future international product registration.

A Visionary and Experienced Core Management Team

Our growth and achievements are led by a stable, cohesive, and visionary senior management team that possesses deep industry expertise, a complementary blend of skills, and a proven track record of success in the vaccine industry. Our founder, chairman and general manager, Mr. Fan Shaowen (樊紹文), is a seasoned entrepreneur and the architect of our corporate strategy. As a practicing pharmacist, Mr. Fan has approximately five decades of experience rooted in the biopharmaceutical sector, beginning with a foundational scientific role as the head of the protein laboratory of the Institute of Blood Transfusion under the Chinese Academy of Medical Sciences (中國醫學科學院輸血研究所). His career progressed through senior leadership positions at several biopharmaceutical companies. Under his astute leadership, we successfully completed our listing on the SSE STAR Market, establishing a sustainable financing platform that has propelled our growth. His leadership is complemented by Dr. Fan Fan (樊釩), our vice chairlady and executive Director, who is responsible for our overall R&D strategy formulation and execution. She is a named inventor on multiple granted invention patents, demonstrating her direct contribution to our core technological advancements. Her leadership within the industry is further recognized through her roles as a committee member for both the Glycovaccine committee and Supply Chain committee of the China Association for Vaccines (中國疫苗行業協會), and through numerous accolades, including the vice president of the Federation of Technology Entrepreneurs under the Direct Work Committee of the Sichuan Provincial Committee of Jiusan Society.

We believe our senior management team has established extensive professional networks and collaborations within the vaccine and biologics industry, which have facilitated long-term partnerships with leading research institutions, key suppliers and strategic business partners. We are committed to continuously attracting, developing and retaining high-caliber talent, supported by a structured talent-development framework and competitive performance-based remuneration mechanisms.

OUR STRATEGIES

We are committed to developing innovative vaccines, particularly in the high-need area of "superbug" infections. To achieve our long-term vision, we plan to implement the following key strategies:

Accelerate the Clinical Development and Commercialization of Our Core Innovative Pipeline

We intend to leverage our proven clinical development and regulatory execution capabilities to rapidly advance our pipeline of innovative vaccine candidates, with a clear focus on bringing our most advanced assets to market to address significant medical needs.

Our priority is completing the final stages of development and preparation for the commercial launch of our rFSAV. Having completed the enrollment of all 6,014 subjects for our Phase III clinical trial in May 2025, we are on track for the data unblinding in the third quarter of 2026. We plan to submit the NDA to the NMPA by the end 2026. Upon approval, this vaccine is poised to become the world's first approved vaccine for the prevention of Staphylococcus aureus infections. Following the initial approval for post-operative infection prevention in orthopedic surgery, we plan to systematically expand the application of this vaccine candidate to other high-risk populations, including patients susceptible to hospital-acquired infections, elderly and pediatric populations with weakened immunity, and emergency responders, with the ultimate objective of achieving broad application across these target populations.

In addition, we plan to accelerate the development of our rHP vaccine candidate, which has the potential to become one of the first vaccines for Helicobacter pylori prevention in the world. For our domestic pathway, we intend to submit an IND application to the NMPA in the second half of 2026 to initiate clinical development. Leveraging our extensive domestic regulatory experience and in-house manufacturing capabilities, we aim to advance our capsule-form oral rHP vaccine candidate through early stage clinical trials to evaluate its safety, immunogenicity, and dosage optimization. In parallel, for our international development pathway, we plan to actively explore opportunities to initiate additional clinical trials in the United States or Australia to support the potential overseas clinical development and future commercialization of our rHP vaccine candidate By pursuing coordinated domestic and international clinical programs, we aim to establish a solid foundation for the global commercialization of our rHP vaccine candidate.

We also aim to accelerate the development of our cell-based influenza vaccine portfolio by advancing the Phase III clinical trials for our Trivalent Influenza Vaccine candidate as well as the research and development and future clinical trials of our Adjuvanted Influenza Vaccine candidate. We intend to leverage our first-mover advantage in China's cell-based influenza vaccine market to strengthen our competitive position. We expect to submit NDAs to the NMPA for the quadrivalent and trivalent vaccine candidates by the end of 2026 and the end of 2027, respectively. We also plan to submit an IND application to the NMPA for our Adjuvanted Influenza Vaccine candidate by the end of 2026 and carry out our the relevant clinical trials between 2027 and 2028, subject to actual results.

Focus on Our "Superbug Vaccine" Development Strategy and Explore Synergistic Combination Vaccines

We will continue to spearhead our efforts in the "superbug" field by developing our comprehensive pipeline targeting superbugs, especially those identified by WHO to be critical and important to public health, and by exploring the development of next-generation combination vaccines. We will continue to advance the preclinical development of our rFPAV and rABV, for which we plan to complete preclinical studies and submit IND applications in the second half of 2026 and by the end of 2027, respectively. Leveraging our established technology platforms for individual superbug vaccines, we plan to initiate the research and development of a combination vaccine targeting Staphylococcus aureus, Pseudomonas aeruginosa, and Acinetobacter baumannii. This strategic initiative aims to create a "super hospital-acquired infection vaccine" that can provide broader protection against the most common and dangerous hospital-acquired infections, creating significant clinical and commercial synergies.

Upgrade Our Production Capabilities to Support Commercialization and International Standards

To support the large-scale commercialization of our innovative vaccine pipeline and align our production facilities with international regulatory standards, we plan to continuously upgrade our manufacturing infrastructure. We plan to install advanced production systems supplied by leading domestic equipment manufacturers. This upgrade is designed to strengthen and optimize our substance production, fill-finish operations, and packaging capabilities. This effort is expected to

include, but not limited to, the upgrade of our tetanus fermentation system, as well as the deployment of advanced equipment such as fermentation, purification, aseptic filling, lyophilization, and packaging systems. We are also implementing comprehensive environmental, utility, and safety upgrades, including automated control, sterilization, and wastewater inactivation systems, as well as integrated building management system/environmental monitoring system, to enhance biosafety and ensure stable and compliant production operations.

Through these initiatives, we aim to improve production automation, digitization, and process control to increase production efficiency, yield, and product consistency while strictly adhering to international quality and safety standards. These continuous upgrades are expected to significantly enhance our production efficiency, thereby providing strong manufacturing support for the commercialization and global development of our vaccine pipeline.

Strengthen Commercialization Capabilities and Deepen Market Penetration in China

Building on our proven commercial success, we will further strengthen our sales and marketing infrastructure to ensure the successful launch of our innovative products and deepen our market penetration. Our primary commercial strategy is to leverage the extensive and well-established sales network built for our Adsorbed Tetanus Vaccine to facilitate the market entry of our rFSAV. This network already provides us with direct access to the hospital serving as POVs, which is the primary application scenarios for the rFSAV. We will expand and train our existing sales team to cover key hospital departments, ensuring a rapid and efficient commercial rollout. We also plan to expand the breadth and depth of our sales network, with the goal of expanding our direct commercial relationships with district- or county-level CDCs and increasing our coverage of POVs. These efforts will be underpinned by an intensification of our academic promotion and evidence-based marketing activities, including sponsoring clinical guideline development, hosting academic symposia, and publishing clinical and health economics data in peer-reviewed journals, to educate healthcare professionals on the clinical value of our innovative vaccines.

Implement a Dual-directional Internationalization Strategy

We will pursue a "bring in and go out" (引進來、走出去) international strategy to enhance our technological capabilities, expand our market reach, and increase the value of our assets.

We will actively seek strategic partnerships with multinational pharmaceutical companies for the co-development and commercialization of our flagship assets, particularly the rFSAV, in overseas markets such as the United States. This will be complemented by our continued independent advancement of clinical development in strategic overseas markets, as demonstrated by our rHPV's Phase I clinical trial in Australia, to generate data packages that meet international regulatory standards. At the same time, leveraging our existing export experience, we formed collaborations with partners with local knowledge and experience to establish an early commercial foothold for our commercialized vaccines in international markets. For instance, we engaged Hangzhou Kehui Biopharmaceutical Co., Ltd. to manage and facilitate the registration and sales of our Adsorbed Tetanus Vaccine products in Pakistan. In May 2025, we successfully completed the shipment of a 10-liter batch of tetanus vaccine semi-finished products to Pakistan. Following product quality verification, we received a commercial order for 500 liters from the same partner in October 2025. We plan to submit the registration file in the third quarter of 2026 and aim to commence regular commercial exports of semi-finished products to Pakistan in the fourth quarter of 2026. In addition, we are advancing our business in the Philippines through our local agent. In October 2025, we received an on-site audit notice from the Philippine Food and Drug Administration and successfully passed the inspection in November 2025, with the official audit report confirming that our operations were "satisfactory and compliant." This outcome laid the regulatory foundation for our product registration in the Philippines. We plan to work jointly with our partner to submit registration documents in 2026, targeting approval and initial product export by late 2026 or early 2027, which we plan to advance jointly with our partner to enable product launch upon approval. In alignment with China's "Belt and Road" initiative, we are also

progressively pursuing product registration in other participating countries. These initiatives represent the initial phase of our strategy to diversify our revenue streams and establish our presence in high-growth emerging markets.

On the other hand, we will continue to monitor the global vaccine landscape to selectively in-license or co-develop advanced technologies and complementary pipeline assets from overseas partners. We will also actively explore opportunities to deepen and broaden our international collaborations to cover not only research and development, but also intellectual property management and potential overseas commercialization opportunities. To further enhance our international innovation capabilities, we intend to establish additional strategic partnerships with world-class academic institutions and biotechnology companies. In November 2025, we entered into a non-binding memorandum of understanding with an innovative overseas biotechnology company, to explore the collaboration on microneedle-based vaccine technologies, including potential cooperation on influenza vaccine development for the China market. This prospective partnership reflects our continued commitment to bring cutting-edge technologies into China and to integrate innovation resources into our R&D ecosystem.

Expand Our Pipeline from Preventive Vaccines to Therapeutic Antibodies

We will strategically expand our pipeline from preventive vaccines to include therapeutic fully human monoclonal antibodies, extending our coverage across the full healthcare spectrum, from prevention to post-exposure intervention and treatment. Leveraging the shared antigens, immune-response data and clinical samples generated from our vaccine research and clinical trials, we aim to develop antibody products in parallel with our vaccine candidates to achieve scientific synergy and higher R&D efficiency.

Through this dual-track development model, we can capitalize on our proprietary antigen discovery, immune-library construction, and single B-cell screening platforms to accelerate the discovery of fully human monoclonal antibodies that target the same protective antigens validated in our vaccine research and clinical trials. This approach enhances R&D productivity, shortens development timelines, and strengthens our position in combating multi-drug-resistant and toxin-mediated infections.

We plan to advance the preclinical development of our anti-Staphylococcus aureus, anti-Pseudomonas aeruginosa and anti-tetanus toxin fully human monoclonal antibody candidates, with the initial goal of submitting an IND application for anti-Staphylococcus aureus fully human monoclonal antibody candidate to the NMPA by the end of 2027. We aim to enhance our potential at establishing a robust, synergistic product ecosystem combining prevention, protection and treatment.

Reinforce Our R&D Model to Drive Sustainable Innovation

Our current R&D model comprises three integrated pillars, which we refer to as the R&D model. The first pillar is our commitment to in-house R&D, where we will continue to strengthen our internal R&D engine by investing in our core technology platforms and expertises and expanding the capabilities of our Chengdu and Chongqing R&D centers. The second pillar is collaborative R&D, through which we will continue to leverage our successful "industry-academia-research" model by deepening strategic partnerships with leading institutions around the world, including our GAS Partner. The final pillar is strategic investment and incubation, where we will selectively invest in promising biotech start-ups and venture funds to access cutting-edge technologies at an early stage, evidenced by our investment in a company in Shanghai specialized in the research and development of innovative vaccine and drugs. We will continue to invest in and refine our R&D model to ensure a continuous pipeline of innovative products.

OUR COMMERCIALIZED AND PIPELINE PRODUCTS

We are a biopharmaceutical company dedicated to the research, development, manufacturing, and commercialization of innovative vaccines. As of the Latest Practicable Date, we had three commercialized products: Adsorbed Tetanus Vaccine, Hib Conjugate Vaccine, and AC Conjugate Vaccine.

Our commitment to technological innovation and product development is centered on two strategic areas with unmet medical needs, namely, "superbug vaccines" and "adult vaccines". Our Class 1.1 innovative superbug vaccine candidates are designed to address five major pathogens, including Staphylococcus aureus, Helicobacter pylori, Acinetobacter baumannii, Pseudomonas aeruginosa and Group A Streptococcus. Our lead pipeline product, the rFSAV, was the only vaccine of its kind globally that is currently undergoing Phase III clinical trials and has completed full patient enrollment as of the Latest Practicable Date, contributing to global efforts to address antimicrobial resistance. We believe our superbug vaccine candidates have the potential to effectively address hospital-acquired infections and reduce or replace the use of antibiotics, which is a key strategic goal for many countries worldwide.

We adopt a business development approach that covers both the PRC and overseas markets. In the PRC, our efforts focus on the commercialization of our existing and pipeline vaccine products. Outside the PRC, we are pursuing a measured international development plan, which includes (i) the export of finished products, (ii) the export of bulk substances for local filling and finishing by overseas partners, and (iii) the potential out-licensing of certain product candidates. We are in the process of seeking product registration and exploring commercial collaborations in selected overseas markets, including the Philippines and Pakistan.

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Adsorbed Tetanus Vaccine	462,960	93.7	535,781	91.4	613,657	87.6
Hib Conjugate Vaccine[(1)]	27,265	5.5	23,497	4.0	18,763	2.7
AC Conjugate Vaccine[(1)]	3,883	0.8	26,422	4.5	65,347	9.3
Others[(2)]	179	*	404	0.1	2,361	0.3
Total	**494,287**	**100.0**	**586,104**	**100.0**	**700,128**	**100.0**

Notes:

(1) The revenue generated from our Hib Conjugate Vaccine and AC Conjugate Vaccine has been limited. This is because: (i) upon the commercial launch of these products, the market was already populated by existing vaccine manufacturers offering similar products, and consequently, our Hib Conjugate Vaccine and AC Conjugate Vaccine entered a highly competitive landscape from the outset; (ii) the market is further characterized by intense competition among substitutable products, which has exerted downward pressure on pricing. As a result, we have faced substantial challenges in securing orders at the district- and county-level CDCs where final procurement decisions are made; and (iii) the overall market demand for pediatric vaccines has experienced a downward trend in recent years, primarily due to the declining young population in China.

(2) Others represent refined TT bulk, an intermediary product of adsorbed tetanus vaccine.

* less than 0.1%

The following table presents a breakdown of our sales volume by commercialized vaccine products for the years indicated:

	For the year ended December 31,		
	2023	2024	2025
	('000 doses)	*('000 doses)*	*('000 doses)*
Adsorbed Tetanus Vaccine	3,148	3,363	3,830
Hib Conjugate Vaccine	253	219	179
AC Conjugate Vaccine	319	252	415

Our Commercialized Products

Our commercialized products include Adsorbed Tetanus Vaccine, Hib Conjugate Vaccine and AC Conjugate Vaccine, all of which are Class II vaccines, the details of which are set out below.

Adsorbed Tetanus Vaccine (吸附破傷風疫苗)

Overview

Our Adsorbed Tetanus Vaccine is a monovalent vaccine indicated for the prevention of tetanus. Tetanus is an acute, toxin-mediated disease caused by the bacterium Clostridium tetani (破傷風梭狀芽孢桿菌), which is widespread in the environment. The bacteria typically enter the body through skin wounds and, in anaerobic conditions, produce a potent neurotoxin, tetanospasmin, which causes severe muscle spasms and rigidity. Without medical intervention, the case fatality rate for severe tetanus approaches 100%, and even with intensive care, global mortality rates remain between 30% and 50%. Since its commercial launch in 2017, our Adsorbed Tetanus Vaccine has become our cornerstone product, establishing a leading market position in China.

Mechanism of Action

Our Adsorbed Tetanus Vaccine is composed of tetanus toxoid, the formaldehyde-inactivated form of the tetanospasmin neurotoxin. The toxoid, while non-toxic, retains the immunogenic properties of the original toxin. When administered, the TT acts as an antigen, stimulating the host's immune system to produce specific neutralizing IgG antibodies. This process induces active, long-term immunity. The TT in our vaccine is adsorbed ontoan aluminum-based adjuvant, which localizes the antigen at the injection site, promotes slow release, and enhances the recruitment of antigen-presenting cells, thereby augmenting the magnitude and duration of the immune response.

Our Technology and Competitive Advantages

Our Adsorbed Tetanus Vaccine is manufactured using a proprietary and patented process, which supports product quality, consistency and safety. We use a "purify first, then detoxify" process, which helps produce a purer final product. During the detoxification stage, we apply a patented automated control system to manage key parameters such as mixing speed and temperature, improving batch-to-batch consistency and product uniformity. Our vaccine formulation is preservative-free, which reduces the risk of potential adverse reactions associated with preservatives such as thimerosal and enhances the product's overall safety and tolerability. Our Phase III clinical trial, which compared our vaccine with an approved and marketed control vaccine, demonstrated strong immunogenicity and a favorable safety profile. At 28 days after full immunization, 99.83% of subjects in the clinical trial group seroconverted, and 100% achieved a protective antibody level, defined as $\geq$0.1 IU/ml. The overall incidence of adverse reactions was 30.67% in the clinical trial group, which was not statistically different from the control group at 31.50%. Most reactions were mild, and no unexpected safety signals were observed during the clinical trial.

Regulatory Status

Our Adsorbed Tetanus Vaccine has been approved in China in both vial and pre-filled syringe formulations. The vial formulation was originally approved by the NMPA on October 25, 2016 under the approval number Guoyao Zhunzi S20160004 (國藥准字S20160004), and is currently registered as an injectable vial formulation with a validity period until September 15, 2031. The pre-filled syringe formulation was subsequently approved under the approval number Guoyao Zhunzi S20237005 (國藥准字S20237005), and is currently registered as an injectable pre-filled syringe formulation with a validity period until September 15, 2031.

In addition to our commercial sales in China, we are pursuing strategic expansion into select overseas markets characterized by substantial demand.

The Philippines

- ***Commercial Rationale:*** The commercial opportunity for our Adsorbed Tetanus Vaccine in the Philippines is supported by a continuous need for both prophylactic immunization for pregnant women and post-trauma emergency use. While the Philippines, with the support of the WHO and UNICEF, achieved Maternal and Neonatal Tetanus Elimination (MNTE) status in 2017, defined as having less than one neonatal tetanus case per 1,000 live births annually in every province, sustaining this status requires ongoing, robust vaccination efforts. According to WHO and UNICEF officials, this achievement must be maintained through a concerted effort to ensure access to tetanus vaccination for all pregnant women. The Philippine Department of Health's National Immunization Program includes tetanus toxoid immunization for pregnant women to protect newborns from neonatal tetanus. According to the 2022 Philippine National Demographic and Health Survey, approximately 78.4% of women aged 15 to 49 had received sufficient tetanus toxoid injections to protect their newborns, indicating a persistent coverage gap. With approximately 1.5 million live births annually and a standard two-dose regimen recommended during pregnancy, a significant market exists to address this shortfall. This routine demand is supplemented by the consistent, year-round need for tetanus vaccines for post-exposure prophylaxis in wound management.

- ***Latest Status and Expected Timeline:*** We are advancing our business in the Philippines through our local agent. In October 2025, we received an on-site audit notice from the Philippine Food and Drug Administration and successfully passed the inspection in November 2025, with the official audit report confirming that our operations were "satisfactory and compliant." Subsequently, in January 2026, we officially received the Certificate of GMP Compliance from the Philippine Food and Drug Administration for our Adsorbed Tetanus Vaccine (for both pre-filled syringes and vials formulations). This certification confirms that our production and quality management systems meet the local regulatory requirements, providing the necessary access conditions for the Philippine market. Following the receipt of this certificate, we plan to submit the registration documents in 2026 and expect to obtain the registration certificate by the end of 2026. We anticipate commencing the export of our Adsorbed Tetanus Vaccine products to the Philippines by the end of 2026 or in early 2027, subject to the timing of receiving the approval.

Pakistan

- ***Commercial Rationale:*** Pakistan represents a key market due to its significant and unmet demand for tetanus vaccines. According to the WHO, Pakistan is among the countries that have not yet achieved the global goal for neonatal tetanus elimination nationwide. While significant progress has been made, with provinces like Punjab and Sindh achieving elimination status, sustained effort is required to cover the entire population. The country's Expanded Program on Immunization (EPI) is working towards this national goal, and in 2024 alone, WHO supported the vaccination of 5.44 million pregnant women and women of childbearing age across Pakistan. However, the country is highly dependent on imported

vaccines, and local production is insufficient to meet demand. This has led to recurring, severe nationwide shortages of tetanus vaccines since at least 2023, which have caused black market prices to surge to ten times the normal price or even higher. The scarcity affects not only the EPI's maternal and neonatal vaccination programs but also the consistent and urgent demand for post-trauma emergency prophylaxis.

- ***Latest Status and Expected Timeline:*** We engaged Hangzhou Kehui Biopharmaceutical Co., Ltd. to manage and facilitate the registration and sales of our Adsorbed Tetanus Vaccine products in Pakistan. In May 2025, we successfully completed the shipment of a 10-liter batch of tetanus vaccine semi-finished products to Pakistan. Following product quality verification, we received a commercial order for 500 liters from the same partner in October 2025. The six-month stability study for the tetanus vaccine semi-finished products was successfully completed in 2025. Subject to the progress, we aim to complete the full registration file and submit it to the Drug Regulatory Authority of Pakistan in the third quarter of 2026. We are targeting the commencement of regular commercial exports of semi-finished products to Pakistan in the fourth quarter of 2026.

Reliance on Adsorbed Tetanus Vaccine and Our Mitigating Strategies

During the Track Record Period, a substantial portion of our revenue was derived from the sales of our Adsorbed Tetanus Vaccine. In 2023, 2024 and 2025, revenue generated from our Adsorbed Tetanus Vaccine was RMB463.0 million, RMB535.8 million and RMB613.7 million, respectively, accounting for approximately 93.7%, 91.4% and 87.6% of our total revenue for the corresponding years, respectively. We anticipate that sales of our Adsorbed Tetanus Vaccine will continue to be a primary contributor to our revenue and profitability in the near future.

Our substantial dependence on a single product exposes us to concentration risk. Any adverse event affecting the manufacturing, pricing, sales, marketing, or regulatory status of our Adsorbed Tetanus Vaccine could have a material and adverse effect on our business, financial condition, results of operations and prospects. Furthermore, we face risks associated with evolving market dynamics. According to the CIC Report, the market for tetanus vaccines in China is projected to grow at a slower rate from 2025 to 2035 as compared to the period from 2019 to 2025. We also anticipate the potential for increased competition from new market entrants, which may lead to pricing pressure and an erosion of our market share over time.

We believe that our current revenue concentration is characteristic of our present stage of business development. We have formulated and are executing a clear and systematic strategy to mitigate the risks associated with our product concentration by diversifying our product portfolio and revenue sources. Our principal mitigation measures are as follows:

(i) *Advancing our Late-Stage Pipeline Products towards Commercialization.* We have established a pipeline of innovative vaccine candidates that we expect to commercialize in the next two to three years, which we believe will diversify our sources of revenue. Our key late-stage candidates include:

- Our rFSAV is currently the only vaccine candidate targeting Staphylococcus aureus globally that is undergoing a Phase III clinical trial, according to the CIC Report. We expect to submit an NDA for our rFSAV in the second half of 2026. We are concurrently expanding our clinical channel presence in preparation for its planned commercial launch in 2028.

- We are developing influenza vaccines utilizing MDCK cell-based technology and expect to submit an NDA in 2026. The NHC has been promoting influenza vaccination in Class II and above hospitals, a policy direction which is highly aligned with our existing channel expansion strategy. We believe this product has the potential to become another significant revenue contributor for our Group.

(ii) *Leveraging Existing Commercial Infrastructure to Maximize Synergies.* Our commercialization efforts for our Adsorbed Tetanus Vaccine have enabled us to establish an extensive sales and marketing network focused on the clinical market, including comprehensive hospitals. We intend to leverage this commercial infrastructure to facilitate the launch and market penetration of our new pipeline products, such as our rFSAV and MDCK Flu Vaccine, which primarily target the same clinical end-market, the adult vaccine market. We believe this will create significant operational synergies, enhance resource allocation efficiency, and accelerate the commercialization process for our new products. As part of this strategy, we plan to increase our vaccination coverage to approximately 70% of the POVs in China by the end of 2027, which we believe will establish a strong network foundation for the launch of our rFSAV.

(iii) *Building a Diversified Long-Term Product Portfolio.* In addition to our near-term pipeline candidates, we are strategically cultivating long-term pipelines focusing on addressing significant medical needs, particularly in the field of superbugs. Our portfolio includes vaccine candidates targeting pathogens such as Pseudomonas aeruginosa (rFPAV), Acinetobacter baumannii (rABV), and Helicobacter pylori (rHPV). The continued research and development of these candidates, and their potential future commercialization, are integral to our long-term strategy to build a diversified product matrix, reduce our dependence on any single product, and enhance our overall risk resilience and long-term competitiveness.

(iv) *Maintaining the Market Position of our Adsorbed Tetanus Vaccine.* While pursuing diversification, we intend to continue our efforts to maintain the market leadership of our Adsorbed Tetanus Vaccine. We plan to continue investing in the advocacy for the establishment of preventative vaccination clinics within comprehensive hospitals to preserve our first-mover advantage. Our strategy is further supported by recent national policy developments aimed at improving the standardization of tetanus prevention and treatment. For example, in September 2025, on National Tetanus Day, the "Double Zero" initiative was introduced. This initiative, promoted through provincial, municipal, and district/county level CDC, aims to achieve "zero incidence of tetanus in trauma patients through standardized management and zero deaths among treated tetanus patients." In conjunction with this, hospitals are encouraged to establish a hospital-wide integrated management system for tetanus prevention, implementing internal quality control and ensuring standardized and consistent management protocols across all relevant departments. This creates a "one-stop" service for trauma patients covering the entire process from debridement and suturing to preventative treatment. These initiatives align closely with our strategy of promoting standardized post-exposure prophylaxis in clinical settings. While we anticipate that the entry of competing products may result in a gradual decline in our market share, we also believe that a more competitive landscape, coupled with these national initiatives, is likely to promote broader market education on standardized protocols, which could in turn contribute to an expansion of the overall market size. Accordingly, our competitive strategy will increasingly focus on product differentiation, brand equity, and the cultivation of long-term channel partnerships with clinical hospitals.

The successful development and commercialization of our pipeline products are subject to the inherent risks and uncertainties of the drug development process, and there can be no assurance that our pipeline products will receive regulatory approval or achieve commercial success. However, we believe that the systematic implementation of the foregoing strategies will, over time, enable us to broaden our revenue base and support our sustainable growth.

Haemophilus Influenzae Type b Conjugate Vaccine (b型流感嗜血桿菌結合疫苗)

Overview

Our Hib Conjugate Vaccine (is a polysaccharide conjugate vaccine for the prevention of invasive diseases caused by Haemophilus Influenzae Type b (b型流感嗜血桿菌), a leading cause of bacterial meningitis, pneumonia, and sepsis, particularly in young children. The vaccine is indicated for active immunization of infants and children from three months to five years of age.

Mechanism of Action

The primary virulence factor of the Hib bacterium is its polysaccharide capsule, composed of polyribosylribitol phosphate ("PRP"). As a pure polysaccharide, PRP is a T-cell independent antigen, which is poorly immunogenic in infants and young children under two years of age, as their immune systems are not mature enough to mount an effective response. Our vaccine overcomes this limitation by employing conjugation technology. We covalently link the PRP polysaccharide to a carrier protein, TT, which is a highly immunogenic protein. This conjugation transforms the polysaccharide into a T-cell dependent antigen. The carrier protein is recognized by T-helper cells, which in turn provide help to PRP-specific B-cells. This T-cell help stimulates the B-cells to undergo affinity maturation, class switching to produce high-avidity IgG antibodies, and differentiation into long-lived plasma cells and memory B-cells. This process results in a robust, high-titer antibody response and the generation of immunological memory, providing both immediate and long-term protection against Hib infection in the target pediatric population.

Our Technology and Competitive Advantages

Our Hib Conjugate Vaccine is developed based on our mature polysaccharide-protein conjugate technology platform. During bacterial fermentation for the production of PRP polysaccharide, we use a chemically defined culture medium with hemin chloride as a substitute for animal blood components, which helps reduce the risk of introducing adventitious agents from animal-derived materials and enhances vaccine safety. We also apply automated control technology during key polysaccharide activation and protein conjugation steps to improve process precision, reduce variability and support batch-to-batch consistency. In addition, our internal release specifications are stricter than the requirements under the 2025 edition of the Chinese Pharmacopoeia for several key quality attributes, supporting higher product purity and quality.

Regulatory Status

Our Hib Conjugate Vaccine was approved by the NMPA on May 18, 2017 under the approval number Guoyao Zhunzi S20170005 (國藥准字S20170005).

Group A and C Meningococcal Polysaccharide Conjugate Vaccine (A群C群腦膜炎球菌多糖結合疫苗)

Overview

Our AC Conjugate Vaccine is indicated for the active immunization of infants and children from three months to five years of age for the prevention of epidemic cerebrospinal meningitis caused by Neisseria meningitidis serogroups A and C. These two serogroups are historically the predominant causes of meningococcal disease in China.

Mechanism of Action

The mechanism of action is analogous to that of our Hib Conjugate Vaccine. The vaccine is composed of purified capsular polysaccharides from Neisseria meningitidis serogroups A and C, which are individually conjugated to a TT carrier protein. This conjugation process converts the T-cell independent polysaccharide antigens into T-cell dependent antigens. Upon administration, the vaccine elicits a robust, T-cell dependent immune response.

Our Technology and Competitive Advantages

Our AC Conjugate Vaccine leverages our core polysaccharide-protein conjugate technology platform, with distinguishing features in design and production. We have developed and patented an optimized purification process for Group A and C meningococcal polysaccharides, which more effectively removes protein impurities than conventional methods and improves the purity of the final polysaccharide antigens. The vaccine is manufactured under a strictly controlled aseptic process and is preservative-free, supporting its safety and tolerability profile. In addition, our clinical development program includes a booster dose at 18 months of age, which is designed to provide more durable and long-lasting protection against meningococcal disease and differentiate our product from other marketed AC conjugate vaccines in China.

Regulatory Status

Our AC Conjugate Vaccine was approved by the NMPA on September 30, 2020 under the approval number Guoyao Zhunzi S20200021 (國藥准字S20200021).

Our three commercialized products are required to be stored and transported in accordance with the specific conditions stipulated in their respective marketing authorizations to ensure their safety, quality, and efficacy throughout their approved shelf-life. The storage conditions and approved shelf-life for each of our commercialized products are summarized in the table below:

Product	Storage Conditions	Approved Shelf-life
Adsorbed Tetanus Vaccine	To be stored and transported at 2°C to 8°C, protected from light.	36 months
Hib Conjugate Vaccine	To be stored and transported at 2°C to 8°C, protected from light.	24 months
AC Conjugate Vaccine	To be stored and transported at 2°C to 8°C, protected from light.	24 months

Our commercialized products are vaccines that address diseases with stable epidemiological profiles and are based on well-established and mature technologies. Consequently, we do not anticipate that our products will face obsolescence due to fundamental shifts in the targeted diseases or disruptive technological advancements in the foreseeable future. The life cycle of our commercialized products is therefore not typically limited by patent expiration or technological replacement in the same manner as certain other pharmaceutical products. Instead, the continuation of a product's life cycle is primarily contingent upon our ability to maintain its marketing authorization through periodic re-registration with the NMPA in China.

Our Pipeline Products

Our innovative pipeline is strategically focused on two key areas, namely, superbug vaccines and adult vaccines.

Our Superbug Vaccine Candidates

Our superbug vaccine candidates include rFSAV, rHPV, rFPAV, rABV and GAS Vaccine, all of which are being developed as Class II vaccines, the details of which are set out below.

Recombinant Five-antigen Staphylococcus Aureus Vaccine (重組金葡菌疫苗)

Overview

Our rFSAV is a multi-antigen subunit vaccine candidate for the prevention of infections caused by Staphylococcus aureus, including methicillin-resistant Staphylococcus aureus, a pathogen designated by the WHO as a high-priority "superbug". The vaccine is being developed in collaboration with our Key R&D Partner. According to the CIC Report, it is currently the only vaccine candidate targeting Staphylococcus aureus globally that is undergoing a Phase III clinical trial. As of the Latest Practicable Date, we have completed enrollment of 6,014 planned subjects for such clinical trial. We anticipate completing the clinical trial and unblinding the data in the third quarter of 2026.

The initial indication for our vaccine is the prevention of postoperative Staphylococcus aureus infections in patients undergoing orthopedic surgery, a population at high risk for hospital-acquired infections. Given the widespread prevalence of Staphylococcus aureus across various clinical settings, the vaccine's first indication targets the prevention of postoperative infections following orthopedic procedures. We plan to systematically expand its application to other high-risk populations, including patients susceptible to hospital-acquired infections such as surgical site infections, hospital-acquired pneumonia, endocarditis, and sepsis; immunocompromised groups such as the elderly and children who are prone to soft tissue infections and community-acquired pneumonia; as well as emergency responders exposed to burn injuries and combat-related wounds. Ultimately, our goal is to achieve broad clinical application across these target populations.

Medical Need and Market Opportunity

Staphylococcus aureus is a major cause of hospital- and community-acquired infections, including skin infections, pneumonia, bloodstream infections, osteomyelitis and endocarditis. Antibiotic-resistant strains, especially MRSA, have made treatment more difficult and can lead to longer hospital stays, higher medical costs and increased mortality. In China, the average MRSA detection rate among clinical Staphylococcus aureus isolates was 30.9% according to a 2018 CARSS report. According to the CIC Report, global MRSA infections were estimated at 6.7 million in 2025 and are expected to reach 7.4 million by 2035. Despite this disease burden, there is currently no approved vaccine for preventing Staphylococcus aureus infections globally. Several late-stage vaccine programs by major pharmaceutical companies have failed, mainly due to insufficient protective antigen coverage and limited ability to generate rapid immune responses in perioperative settings. This creates a significant unmet medical need. We believe an effective vaccine could help prevent infections, reduce antibiotic use and slow antimicrobial resistance. According to the CIC Report, the global Staphylococcus aureus vaccine market is expected to emerge in 2028 and reach US$1,773.1 million by 2035, with a total addressable market estimated at US$22.0 billion in 2028.

Market Competition

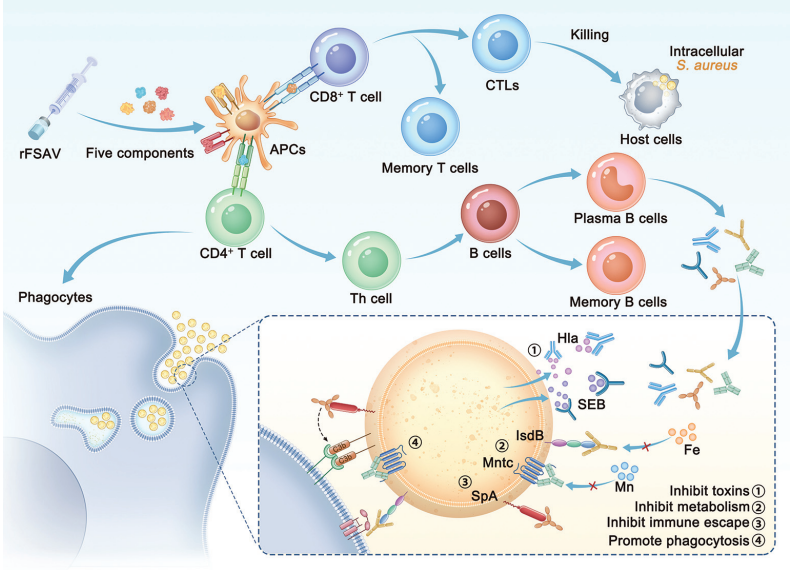
The development of a vaccine against Staphylococcus aureus has been a significant challenge for the global pharmaceutical industry, with a history of high-profile, late-stage clinical trial failures. As of the Latest Practicable Date, there are no approved Staphylococcus aureus vaccines on the market globally, according to the CIC Report. Our rFSAV is the only active candidate worldwide that is currently undergoing Phase III clinical trial. Major international pharmaceutical companies, including Pfizer, Merck, and GSK, have invested heavily in Staphylococcus aureus vaccine development but have not succeeded to date. For instance, Pfizer's four-antigen vaccine (SA4Ag) was terminated in a Phase IIb clinical trial after failing to meet its primary efficacy endpoint. Similarly, Merck's single-antigen vaccine (V710) was discontinued during the clinical trial stage due to safety concerns, where a higher mortality rate was observed in the vaccine group compared to the placebo group for reasons that could not be fully explained. These failures have been largely attributed to the limitations in vaccine design, such as an insufficient number of antigens to counter the bacterium's complex pathogenic mechanisms. The development of passive immunization therapies, such as monoclonal antibodies, has also faced significant hurdles, with candidates from companies like Arsanis (ASN100) and Aridis (AR-301) failing to meet their primary endpoints in clinical trials. Please see "Industry Overview — Staphylococcus aureus Vaccines — Competitive Landscape of Staphylococcus aureus Vaccines" for details on publicly known active Staphylococcus aureus vaccine candidates.

Our Solution and Mechanism of Action

Our rFSAV is a multi-component, recombinant protein subunit vaccine engineered to overcome the challenges that led to previous failures. It contains five distinct recombinant protein antigens, each specifically mutated or modified to be highly immunogenic while eliminating toxicity. This multi-antigen design creates a "combination punch" defense mechanism by comprehensively targeting the core pathways of Staphylococcus aureus pathogenesis: first, by targeting toxin secretion to protect the host from severe cellular damage and systemic inflammation, the vaccine includes detoxified versions of two key bacterial toxins: Alpha-hemolysin, designed to prevent the destruction of host cells, and Staphylococcal enterotoxin B, a modified superantigen designed to prevent the massive inflammatory response that can lead to toxic shock; second, by inhibiting survival and metabolism to starve the bacterium of essential nutrients needed for growth and defense, the vaccine targets two critical uptake pathways, including Iron-regulated surface determinant B to block the acquisition of iron from the host, and Manganese transporter C ("MntC") to disrupt the uptake of manganese, a metal essential for the bacterium's defense against the immune system; and third, by overcoming immune evasion and preventing adhesion to counter the bacterium's defense mechanisms and inhibit its ability to colonize host tissues, the vaccine targets the multi-functional surface protein Staphylococcal protein A ("SpA"). SpA acts as a shield to help the bacterium evade the immune system. Our vaccine is designed to generate antibodies that neutralize this shielding effect for effective immune clearance, while also interfering with the bacterium's initial attachment to host cells.

By presenting this five-component "cocktail" to the immune system, our rFSAV is designed to induce a multi-pronged immune response. Crucially, these targeted virulence pathways are essential for both antibiotic-susceptible and antibiotic-resistant strains of Staphylococcus aureus. Therefore, the vaccine is designed to be effective against a wide range of strains, including methicillin-resistant Staphylococcus aureus, directly addressing the challenge of drug resistance. The antigens are adsorbed onto an aluminum adjuvant to enhance the magnitude and durability of the immune response.

The following diagram illustrates the mechanism of action of our rFSAV candidate:



Our Technology and Competitive Advantages

We believe our rFSAV possesses several key advantages that position it for success where others have failed:

- ***Advanced Development Status:*** According to the CIC Report, our vaccine is the only *Staphylococcus aureus* vaccine candidate globally to have entered and completed the enrollment for a Phase III clinical trial. This gives us a substantial first-mover advantage over competitors such as Limma Tech Biologics AG (Phase I clinical trials started in December 2024).

- ***Superior Multi-antigen "Cocktail" Design:*** Different from the single-target approach, our five-component recombinant protein design targets multiple, distinct virulence pathways. This is the most comprehensive design in terms of number of antigen components for vaccines targeting Staphylococcus aureus in China, intended to block adhesion, toxin secretion, metabolism, and immune evasion simultaneously, according to the CIC Report.

- ***Innovative and Clinically-adapted Immunization Strategy:*** Our vaccine employs a novel "perioperative" immunization schedule designed for the surgical setting to rapidly induce a protective immune response. A key innovation is the rapid onset of efficacy; our Phase I clinical trial demonstrated that a high-level immune response is generated three to seven days after the first injection, peaking at 14 to 21 days, a feature not reported by any other competitor and critical for preventing acute post-surgical infections.

- ***Robust Preclinical and Early Clinical Trial Data:***

    - *Preclinical:* In extensive preclinical animal models (including mice, rats, rabbits, and monkeys), our vaccine demonstrated a high degree of efficacy and provided high levels of protection against various clinical strains of Staphylococcus aureus, significantly higher than other vaccine candidates globally.

    - *Phase I/II Clinical Trials:* Our Phase Ia, Ib, and II clinical trials have consistently demonstrated a good safety and immunogenicity profile. Notably, the vaccine was able to induce a rapid immune response, with specific antibodies detectable as early as seven days post-immunization and peaking at 14-21 days, validating our rapid immunization strategy.

Summary of Clinical Trials

We received an IND approval for Phase I, II, and III clinical trials for our rFSAV from the NMPA in June 2015. We have since completed. We have since completed Phase Ia, Phase Ib and Phase II clinical trials in September 2017, December 2019 and July 2021, respectively, and have completed enrollment for our pivotal Phase III clinical trial in May 2025. Below is a summary of such clinical trials in reverse chronological order.

Ongoing Phase III Clinical Trial

- ***Clinical Trial Design.*** This is a multi-center, randomized, double-blind, placebo-controlled study conducted in China to evaluate the efficacy, safety, and immunogenicity of our rFSAV.

    - ***Patient Population:*** A total of 6,014 subjects aged between 18 and 70 years scheduled to undergo elective surgery for closed fractures were enrolled across more than 60 clinical centers in China.

- ***Vaccine and Placebo:*** The study vaccine is administered as a 0.6ml injection containing 30μg of mHIN2 protein, 30μg of SpA5 protein, 15μg of mSEB protein, and 15μg of MntC protein. The placebo is a 0.6ml sodium chloride injection.

- ***Primary Endpoint:*** The primary efficacy endpoint is the protective efficacy of the vaccine in preventing confirmed Staphylococcus aureus infections within 42 days post-surgery.

- ***Secondary Endpoints:*** Secondary endpoints include a comprehensive evaluation of safety and immunogenicity.

  - ***Safety Endpoints:*** Incidence of AEs within 30 minutes of each immunization; solicited AEs within 14 days of each immunization; unsolicited AEs, vaccine-related adverse reactions, and all AEs within 42 days post-surgery; AEs of special interest within 180 days; and serious AEs ("SAEs") within 365 days.

  - ***Immunogenicity Endpoints:*** For a subgroup of 600 subjects, geometric mean concentration ("GMC"), geometric mean fold rise ("GMFR"), and four-fold increase rate of antibodies against each antigen component will be measured at day 0, day 14, day 42 post-surgery, and day 180. Opsonophagocytic killing ("OPK") functional antibody levels will also be measured. For the remaining 5,400 subjects, GMC, GMFR, and four-fold increase rate will be measured at day 0 and day 42 post-surgery.

- ***Clinical Trial Status.*** As of Latest Practicable Date, we have completed the enrollment of all 6,014 subjects for the Phase III clinical trial. We anticipate completing the clinical trial and unblinding the data in the third quarter of 2026.

Completed Phase II Clinical Trial

- ***Clinical Trial Design.*** This was a multi-center, randomized, double-blind, placebo-controlled clinical trial conducted in China designed to evaluate the immunogenicity and safety of our rFSAV in the target patient population.

  - *Timeline:* The first subject signed the informed consent form on October 30, 2018, and the last subject completed the follow-up visit on July 21, 2021.

  - *Patient Population:* The clinical trial planned to enroll 348 subjects. A total of 380 subjects were screened, and 348 eligible subjects were enrolled. The subjects were aged 18 to 70 years.

  - *Randomization and Dosing:* Subjects were randomized on a 1:1 basis to receive either the study vaccine or a placebo. Based on the results of the Phase Ib clinical trial, a 0/0-7 day immunization schedule was selected, where subjects received two doses on day 0 and one dose on day 7.

  - *Primary Endpoint (Primary Efficacy Indicator):* GMC of antibodies against each antigen component in the serum at 10 to 14 days after the first immunization.

  - *Secondary Endpoints (Secondary Efficacy Indicators):*

    - *Immunogenicity:* (1) GMC, geometric mean fold increase ("GMFI"), and four-fold growth rate of antibodies against each antigen component in serum at day 7 after the first immunization; (2) GMFI and four-fold growth rate of antibodies against each antigen component in serum at day 10 to 14 after the first immunization; (3) GMC, GMFI, and four-fold growth rate of antibodies against each antigen

component in serum at day 42 after the first immunization; (4) GMC, GMFI, and four-fold growth rate of antibodies against each antigen component in serum at day 180 after the first immunization; (5) OPK functional antibody levels in subject serum at day 7 after the first immunization; (6) OPK functional antibody levels in subject serum at day 10 to 14 after the first immunization; (7) OPK functional antibody levels in subject serum at day 42 after the first immunization; and (8) OPK functional antibody levels in subject serum at day 180 after the first immunization.

- *Safety Evaluation Criteria – Laboratory Indicators:* During the study, adverse events were observed, and vital signs, blood routine, urine routine, blood biochemistry, and 12-lead ECG results were recorded.

- *Safety Evaluation Criteria – Vaccine Adverse Event Evaluation:* (1) incidence of adverse reactions within 0 to 7 days after the first immunization (1st dose and 2nd dose); (2) incidence of adverse reactions within 0 to 7 days after the second immunization; (3) changes in blood routine and blood biochemistry detection indices in the subject population at day 10-14 after the first immunization; (4) incidence of solicited adverse events within 0 to 7 days after the first immunization (1st dose and 2nd dose); (5) incidence of solicited adverse events within 0 to 7 days after the second immunization; (6) incidence of unsolicited adverse events in the subject population from the first immunization up to day 180; and (7) incidence of SAEs in the subject population from the first immunization up to day 180.

- ***Results.***

  - *Primary Endpoint (Day 10-14 GMC):* At day 10-14 after the first immunization, the differences in antibody GMC levels for all five antigen components between the vaccine group and the placebo group were statistically significant (P<0.0001) in both the Immunogenicity Full Analysis Set ("I-FAS") and the Immunogenicity Per-Protocol Set ("I-PPS").

    - *I-FAS Data:* In the vaccine group, the GMC levels of anti-mHla, anti-IsdB-N2, anti-SpA5, anti-mSEB, and anti-MntC antibodies were 6,965.13, 6,562.48, 5,835.58, 3,521.39, and 6,236.49, respectively. In the placebo group, the corresponding GMC levels were 626.66, 509.25, 995.97, 49.61, and 176.67, respectively.

    - *I-PPS Data:* In the vaccine group, the GMC levels of anti-mHla, anti-IsdB-N2, anti-SpA5, anti-mSEB, and anti-MntC antibodies were 9,263.31, 8,979.50, 7,296.36, 4,878.34, and 8,611.25, respectively. In the placebo group, the corresponding GMC levels were 655.99, 549.04, 1,034.28, 51.11, and 188.34, respectively.

  - *Secondary Endpoints (Immunogenicity):*

    - *Day 7 Post-Immunization:* At day 7, the differences in antibody GMC and GMFI for all five antigen components between the vaccine group and the placebo group were statistically significant (P<0.0001) in both I-FAS and I-PPS datasets. In the I-FAS dataset, the GMC levels in the vaccine group for anti-mHla, anti-IsdB-N2, anti-SpA5, anti-mSEB, and anti-MntC antibodies were 1,017.95, 977.83, 872.63, 300.64, and 753.20, respectively; in the placebo group, the levels were 384.35, 286.39, 384.63, 32.57, and 116.43, respectively.

- *Day 10-14 Post-Immunization (GMFI):* At day 10-14, the differences in antibody GMFI for all five antigen components between the groups were statistically significant (P<0.0001). In the I-FAS dataset, the GMFI (concentration growth multiples) in the vaccine group for anti-mHla, anti-IsdB-N2, anti-SpA5, anti-mSEB, and anti-MntC antibodies were 15.08, 19.30, 9.06, 96.21, and 51.60, respectively; in the placebo group, the multiples were 1.46, 1.61, 1.54, 1.38, and 1.47, respectively.

- *Day 42 Post-Immunization:* At day 42, the differences in antibody GMC and GMFI for all five antigen components between the groups were statistically significant (P<0.0001). In the I-FAS dataset, the GMC levels in the vaccine group for anti-mHla, anti-IsdB-N2, anti-SpA5, anti-mSEB, and anti-MntC antibodies were 6,219.15, 5,998.22, 3,165.09, 3,285.06, and 4,150.55, respectively; in the placebo group, the levels were 379.27, 380.44, 511.63, 34.03, and 163.68, respectively.

- *Day 180 Post-Immunization:* At day 180, the differences in antibody GMC and GMFI for all five antigen components between the groups were statistically significant (P<0.0001). In the I-FAS dataset, the GMC levels in the vaccine group for anti-mHla, anti-IsdB-N2, anti-SpA5, anti-mSEB, and anti-MntC antibodies were 2,089.26, 1,831.98, 1,673.43, 1,081.55, and 996.98, respectively; in the placebo group, the levels were 479.50, 383.75, 691.02, 36.30, and 157.55, respectively.

- *Four-Fold Increase Rate:* At day 7, day 14, day 42, and day 180 post-immunization, the differences in the four-fold antibody growth rates between the vaccine and placebo groups were statistically significant (P<0.0001) in both I-FAS and I-PPS datasets.

- *OPK Functional Antibody Levels:* At day 7, day 14, day 42, and day 180 post-immunization, the differences in OPK functional antibody levels between the vaccine and placebo groups were statistically significant (P<0.0001) in both I-FAS and I-PPS datasets. In the I-FAS dataset, the OPK levels in the vaccine group were 55.51, 90.38, 124.25, and 82.20, respectively; in the placebo group, the levels were 11.92, 10.41, 9.17, and 9.85, respectively.

○ *Safety:*

- *Overall AEs:* In the safety analysis of 341 subjects, 194 subjects experienced a total of 455 adverse reactions within 180 days post-vaccination, representing an overall incidence rate of 56.89%. In the vaccine group, 111 out of 169 subjects experienced a total of 308 adverse reactions (incidence rate of 65.68%). In the placebo group, 83 out of 172 subjects experienced a total of 147 adverse reactions (incidence rate of 48.26%). The difference between the groups was statistically significant (P=0.0015). All local adverse reactions were grade 1 (mild) or grade 2 (moderate), and primarily consisted of injection site pain, induration, redness, swelling and pruritus.

- *Local Adverse Events:* The difference in overall adverse reactions was primarily attributable to local adverse reactions. A total of 78 subjects experienced 165 local adverse events (incidence rate of 22.87%). In the vaccine group, 63 out of 169 subjects experienced 142 local adverse events (incidence rate of 37.28%). In the placebo group, 15 out of 172 subjects experienced 23 local adverse events (incidence rate of 8.72%). The difference between the groups was statistically significant (P<0.0001).

- *Other Adverse Events:* There were no statistically significant differences between the vaccine and placebo groups regarding systemic adverse reactions or unsolicited adverse events.

- *SAEs:* A total of 25 subjects (7.33%) experienced 28 SAEs during the clinical trial. All SAEs were determined to be unrelated to the study vaccine.

- *Laboratory Indicators:* From the pre-vaccination baseline to the day 180 follow-up, no obvious changes in the mean values of blood routine, blood biochemistry, or urine routine were observed, nor were there any clinically meaningful differences between the groups.

- ***Conclusion.*** The rFSAV demonstrated a good safety profile in the target population of orthopedic surgery patients aged 18 to 70 years in China. Immunogenicity was good, with specific antibody levels for the five antigen components reaching their peak at 14 days post-first immunization, achieving geometric mean fold increases of over 10 times. Specific antibody levels remained at a plateau from day 14 to day 42; thereafter, levels declined but remained significantly higher than baseline and the placebo group at day 180. This vaccine also induced rapid and potent functional bactericidal antibodies.

We compared the GMC levels from the Phase II clinical trial with data from the Phase Ib clinical trial utilizing a consistent immunization schedule. As shown in the graphs below, the Phase II cohort exhibited a rapid and robust antibody increase that closely mirrors the Phase Ib trajectory across all five antigens, while maintaining a statistically significant margin over the placebo group from Day 7 through Day 180.

Figure 1 (mHla):

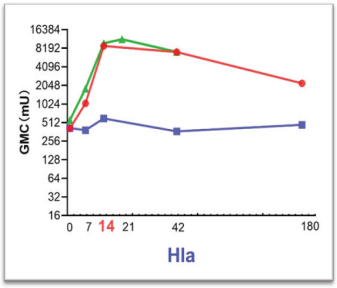


Figure 2 (IsdB-N2):

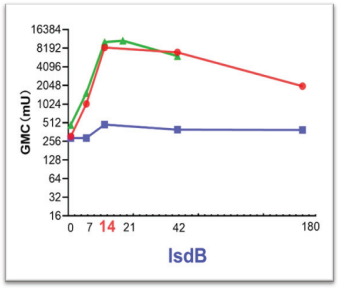


Figure 3 (SpA5):

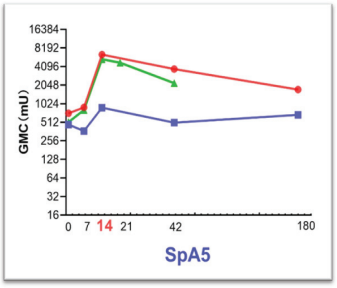


Figure 4 (mSEB):

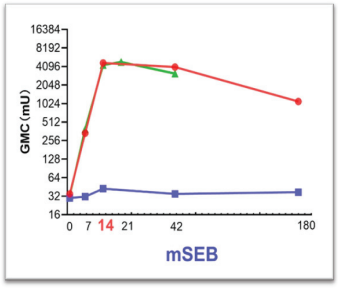
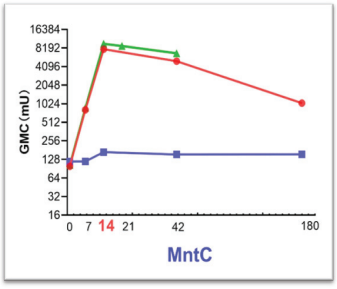


Figure 5 (MntC):



Red: Phase II clinical trial vaccine groups
Blue: Phase II clinical trial placebo groups
Green: Phase Ib clinical trial vaccine groups

Completed Phase Ib Clinical Trial

We completed a single-center, open-label Phase Ib clinical trial in China to evaluate the safety and preliminary immunogenicity of different rapid immunization schedules. A total of 144 healthy adults aged 18 to 70 were enrolled. The primary objective was to assess four rapid immunization schedules and select the optimal regimen for perioperative use. The tested schedules were: one dose on days 0, 3 and 7; two doses on day 0 and one dose on day 7; two doses on day 0 and one dose on days 3 and 7; and two doses on day 0 and one dose on days 7 and 14. All four immunization schedules were well-tolerated, with no statistically significant differences in the incidence of overall, local or systemic adverse reactions among the groups. Most adverse reactions were Grade 1 or 2, and no SAEs were observed. All schedules also elicited a rapid and strong immune response, with specific antibodies detectable as early as day 7 and peaking at 14 to 21 days, supporting our rapid immunization strategy. Based on a comprehensive analysis of safety, immunogenicity and clinical compliance data, the 0/0-7 day immunization schedule was selected for the subsequent Phase II clinical trial.

Completed Phase Ia Clinical Trial

This was a single-center, dose-escalation, randomized, double-blind, placebo-controlled clinical trial conducted in China. A total of 174 healthy adults aged 18 to 65 were enrolled. The objective was to evaluate the initial safety, tolerability and immunogenicity profile of the vaccine across low, medium and high dose levels to inform subsequent dose selection. The vaccine demonstrated an acceptable clinical safety profile. Although the incidence of adverse reactions in the vaccine groups was statistically higher than in the placebo group, there was no significant difference among the three dose levels. Most adverse reactions were Grade 1 or 2. One case of a Grade 3 local adverse reaction, involving redness, swelling and induration, was reported in the high-dose group. No vaccine-related abnormal laboratory changes were observed, and all three reported SAEs were determined to be unrelated to the vaccine. The vaccine also showed good immunogenicity, inducing both humoral and cellular immune responses as early as day 7, with antibody levels peaking at 14 to 21 days. A dose-response relationship was observed across the different dose levels.

Summary of Preclinical Studies

We conducted a series of comprehensive preclinical studies to evaluate the safety and efficacy of our rFSAV, which formed the basis for our successful IND application. These studies, conducted in close to 10,000 animals, including mice, rats, rabbits, and monkeys, demonstrated a good overall safety profile and robust immunogenicity. In challenge studies, the vaccine provided high levels of protection against various clinical isolates of Staphylococcus aureus that differed in origin, antibiotic resistance, and virulence. Based on this robust preclinical data package, we received approval in June 2015 from the NMPA to conduct Phase I/II/III clinical trials.

Oral Recombinant Helicobacter Pylori Vaccine (E. Coli) (口服重組幽門螺桿菌疫苗(大腸桿菌))

Overview

Our rHPV is an innovative vaccine candidate designed for the prevention of infection by Helicobacter pylori, a Gram-negative bacterium that colonizes the human stomach and upper duodenum. Helicobacter pylori infection is a major public health issue, recognized by the WHO as a Group 1 carcinogen due to its causal link to gastric cancer. This vaccine candidate is expected to be delivered orally, a route of administration we believe is optimal for inducing a protective mucosal immune response in the gastrointestinal tract. This product is another key component of our "superbug vaccine" strategy.

Medical Need and Market Opportunity

The imperative to develop a vaccine targeting Helicobacter pylori infection is underscored by its classification as a Group 1 carcinogen by the WHO's International Agency for Research on Cancer, its vast global prevalence, and the rising failure of antibiotic therapies. The public health rationale is therefore distinct from the focus of our other superbug vaccine candidates, which primarily targets bacteria associated with acute, life-threatening infections. Instead, the pursuit of a vaccine targeting Helicobacter pylori infection is intended to addresses the long-term, widespread risks of gastric cancer and other chronic diseases, which represents a significant and distinct public health challenge.

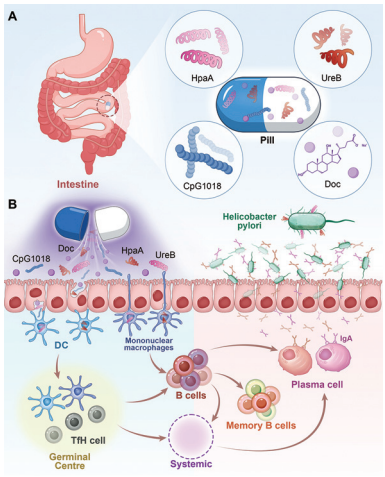
Helicobacter pylori infection is one of the most common chronic bacterial infections in humans, with a global prevalence of approximately 50% in 2024 with a higher prevalence in developing countries, according to the CIC Report. Further, it is estimated that the number of infected individuals will increase from 3.5 billion in 2025 to 3.8 billion in 2035, according to the same report. In China, the infection rate is similarly high, affecting nearly half the population in 2025, which corresponded to an estimated 612.0 million individuals. Chronic infection can lead to a spectrum of diseases, including chronic gastritis, peptic ulcers, and is the strongest known risk factor for gastric adenocarcinoma and mucosa-associated lymphoid tissue lymphoma. In particular, Helicobacter pylori infection is responsible for more than 90% of duodenal ulcers and up to 80% of gastric ulcers and infected persons have a two- to six-fold increased risk of developing gastric cancer compared to uninfected individuals, according to the CIC Report. According to the same report, the market for Helicobacter pylori vaccines is projected to emerge in the coming years, with an estimated market size across the globe reaching US$482.1 million in 2028 and growing to US$6,331.6 million by 2035. The total addressable market for Helicobacter pylori vaccines around the globe is estimated to be US$84.4 billion in 2028. Current management of Helicobacter pylori infection primarily relies on multi-drug antibiotic regimens, which impose a substantial economic burden on patients and healthcare systems and face significant challenges, including (i) growing antibiotic resistance, as the efficacy of standard therapies is declining globally due to increasing resistance to clarithromycin and other key antibiotics; (ii) high recurrence rates, as reinfection rates can be high even after successful treatment, particularly in endemic areas; and (iii) adverse effects and poor compliance, as complex antibiotic regimens often cause side effects, leading to poor patient adherence.

Given these limitations, there is a substantial unmet need for a vaccine to prevent infection, thereby reducing the occurrence of Helicobacter pylori-associated diseases and the reliance on antibiotics. Despite decades of research by academic institutions and pharmaceutical companies worldwide, there is currently no approved Helicobacter pylori vaccine available globally, presenting a significant market opportunity for us. In particular, a successful Helicobacter pylori vaccine would enjoy significant addressable demand in high-prevalence regions and meaningful long-term market potential driven by infection prevention and downstream cancer-risk reduction, according to the CIC Report.

Our Solution and Mechanism of Action

This vaccine candidate is designed to be an oral subunit vaccine composed of recombinant Helicobacter pylori protein antigens produced in E. coli. The oral delivery route is specifically chosen to stimulate a robust mucosal immune response within the stomach lining, the site of Helicobacter pylori colonization. The goal is to induce the production of secretory IgA ("sIgA") antibodies in the gastric mucosa. These sIgA antibodies can prevent the bacteria from adhering to and colonizing the gastric epithelium, providing a first line of defense against infection. In addition to mucosal immunity, the vaccine is also expected to induce a systemic immune response.

The following diagram illustrates the mechanism of action of our rHPV candidate:



Our Technology and Competitive Advantages

We have developed key technologies to address the main challenges of an oral Helicobacter pylori vaccine, focusing on formulation, antigen selection and immunogenicity. A key challenge for oral vaccines is protecting protein antigens from degradation in the gastrointestinal tract. Our vaccine candidate is being developed as an oral capsule to improve on the previous liquid version, which had a large volume, unpleasant taste and required gastric acid neutralizing agents. The capsule uses an enteric coating to help release the antigen in the intestine and improve patient compliance. Our vaccine candidate uses recombinant protein antigens selected through systematic screening. We initially screened 1,480 Helicobacter pylori antigen proteins and selected two based on immune protection rates in preclinical studies. To improve oral absorption and immune response, our formulation includes absorption enhancers and adjuvants. In animal studies, our vaccine candidate induced both systemic antibodies, or immunoglobulin G ("IgG"), and mucosal antibodies, or immunoglobulin A ("IgA"), responses. It also showed serum antibody levels 100 to 1,000 times higher than certain other oral vaccines in development and significantly reduced bacterial colonization, supporting its protective potential in preclinical models.

Clinical Development

Our rHPV is the first of our "superbug" pipeline candidates to receive the clinical trial approval outside of China, underscoring our overseas development strategy. In June 2024, we received ethical clearance from an Australian Human Research Ethics Committee and completed the clinical trial notification ("CTN") process with the TGA to initiate a Phase I clinical trial (CTN No. CT-2024-CTN-01799-1). In parallel with our overseas clinical progress, we are also pursuing the domestic regulatory pathway in China and plan to submit an IND application for the rHPV candidate to the NMPA in the second half of 2026. We will continue to evaluate opportunities to conduct additional clinical studies in China and overseas, as appropriate, to support the overseas development and commercialization of this innovative vaccine candidate.

Recombinant four-antigen Pseudomonas Aeruginosa vaccine (重組銅綠假單胞菌疫苗)

Overview

Our rFPAV is a multi-component subunit vaccine candidate being developed for the prevention of infections caused by Pseudomonas aeruginosa.

Medical Need and Market Opportunity

Pseudomonas aeruginosa is a formidable opportunistic pathogen and a leading cause of severe, often fatal, hospital-acquired infections, particularly in immunocompromised patients, burn victims, and individuals with cystic fibrosis. In recognition of its high rates of antibiotic resistance, the WHO has classified carbapenem-resistant Pseudomonas aeruginosa as a "critical" priority pathogen for which new treatments are urgently needed. The genetic diversity of Pseudomonas aeruginosa, which includes over 600 serotypes, has made vaccine development exceptionally challenging. To date, there is no approved vaccine for the prevention of Pseudomonas aeruginosa infections globally, representing a significant medical need.

Our Solution and Mechanism of Action

This vaccine candidate is a four-component recombinant protein-based vaccine. This design, which includes multiple distinct protein antigens, aims to elicit a broad immune response against a wide spectrum of Pseudomonas aeruginosa serotypes. By stimulating the production of specific functional antibodies, the vaccine is designed to prevent bacterial colonization, neutralize toxins, and facilitate immune clearance of the pathogen. According to the CIC Report, this multi-component formulation is the most component-rich rFPAV candidate in development globally as of the Latest Practicable Date.

Our Technology and Competitive Advantages

The vaccine is developed using a gene engineering technology pathway — one of our Company's core technologies — integrated with artificial intelligence-driven antigen design and optimization. Based on a proprietary database of protective and non-protective antigens discovered by our project team, a generative adversarial network model was preliminarily established and trained to facilitate the selection and modification of candidate antigen targets. Upon immunization, the vaccine can induce a strong and comprehensive cellular and humoral immune response, effectively eliminating bacteria and controlling infections. It has demonstrated promising protective efficacy across multiple animal models, including those of acute pneumonia, burn-associated infections, and systemic infections.

Development Status

The vaccine candidate is in the late preclinical research stage. We have completed the Pre-IND submission and are currently completing supplementary studies in preparation for the IND application to the NMPA, which we plan to submit in the second half of 2026.

Recombinant Acinetobacter Baumannii Vaccine (重組鮑曼不動桿菌蛋白疫苗)

Overview

Our rABV is a vaccine candidate for the prevention of infections caused by Acinetobacter baumannii, a Gram-negative bacterium that has emerged as one of the most critical threats in healthcare settings. According to the CIC Report, this vaccine candidate is the world's first active candidate targeting this pathogen to enter the formal research and development stage for this pathogen.

Medical Need and Market Opportunity

Carbapenem-resistant Acinetobacter baumannii is listed by the WHO as a "critical" priority pathogen, on par with Pseudomonas aeruginosa. It is responsible for a significant proportion of hospital-acquired infections, particularly pneumonia and bloodstream infections in ICU patients. It is characterized by its extreme resilience and its remarkable ability to acquire resistance to nearly all available antibiotics, with some strains becoming pan-drug-resistant. It is one of the "ESCAPE" pathogens, a group of clinically important organisms known for their potential to develop significant antimicrobial resistance. The absence of specific preventive measures, together with the high incidence of infection cases, creates an urgent and significant medical need for a vaccine.

Our Solution and Mechanism of Action

Our vaccine candidate employs a sophisticated "multi-antigen protein combination" design. This design utilizes genetic engineering techniques to select immunogenic epitopes from multiple conserved Acinetobacter baumannii antigens (such as metabolic regulatory proteins and various lipoproteins), which are combined to collectively form the rABV construct.

Our Technology and Competitive Advantages

- ***Dual Modulation of Non-Specific and Specific Immunity***: This vaccine candidate is designed as a new-concept vaccine integrating both non-specific and specific immune modulation, addressing the characteristics of strict hospital-acquired bacterial infections, susceptibility among immunocompromised or invasively treated patients, low vaccination willingness among non-infected risk groups, and the need for both emergency prevention and therapeutic response. By activating trained immunity, the vaccine can rapidly enable patients to mount an immediate defensive response against Acinetobacter baumannii infection, while activation of adaptive immunity provides the conventional, long-term preventive protection typical of vaccines.

- ***Multi-Specific Protective Antigen Combination Design***: Based on structural and functional genomics research of Acinetobacter baumannii and employing techniques such as reverse vaccinology, this vaccine adopts a multi-antigen combination approach. A large number of candidate antigens were repeatedly screened and individually demonstrated protective efficacy, and the optimized combination of these selected antigens allows for the broadest possible coverage of diverse Acinetobacter baumannii types and potential strain variants, thereby offering maximal redundant protection for clinical prevention and control.

- ***Cross-species Protection and Platform for Future Multi-pathogen Vaccine Development***: The vaccine design exhibits a degree of cross-species protection, showing potential protective effects against other hospital-acquired pathogens beyond Acinetobacter baumannii, such as Staphylococcus aureus, Pseudomonas aeruginosa, and Klebsiella pneumoniae. The underlying design concept may also be extended to the development of combination vaccines targeting multiple drug-resistant hospital-acquired bacteria within our pipeline.

Development Status

We are currently at the preclinical stage, focusing on process development and the establishment of quality standards for the vaccine, and are preparing to submit an IND application to the NMPA by the end of 2027.

Group A Streptococcus Vaccine (A群鏈球菌疫苗)

Overview

Our GAS Vaccine is an innovative peptide conjugate vaccine candidate being developed for the prevention of diseases caused by Group A Streptococcus, which is a gram-positive, nonspore-forming bacterium that grows in pairs and chains. It is responsible for a wide spectrum of skin, soft tissue, and respiratory tract infections, ranging from pharyngitis, scarlet fever, impetigo, cellulitis, and erysipelas to severe invasive infections such as streptococcal toxic shock syndrome and necrotizing fasciitis.

Medical Need and Technical Challenge

GAS infections pose a major global health burden, primarily in low- and middle-income countries. Despite the significant morbidity and mortality associated with GAS, there is currently no approved vaccine available. A major historical challenge in GAS Vaccine development has been safety, specifically the risk of inducing cross-reactive antibodies that could trigger autoimmune reactions, such as acute rheumatic fever.

Our Solution and Technology

This vaccine candidate is based on an innovative multi-peptide vaccine design specifically developed to address historical safety concerns. The vaccine employs two peptide antigens, each targeting distinct virulence mechanisms of Group A Streptococcus, with the design focused on (i) broader protective coverage, as GAS comprises more than 150 serotypes with limited cross-protection among them, meaning that vaccines developed against specific serotypes may offer only partial coverage. One of our selected peptide antigens is derived from the conserved region of the bacterial M protein and is designed to provide broader protection across multiple GAS serotypes; (ii) improved protection against CovR/S mutant strains, as the SpyCEP protein is up-regulated in CovR/S mutant strains, making these mutant strains more infectious than their wild-type counterparts. Our second peptide antigen specifically targets highly pathogenic GAS CovR/S mutant strains to deliver enhanced protection; and (iii) avoidance of autoimmune cross-reactivity, as the selected peptide epitopes have been carefully screened and designed to avoid homology with human tissue proteins, particularly cardiac myosin, thereby minimizing the theoretical risk of inducing autoimmune responses that could lead to rheumatic fever.

Development Status

Our GAS Vaccine is currently in the preclinical research stage. We are conducting studies to confirm the immunogenicity and protective efficacy of the peptide antigen formulation in animal models. We plan to submit an IND application to the NMPA by the end of 2028.

Our Key Pipeline Candidates

In addition to our superbug vaccine candidates, we also develop several key pipeline products, including (i) influenza related vaccine candidates including Quadrivalent Influenza Vaccine, Trivanlent Influenza Vaccine, and Adjuvanted Trivalent Influenza Vaccine all of which are being developed as Class II vaccines, and (ii) therapeutic monoclonal antibody candidates, which we collectively referred to herein as our key pipeline candidates.

Quadrivalent, Trivalent and Adjuvanted Trivalent Influenza Virus Split Vaccines (MDCK Cells) (四價/三價/三價佐劑流感病毒裂解疫苗(MDCK細胞))

Overview

We are developing (i) a Quadrivalent Influenza Vaccine, (ii) a Trivanlent Influenza Vaccine, and (iii) an Adjuvanted Trivalent Influenza Vaccine. These vaccine candidates are part of our strategic focus on the adult vaccine market. They are produced using a cell-culture technology platform as a superior alternative to traditional egg-based production. The Quadrivalent Influenza Vaccine is designed to target two influenza A strains and two influenza B strains, while the Trivanlent Influenza Vaccine targets two A strains and one B lineage. The Adjuvanted Trivalent Influenza Vaccine is designed for populations with weaker immune responses, aiming to provide enhanced protection for elderly individuals during influenza seasons.

Rationale and Unmet Need

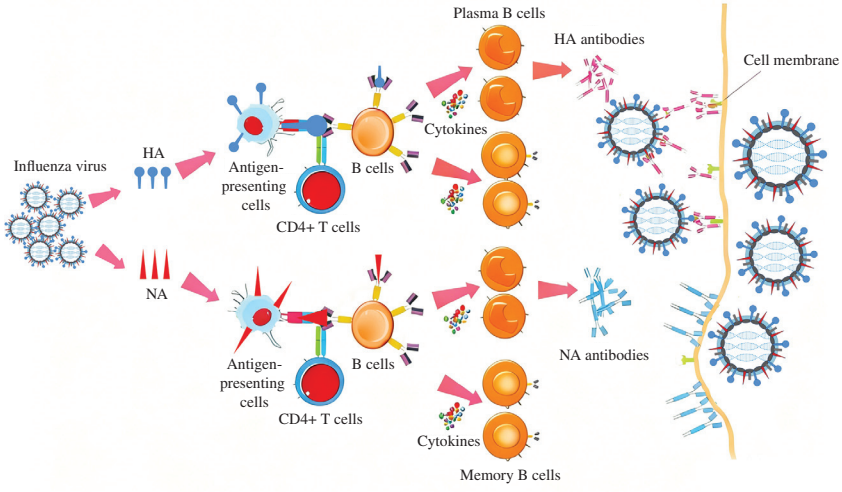
Seasonal influenza is a major public health concern, causing widespread respiratory illness, significant morbidity and mortality, and substantial economic burden each year. According to the CIC Report, the incidence of influenza in China increased rapidly from 20.4 million cases in 2019 to an estimated 27.8 million cases in 2025, is projected to reach 51.2 million in 2035.

Annual vaccination is the most effective way to prevent influenza and its complications. Traditional influenza vaccines are produced by cultivating the virus in embryonated chicken eggs, but this method has several limitations, including (i) a long production cycle, as egg-based production can take up to six months and may become a bottleneck during a pandemic; (ii) risk of egg-adapted mutations, as influenza viruses may mutate when grown in eggs, potentially causing a mismatch between the vaccine strain and circulating human strains and reducing vaccine effectiveness; (iii) allergy concerns, as egg-based vaccines may not be suitable for individuals with severe egg allergies; and (iv) supply chain vulnerability, as production depends on a stable supply of high-quality, specific-pathogenfree eggs and may be disrupted by events such as avian flu outbreaks.

Our Solution and Technology and Competitive Advantages

Our influenza vaccine candidates are produced using a MDCK cell-culture platform, a modern alternative to traditional egg-based production. This platform offers several key advantages, including (i) faster production and scalability, as cell-based production has a shorter manufacturing cycle than egg-based production, allowing faster and more flexible vaccine supply for seasonal epidemics and potential pandemics; (ii) lower risk of antigenic mismatch, as growing the virus in MDCK cells reduces egg-adapted mutations, which may help produce vaccine viruses that are closer to circulating human influenza strains and potentially improve efficacy; (iii) enhanced safety profile, as our proprietary MDCK cell line has been confirmed to be negative for tumorigenicity and oncogenicity through single-clone screening and suspension adaptation, and is also free from egg proteins, making it more suitable for individuals with egg allergies; and (iv) automated and efficient production, as the vaccine is designed for large-scale bioreactor suspension culture in a fully enclosed and automated process, which may reduce contamination risk, require less facility space and support scale-up compared with egg-based production.

The following diagram illustrates the mechanism of action of our influenza vaccine candidates:



Development Status

For our Quadrivalent Influenza Vaccine and Trivalent Influenza Vaccine: In May and October 2024, our Quadrivalent Influenza Vaccine and Trivalent Influenza Vaccine each received clinical trial approvals from the NMPA. Both vaccine candidates commenced Phase I clinical trials in early 2025, and the first subjects were successfully enrolled soon after initiation. Based on the interim results of the Phase I clinical trial, the Quadrivalent Influenza Vaccine entered Phase III clinical trials in October 2025. On November 21, 2025, we completed full subject enrollment for the Phase IIIa clinical trial. We subsequently obtained the clinical study report for the Phase I clinical trial of the Quadrivalent Influenza Vaccine in May 2026. The Quadrivalent Influenza Vaccine has completed its Phase I clinical trial and, building on those results, entered Phase III clinical trials in October 2025, with first-subject enrollment completed. The Phase III clinical trial is designed to further evaluate the vaccine's efficacy and safety and to provide clinical evidence in support of its registration with the NMPA. We have also completed the Phase I clinical trial for the Trivalent Influenza Vaccine and obtained the corresponding clinical study report in May 2026. Our line of influenza vaccine candidates are categorized as Class 2.2 vaccine candidate. In accordance with the relevant laws and regulatory requirements, such products are generally not required to conduct a separate Phase II clinical trial prior to entering Phase III clinical trial.

The clinical development of our Quadrivalent Influenza Vaccine and Trivalent Influenza Vaccine proceeded directly from Phase I to Phase III trials, without conducting a separate Phase II clinical trial. This streamlined clinical pathway is based on and in accordance with applicable regulatory guidelines, the specific classification of these vaccine candidates, established industry practice, specific regulatory endorsement of our clinical trial plans. The NMPA's Guideline on General Considerations for Drug Clinical Trials (《藥物臨床試驗技術指導指南》) provides that while the clinical development of vaccines is typically described in sequential phases (Phase I, II, III, and IV), this phasing is intended for descriptive convenience and is not a rigid, mandatory requirement. This principle allows for flexible, scientifically-justified clinical development plans. This streamlined approach is particularly applicable to our line of influenza vaccine candidates, which are categorized as Class 2.2 vaccine candidates (具有重大技術改進的疫苗). In accordance with the relevant laws and regulatory requirements, such products, which represent improved vaccines with significant technical advancements, are generally not required to conduct a separate Phase II clinical trial prior to entering a Phase III clinical trial. In connection with our IND applications for Quadrivalent Influenza Vaccine and Trivalent Influenza Vaccine, we submitted our proposed clinical development plans to the Center for Drug Evaluation under the NMPA (CDE). These plans detailed a clinical pathway that comprised only Phase I and Phase III trials. Following its review, the CDE approved our IND applications, including the proposed clinical plans, and did not require us to conduct or add a Phase II clinical trial. We believe the CDE's approval of our IND applications without such a request constitutes its endorsement of our proposed clinical development pathway for these candidates. We are conducting, and will continue to conduct, our Phase I and Phase III clinical trials in strict adherence to the CDE-approved protocols. We maintain ongoing communication with the CDE regarding trial progress and results. As confirmed by the CIC, omitting a standalone Phase II trial for these vaccine candidates is consistent with recognized industry practice in China, particularly for Class 2.2 vaccine candidates that are based on established technical platforms. Our PRC Legal Advisors, confirm that our clinical development strategy for our Quadrivalent Influenza Vaccine and Trivalent Influenza Vaccine, including the omission of a standalone Phase II clinical trial based on the CDE's approval of our clinical trial plan, does not violate the applicable PRC laws, regulations and normative documents.

Our Adjuvanted Trivalent Influenza Vaccine is currently at the pre-clinical stage.

Therapeutic Monoclonal Antibody Candidates

As part of our pipeline portfolio diversification strategy to expand beyond vaccines, we are developing therapeutic, fully human monoclonal antibodies ("mAbs") targeting major bacterial infections and toxin-mediated diseases. These mAbs candidates apply our proprietary antigen discovery, immune-library and antibody-engineering technologies first established through our recombinant vaccine research. Our therapeutic monoclonal antibody pipeline includes (i) Anti-Staphylococcus aureus Fully Human Monoclonal Antibody (抗金黃色葡萄球菌單克隆抗體); (ii) Anti-Pseudomonas aeruginosa Fully Human Monoclonal Antibody (抗銅綠假單胞菌單克隆抗體); and (iii) Anti-Tetanus Toxin Fully Human Monoclonal Antibody (全人源破傷風單克隆抗體).

Technology Platform

We built an integrated fully human antibody discovery and screening platform combining antigen design, fully human immune-library construction and single B-cell screening technologies. This platform supports rapid identification of antibody molecules with high affinity, specificity and druggability.

Key technological components include the Fully Human Immune Library (全人源免疫庫). For the Staphylococcus aureus and tetanus mAbs candidates, peripheral blood samples were collected from volunteers administered with our rFSAV and Adsorbed Tetanus Vaccine, respectively. Antigen-stimulated B cells were isolated to construct fully human immune libraries rich in antigen-specific, high-affinity antibodies. For the Pseudomonas aeruginosa mAbs candidate, the immune library was derived from a fully human antibody mouse platform in which the human antibody heavy- and light-chain variable regions had been completely replaced in situ, enabling generation of fully human antibodies with strong binding activity. Regarding Targeting Conserved Protective Antigens (靶向保護性保守抗原), for the Staphylococcus aureus and Pseudomonas aeruginosa mAbs candidates, antibody targets were selected from protective and conserved antigens discovered in our vaccine research, ensuring broad coverage across bacterial strains while minimizing escape mutation risk. Finally, regarding Single Memory B-Cell Screening Technology (單個記憶B細胞篩選技術), for the Staphylococcus aureus and tetanus mAbs candidates, antigen-specific single memory B-cell screening combined with next-generation sequencing (NGS) was adopted to identify fully human antibodies while maintaining natural heavy-/light-chain pairing, preserving antibody diversity and biological authenticity.

Anti-Staphylococcus aureus Fully Human Monoclonal Antibody (抗金黃色葡萄球菌單克隆抗體)

This candidate is based on the five protective antigens from our rFSAV. Using peripheral blood samples from volunteers who participated in the clinical studies for rFSAV, we constructed a fully human monoclonal antibody library targeting these five antigens through our established discovery platform. Following in-depth bioactivity and developability evaluation, we selected a therapeutic "cocktail" of antibodies capable of neutralizing Staphylococcus aureus toxins, inhibiting bacterial adhesion and invasion, and enhancing immune-mediated bacterial clearance. The therapy is intended for use alongside antibiotics to improve efficacy and reduce resistance risk. We have confirmed the lead antibody sequences, and the project is currently in the preclinical development stage, focusing on cell-line construction, process optimization, analytical method validation and IND-enabling studies. We plan to submit an IND application for this candidate to the NMPA by the end of 2027.

Anti-Pseudomonas aeruginosa Fully Human Monoclonal Antibody (抗銅綠假單胞菌單克隆抗體)

This candidate is built on four protective antigens from our rFPAV. Using our fully human antibody mouse platform, we generated a corresponding human monoclonal antibody library targeting these four antigenic sites. Through integrated in vitro and in vivo screening, we selected a multi-antibody "cocktail" that neutralizes virulence factors and exotoxins and promotes immune clearance. This therapy is designed to be used in combination with antibiotics to shorten treatment duration and alleviate antimicrobial resistance. Lead antibody sequences have been finalized, and the project is at the preclinical stage, focusing on manufacturing process development, analytical validation and IND preparation.

Anti-Tetanus Toxin Fully Human Monoclonal Antibody (全人源破傷風單克隆抗體)

This candidate is based on our self-developed Adsorbed Tetanus Vaccine. We collected peripheral blood samples from vaccinated volunteers and used them to construct a fully human monoclonal antibody library against the tetanus toxin. Through systematic molecular and biological screening, we identified a lead antibody capable of rapidly binding to and neutralizing active tetanus toxin, thereby preventing its attachment to peripheral nerve endings and entry into the central nervous system, effectively avoiding the onset of clinical tetanus. We further engineered the antibody's Fc region to extend serum half-life, providing longer protection and fewer administrations compared with plasma-derived tetanus immunoglobulins. The antibody sequence has been confirmed, and the project is in the preclinical stage, focusing on process development, stability testing and quality-standard establishment for IND submission.

Additional Pipeline Candidates

In addition to our superbug vaccine candidates and key pipeline candidates, we are advancing a diversified vaccine pipeline targeting both adult and pediatric populations. These include our recombinant Zoster vaccine (重組帶狀疱疹疫苗), acellular Pertussis (three-component) vaccine and acellular Diphtheria-tetanus-pertussis combined vaccine (無細胞百日咳(三組分)疫苗及無細胞百白破(三組分)聯合疫苗), Group B meningococcal vaccine (B群腦膜炎球菌疫苗) and AC-Hib conjugate vaccine (AC-Hib 聯合疫苗). These candidates form an important extension of our platform technology capabilities and reinforce our long-term focus on population-wide infectious disease prevention.

RESEARCH AND DEVELOPMENT

Our commitment to research and development is fundamental to our growth strategy and a cornerstone of our competitive advantage. We believe that continuous innovation is essential to addressing significant medical needs and solidifying our position as a technology leader in the global vaccine industry.

Our R&D Process

We have established a comprehensive, stage-gated governance framework for our R&D activities, ensuring our projects are managed systematically, efficiently, and with robust oversight from discovery to regulatory submission.

Our R&D process is a systematic, multi-stage workflow designed to advance vaccine candidates from concept to clinical readiness. Based on our current framework, the preclinical development of a novel vaccine generally includes (i) project initiation and feasibility analysis, where our knowledge management team reviews industry trends, technology developments and epidemiological data, prepares a feasibility report covering the technical basis, intellectual property landscape, market potential and resource requirements, and submits it to our scientific committee for review and approval; (ii) exploration and discovery, where we identify viable vaccine candidates through pathogen analysis, target screening and candidate antigen or platform design, including the use of bioinformatics and reverse vaccinology for certain "superbug" vaccines, which typically takes two to four years for a novel vaccine; (iii) druggability research, where promising candidates are further optimized and assessed for product viability, including developability, early pharmacokinetic and toxicology screening, and pre-formulation studies, which typically takes six to 12 months; (iv) formal preclinical evaluation, where we validate the manufacturing process, establish quality standards, conduct formal pharmacology and efficacy studies, and produce GMP-grade batches for safety assessment and clinical trial application, which normally takes one to two years; and (v) IND application preparation, where our regulatory affairs team compiles the chemistry, manufacturing and controls, pharmacology and toxicology data and prepares the IND application for submission to regulatory authorities, which typically takes several weeks to several months.

Before Phase III clinical trials and in preparation for commercial manufacturing, we also carry out technology and document transfer, which typically takes several months. A dedicated project team from R&D, manufacturing, quality control and engineering oversees the transfer of process knowledge, manufacturing procedures, quality control standards and analytical methods from R&D to production departments to support the transition from development to large-scale GMP-compliant manufacturing.

Our R&D Capabilities and Core Technology Platforms

Our R&D capabilities are built upon four integrated and synergistic core technology platforms that span the entire vaccine development value chain. These platforms cover the full process from early-stage target discovery and vaccine design, polysaccharide-protein conjugation process optimization, and comprehensive efficacy evaluation, to final-stage digital and automated industrialization. They provide a technological foundation for our existing and future product pipelines.

Genetic Engineering and Multi-dimensional Target Vaccine Design Platform (基因工程與多維靶標疫苗設計平台)

This platform is fundamental to our vaccine development, focusing on addressing the challenges in innovative bacterial vaccine R&D, such as the difficulty of target screening and insufficient immunogenicity.

Platform Technologies and Advantages

- ***Multi-dimensional Target Discovery Strategy:*** We employ a "multi-target, multi-dimensional" strategy for developing combination vaccines. This strategy aims to achieve more comprehensive protection by blocking key pathogenic pathways of bacteria, including survival metabolism, adhesion and colonization, toxin secretion, immune evasion, and mutation and drug resistance. We integrate technologies such as bacterial infection immunoproteomics, bacteria-host interactomics, computer-aided target screening, and in vivo screening of random recombinant libraries to systematically identify and validate antigen combinations with synergistic protective potential from thousands of candidates.

- ***Target Optimization and Synergistic Enhancement Technology:*** Our target optimization and synergistic enhancement technology focuses on improving vaccine safety, immunogenicity and formulation compatibility. We use structural vaccinology to identify and precisely modify key toxicity-related epitopes of toxic proteins, with the aim of reducing toxicity while preserving immunogenicity and minimizing interference from pre-existing antibodies. We also apply protein antigen self-polymerization and surface display technologies to enhance the immune response to selected vaccine targets. In addition, we optimize antigen combinations through approaches such as chimerization, fusion and combination to reduce immune interference among different antigens. Based on factors including isoelectric point, adsorption rate, compatibility and immunogenicity, we have established a formulation optimization model for antigen components and adjuvants, providing a scientific basis for developing multicomponent vaccines with synergistic effects.

Applications and Achievements

Utilizing this platform, we have screened and identified multiple novel and effective vaccine targets from tens of thousands of open reading frames of pathogens such as Staphylococcus aureus, Pseudomonas aeruginosa, Helicobacter pylori, and Acinetobacter baumannii. Based on these findings, we have successfully developed several innovative vaccine candidates

Polysaccharide-Protein Conjugation Technology Platform (多糖蛋白結合技術平台)

This platform is focused on overcoming the technical bottlenecks of traditional polysaccharide vaccines. Through innovative conjugation processes, it aims to provide safer and more effective immune protection for key vulnerable populations, such as infants and young children.

Platform Technologies and Advantages

- ***Innovative Conjugation Process:*** We possess a proprietary technology system for polysaccharide activation, derivatization, and protein conjugation. Compared to traditional processes, this technology system increases the yield of vaccine bulk solution and significantly improves product homogeneity and stability.

- ***High-quality Carrier Protein Technology:*** We have mastered the preparation process for low-polymerization tetanus toxoid, which helps reduce the rate of adverse reactions post-vaccination. Furthermore, our independently developed non-toxic diphtheria toxin mutant, CRM197, has been filed with the U.S. FDA under Drug Master File (DMF) number 037792, indicating that our carrier protein technology has reached an internationally recognized standard.

Applications and Achievements

We have successfully applied this platform to develop and commercialize several products, including our Hib Conjugate Vaccine and AC Conjugate Vaccine. Notably, our AC Conjugate Vaccine is the only product approved in China for booster immunization in children at 18 months of age, addressing the issue of insufficient long-term immunity in this age group.

Integrated "Molecule-to-human" Vaccine Efficacy Evaluation Platform ("分子-細胞-動物-人體"一體化疫苗效力評價平台)

This platform provides comprehensive efficacy evaluation support for our innovative vaccines, from preclinical research through to clinical trials, and is a key element in ensuring our R&D process is scientific and efficient.

Platform Technologies and Advantages

- ***Animal Models that Highly Simulate Clinical Conditions:*** We have established a series of infection animal models that cover various clinical scenarios, including acute/chronic pneumonia, systemic sepsis, fracture trauma, burn infections, skin and soft tissue infections, and chronic gastritis. Combined with techniques like in vivo fluorescent tracing of live bacteria, we can directly and dynamically evaluate the true protective effect of vaccines in animals.

- ***Innovative Immunological Evaluation Methods:***

    - We have established an Opsonophagocytic Activity Assay, a functional antibody detection technology for non-polysaccharide bacterial vaccines, to evaluate the functional quality of the immune response.

    - We have also established a Luminex-based bead-based multiplex assay for the simultaneous and quantitative detection of multiple specific antibodies, enabling a comprehensive and precise analysis of the immune response to multi-component vaccines.

Applications and Achievements

This platform provided critical data support for the successful execution of the Phase I, II, and III clinical trials of our rFSAV. Our evaluation models and testing technologies have been adopted by many institutions in China and have received positive commentary from international peers, including scholars from Harvard Medical School.

Digital and Automated Vaccine Industrialization Platform (數字化與自動化疫苗產業化平台)

This platform is focused on addressing challenges in traditional bacterial vaccine manufacturing through advanced production processes and quality control measures, aiming to achieve high-quality, high-efficiency, and high-consistency commercial-scale production.

Platform Technologies and Advantages

- ***High-density Fermentation and Purification Technology:*** We have established a multi-scale, digitally controlled high-density fermentation process, along with a column chromatography purification system. These technologies have increased the proportion of high-quality, low-polymerization toxoid in a specific product, increased the yield of Hib polysaccharide, and ensured our product quality exceeds the standards of the current Chinese Pharmacopoeia. This has also contributed to a reduction in the incidence of adverse reactions for related vaccines.

- ***Green and Digitalized Precision Control Processes:*** We employ more environmentally friendly process technologies, such as using glutaraldehyde instead of formaldehyde for detoxification, dynamic tangential flow filtration instead of traditional phenol/ethanol precipitation, and high-efficiency cyanate ester bond conjugation instead of highly toxic cyanogen bromide activation. We have also implemented digital control technologies, such as a fully enclosed magnetic-stirring detoxification system with automated temperature control, to achieve automated monitoring of key production steps, ensuring batch-to-batch consistency and stability.

Applications and Achievements

This platform has successfully supported the commercial-scale production of our marketed products. We have built a modern production base which includes multiple GMP-compliant production workshops, providing a strong guarantee for the quality and safety record of our marketed products.

Our R&D Infrastructure

We conduct our R&D activities primarily through two research centers located in Chengdu and Chongqing, which together provide the facilities necessary to advance our vaccine candidates from early-stage research to pilot-scale production and technology transfer for commercialization. The Chengdu R&D center focuses on the development of bacterial and viral vaccines, the application of adjuvant technologies, and process development for vaccine industrialization. It operates two independent, GMP-compliant pilot workshops, both certified as Biosafety Level 2 (BSL-2) laboratories, enabling work with a range of pathogens. The Chengdu R&D Center has been designated by the Chengdu High-tech Zone Science and Technology Innovation Bureau (成都高新區科技創新局) and Chengdu Tianfu International Bio-town (成都天府國際生物城) as a "Chengdu High-tech Zone Pilot Platform" (成都高新區中試平台) and a "Public Technology Service Platform for Process Development and Quality Research" (工藝開發與品質研究公共技術服務平台), respectively. The Chongqing R&D center is primarily engaged in the research and development of anti-infective antibody drugs. It includes a GMP-standard pilot production line. It has been designated as the "Chongqing Innovative Biologics Concept Validation Center" (重慶市創新生物製品概念驗證中心) by the Chongqing Development and Reform Commission.

Our R&D Team and Core Members

As of December 31, 2025, we had a dedicated R&D team of 143 members. Our team is educated and experienced, with a deep understanding of vaccine development, from discovery through to industrialization. Our R&D team includes several scientists with over 30 years of experience in the vaccine industry, who previously held leadership positions at leading national research institutions and have contributed to the successful development and commercialization of multiple vaccines, including those under national major drug innovation programs. These senior scientists possess extensive experience in end-to-end vaccine R&D, production management, and enterprise establishment within the biopharmaceutical sector, and collectively hold numerous invention patents and provincial- and ministerial-level recognitions. In addition, our R&D leadership includes experts with doctoral degrees in biomedical engineering and related disciplines, who have led the development of our key pipeline candidates targeting multidrug-resistant bacterial infections. Their expertise covers reverse vaccinology, AI-assisted vaccine design, and multi-dimensional vaccine efficacy evaluation platforms. Members of our R&D leadership have participated in multiple national major scientific projects, published extensively in peer-reviewed scientific journals, and received industry awards for innovation and technological advancement.

Collaboration and License Arrangements

We actively in-license promising technologies and product candidates to supplement our internal R&D efforts. The nature of these arrangements varies, ranging from active co-development partnerships to technology acquisitions where we lead subsequent development and commercialization. We developed our commercialized products internally. During the Track Record Period, we incurred and paid approximately RMB53.9 million, RMB73.9 million, and RMB81.9 million, respectively, in connection with these arrangements. These payments, which primarily represent upfront fees, milestone payments, and funding for research and development activities conducted by our collaboration partners, were recognized as expenses and charged to our consolidated statements of profit or loss in the respective reporting periods. The following table specifies the development model for each of our superbug vaccine candidates and key vaccine candidates.

Commercialized Product/ Product Candidate	Partner(s)	Relationship Type	Key Characteristics and Rationale
rFSAV	Our Key R&D Partner	Joint Development and Co-Creation	A long-term, joint R&D collaboration. The partner leads pre-clinical work; we lead all clinical, manufacturing, and commercialization activities. IP is co-owned, with exclusive commercial rights granted to us.
rHPV	rHPV Partner	Technology Acquisition and In-house Development	A complete technology acquisition. We acquired sole IP ownership and are fully responsible for all future development and commercialization. The partner's role is limited to providing technical consultation upon request.

Commercialized Product/ Product Candidate	Partner(s)	Relationship Type	Key Characteristics and Rationale
rFPAV	Beijing Partner and Our Key R&D Partner	Co-Ownership and Collaborative Development	A hybrid model combining IP acquisition with active collaboration. We acquired 50% IP co-ownership, while the partner remains actively involved in the entire development process through to NDA approval.
rABV	Beijing Partner and rABV Original Patent Holder	Technology Acquisition and In-house Development	A technology acquisition. We acquired 100% IP ownership and assume sole responsibility for late-stage development (NDA) and commercialization. The partner's involvement is limited to early regulatory stages.
GAS Vaccine	GAS Partner	Exclusive In-Licensing and Co-Development	An exclusive in-license with a co-development framework. The partner leads core research, while we manage manufacturing and clinical development in our territory. Both parties share key clinical data.
Influenza Virus Split Vaccines	MDCK Licensor	Non-Exclusive Technology In-Licensing	A non-exclusive license MDCK cell-based Technology. The partner provides the core technology; we lead all development, regulatory, and commercialization activities for any resulting vaccine.

A summary of the key agreements regarding our superbug vaccine candidates are shown below:

Collaboration with Our Key R&D Partner on rFSAV

Our collaboration with our Key R&D Partner dates back to 2011. We have jointly conducted the research and development of rFSAV under the principle of industry-academia-research collaboration and innovation. On this basis, in April 2011, we entered into a technology development and cooperation contract and, subsequently, entered into a series of related project-specific supplemental agreements (collectively, the "rFSAV Agreements") with our Key R&D Partner, which set out the arrangements regarding the technology development, intellectual property ownership, and subsequent commercialization of this candidate.

Scope, Objectives and Division of Responsibilities

Under the rFSAV Agreements, we and our Key R&D Partner aim to jointly advance the research and development of the vaccine candidate, with the ultimate goal of co-obtaining the IND approval, the NDA approval, and the production license in China. Per the rFSAV Agreements, our Key R&D Partner's primary responsibilities involve conducting the pre-clinical research work, including but not limited to pharmacology, primary pharmacodynamics, toxicology, and animal pharmacokinetic studies, and drafting the relevant regulatory submission dossiers for clinical trials. Our primary responsibilities are focused on the commercialization aspects of the development, which include providing all necessary funding for the project, organizing and implementing Phase I, II, and III clinical trials, leading the development of manufacturing processes and clinical trial production, being responsible for regulatory submissions to the authorities for clinical trials, the new drug certificate, GMP certification, and the final production license, and ultimately overseeing the project's industrialization. To ensure effective project management, the rFSAV Agreements stipulate that the project operates under a principal investigator responsibility system.

Financial Commitments

As part of our commitment, we have agreed to bear the costs for the project from early-stage risk research through the completion of pre-clinical studies, with a budgeted amount of RMB16.0 million. This budget does not cover subsequent clinical trial expenses, which will be paid by us separately and directly to the institutions conducting the clinical trials.

In addition to the R&D budget, we are obligated to make certain milestone payments to our Key R&D Partner. Specifically, we are required to make a one-time payment of RMB1.0 million within 30 business days of obtaining the clinical trial approval for the vaccine candidate, and a one-time payment of RMB3.0 million within 30 business days of obtaining the new drug certificate. Following the commercial launch of the rFSAV, we are required to pay sales royalties to our Key R&D Partner. The royalty is calculated at a low-single-digit percentage of the net annual pre-tax sales revenue of the product, payable annually for a term of 10 years. The rFSAV Agreements include a guaranteed minimum aggregate royalty payment of RMB50.0 million. If, at the end of the 10-year term, the cumulative royalty payments have not reached this amount, we are obligated to pay the shortfall to our Key R&D Partner in a lump sum at the end of the tenth year.

Intellectual Property and Commercialization Rights

Pursuant to the rFSAV Agreements, all technological results and related intellectual property, including patents, generated during the collaboration are co-owned by us and our Key R&D Partner. Notwithstanding the co-ownership, the rFSAV Agreements grant us an exclusive license to use all related patents for subsequent development, manufacturing, and commercialization activities. Furthermore, we hold the exclusive manufacturing rights for the product and will be designated as the first-named holder of the new drug certificate. We may not assign or license the patent rights to a third party without the written consent of our Key R&D Partner; however, such consent should be granted provided that such an arrangement does not prejudice our Key R&D Partner's economic interests under the rFSAV Agreements.

Technology Transfer Agreement for rHPV

In August 2021, we entered into a "Recombinant Helicobacter pylori Protein Vaccine Technology Transfer Cooperation Agreement" (the "rHPV Agreement") with an innovative vaccine company in Chengdu (the "rHPV Partner"). Pursuant to the rHPV Agreement, rHPV Partner has agreed to transfer to us the exclusive global rights for the development, manufacturing, and commercialization of rHPV. The transfer encompasses all project-related intellectual property, including patents and software copyrights, technical know-how, and materials.

Scope, Objectives and Division of Responsibilities

Under the rHPV Agreement, we are fully responsible for conducting and funding the continued research, development, and commercialization of the rHPV. The rHPV Partner is only obligated to provide ongoing technical consultation and assist with communications with regulatory agencies upon requests from us to support the project's advancement.

Financial Commitments

The total consideration for the technology transfer consists of milestone payments and post-launch sales royalties. The aggregate milestone payments total RMB50.0 million, payable to rHPV Partner in six installments contingent upon the achievement of specific development and regulatory milestones: (i) RMB3.0 million upon the agreement becoming effective, which includes RMB0.5 million for the transfer of equipment; (ii) RMB5.0 million upon the successful transfer of all project-related intellectual property rights to our name; (iii) RMB3.0 million following the completion of successful mouse immunization studies; (iv) RMB4.0 million upon the complete delivery of all technical materials and know-how; (v) RMB5.0 million upon receiving the clinical trial application acceptance notice; and (vi) RMB30.0 million upon obtaining the NDA approval.

Following the commercial launch of the rHPV, we are obligated to pay rHPV Partner a sales royalty calculated at a low-single-digit percentage of the product's annual sales revenue. These royalty payments are subject to an annual cap of RMB10.0 million and will be paid for a term of 10 years, with the total cumulative royalty payments capped at RMB100.0 million. The agreement includes a provision that if, in the tenth year of sales, the cumulative royalties paid have not reached RMB100.0 million and the sales revenue for that year exceeds RMB3.5 billion, we will make a one-time payment to bring the total royalty amount to the RMB100.0 million cap. Furthermore, the agreements stipulate that upon the project's cumulative sales revenue reaching RMB3.5 billion, the parties will separately negotiate an additional performance-based award for rHPV Partner's research and development team.

Intellectual Property and Commercialization Rights

Under the terms of the rHPV Agreement, we have acquired sole ownership of all existing intellectual property related to the project, including nine patent applications and ten software copyrights. We are also the sole owner of any future intellectual property developed from the project. Consequently, we will be the sole applicant for all clinical trial and marketing authorizations and the exclusive holder of the final drug registration certificate globally. rHPV Partner is contractually prohibited from re-developing or transferring the project technology to any third party.

Technology Transfer Agreement for rFPAV

In June 2023, we entered into a technology transfer agreement (the "rFPAV Agreement") with a leading research company in Beijing, China (the "Beijing Partner"). Pursuant to the rFPAV Agreement, our Beijing Partner, acting on behalf of the original patent holder, our Key R&D Partner, has agreed to transfer to us a 50% co-ownership stake in the patent rights and related technology for a vaccine candidate against Pseudomonas aeruginosa.

Scope, Objectives and Division of Responsibilities

Under the rFPAV Agreement, the parties aim to advance the vaccine candidate through clinical development and to commercialization. The agreement outlines a collaborative framework where our Key R&D Partner remains involved in the technical aspects of the project. Specifically, our Key R&D Partner is obligated to participate throughout the entire development process, from pre-clinical research through Phase I, II, and III clinical trials, until the final NDA approval is obtained. Should regulatory authorities require supplementary technical studies, our Key R&D Partner's team will take the lead in study design, expert communication, and report writing, while our responsibilities include executing the studies and bearing all associated costs.

Financial Commitments

The total consideration for the technology transfer consists of an entry fee and sales royalties. The total entry fee is RMB30.0 million, payable to our Beijing Partner in eight installments contingent upon the achievement of specific development and regulatory milestones: (i) RMB1.0 million upon the agreement becoming effective; (ii) RMB1.0 million upon the successful registration of our patent co-ownership; (iii) RMB8.0 million upon the delivery and successful reproduction of key technical materials; (iv) RMB5.0 million upon receiving the IND approval notice; (v) RMB3.0 million upon completion of the Phase I clinical trial; (vi) RMB4.0 million upon completion of the Phase II clinical trial; (vii) RMB5.0 million upon completion of the Phase III clinical trial; and (viii) RMB3.0 million upon obtaining the NDA approval.

Following the commercial launch of the rFPAV, we are obligated to pay a sales royalty to our Beijing Partner, calculated at a mid-single-digit percentage of the global annual net sales revenue of the product. This royalty is payable annually for a term of 10 years. The rFPAV Agreement includes a guaranteed minimum aggregate royalty payment of RMB250.0 million. If, at the end of the 10-year term, the cumulative royalty payments have not reached this amount, the royalty period will be extended until the RMB250.0 million threshold is met. If the threshold is met within the 10-year term, royalty payments will continue for the full duration of the term.

Intellectual Property and Commercialization Rights

Under the terms of the rFPAV Agreement, we will acquire a 50% co-ownership of the nine subject patents and patent applications related to the rFPAV project, with our Key R&D Partner retaining the other 50%. Notwithstanding the co-ownership, the agreement grants us the right to be the sole applicant for clinical trials and the NDA, and to be the sole holder of the final drug registration certificate (i.e., the marketing authorization holder). Any subsequent improvements we develop from the transferred technology will be owned solely by us. Should our Key R&D Partner develop its own subsequent improvements, they will retain ownership of such new technology. We may not assign, license, or otherwise transfer the project-related information or patents to a third party (excluding wholly-owned or controlled subsidiaries) without providing prior written notification to our Beijing Partner, who has 30 business days to respond. A lack of response is deemed as consent.

Technology Transfer Agreement for rABV

In March 2023, we entered into a technology transfer agreement (the "rABV Agreement") with our Beijing Partner. Pursuant to the rABV Agreement, our Beijing Partner, acting on behalf of the original patent holder, a leading research institute in China (the "rABV Original Patent Holder"), has agreed to transfer to us the patent rights and related technology for a vaccine candidate against Acinetobacter baumannii.

Intellectual Property and Commercialization Rights

Under the terms of the rABV Agreement, we will acquire 100% ownership of the subject patents, which include the Chinese invention patent titled "Immunogenicity of Acinetobacter baumannii Ata protein" and its entire global patent family. The transfer also includes essential technical know-how, specifically the engineering strain and the fermentation and purification technology for the CTB-Ata α recombinant subunit vaccine.

The rABV Agreement stipulates that the application for the IND approval will be filed jointly in our name and the name of the rABV Original Patent Holder. However, the subsequent application for the NDA approval will be filed solely in our name. The rABV Original Patent Holder will not participate in the commercial production or sales of the final product. Any subsequent improvements we develop independently from the transferred technology will be owned solely by

us. Should the rABV Original Patent Holder develop its own subsequent improvements, they will retain ownership, but we are granted a priority right to use such new technology under equivalent conditions. We may not assign or license the patent rights to a third party without the prior written consent of our Beijing Partner.

Financial Commitments

The total consideration for the technology transfer consists of an entry fee and sales royalties. The total entry fee is RMB5.0 million, payable to our Beijing Partner in three installments based on the achievement of specific development milestones: (i) RMB2.0 million within 30 days of the rABV Agreement becoming effective; (ii) RMB2.0 million within 30 days of receiving the IND approval notice from the NMPA; (iii) RMB1.0 million within 30 days of obtaining the new drug certificate. Following the first commercial sale of the product in China, we are obligated to pay a sales royalty to our Beijing Partner. The royalty is calculated at a low-single-digit percentage of the annual net sales revenue of the product. This royalty is payable annually for a term of 10 years, after which no further royalty payments are required.

Technical Support and Deliverables

To ensure the effective transfer and implementation of the technology, our Beijing Partner is obligated to provide us with a comprehensive set of technical materials within 50 days of receiving the first payment. These deliverables include all relevant experimental records, complete patent application and prosecution files, proof of patent validity, and information on reagents, equipment, and raw materials used. Furthermore, our Beijing Partner has agreed to provide necessary technical guidance and support upon our request, including through teleconferences or by dispatching technical personnel to our site, with any associated travel and accommodation expenses to be borne by us.

Collaboration Agreement for GAS Vaccine

We entered into a series of agreements, including the main "Intellectual Property License (with Transfer Option) and Vaccine Co-Development Contract" (the "GAS Agreement") with a comprehensive research university known for its strength in health science in Australia (the "GAS Partner") in September 2019 (collectively, the "GAS Agreements"). The GAS Agreement has a term of 20 years from the date of signing or/until the expiration of the last patent, whichever is later. Pursuant to the GAS Agreements, the university has granted us an exclusive license to develop and commercialize a vaccine candidate, the GAS Vaccine.

Scope, Objectives, and Division of Responsibilities

The primary objective of the GAS Agreement is to advance the GAS Vaccine through pre-clinical and clinical development towards commercialization. The agreement establishes a clear division of responsibilities throughout this process. During the pre-clinical phase, our GAS Partner is responsible for the core research activities, while we will manage manufacturing process development and regulatory affairs. As the project moves to the clinical stage, we are legally and financially responsible for conducting all clinical trial phases in China. Concurrently, our GAS Partner will conduct its own Phase I clinical trial in Australia, for which we will provide GMP-compliant vaccine product, free of charge, for this purpose. The parties will then share the data from their respective Phase I studies. Our ongoing obligations also include managing and funding the licensed patents in our designated territory and providing our GAS Partner with annual reports on the vaccine's development progress.

Financial Commitments

The agreement stipulates a series of payments, royalties, and a patent purchase option

- ***License and Maintenance Fees:*** Upon execution of the agreement, we are obligated to pay a one-time license effectuation fee of AUD10,000. Additionally, we are required to pay an annual maintenance fee of AUD25,000 for five years, totaling AUD125,000.

- ***Pre-Clinical Development Fees:*** We are committed to funding the pre-clinical research conducted by our GAS Partner. This involves payments tied to the initiation and completion of specific tasks within the pre-clinical development plan.

- ***Clinical and Regulatory Milestone Payments:*** We are obligated to make milestone payments to our GAS Partner totaling AUD1,025,000, contingent upon the achievement of specific development and regulatory milestones in China: (i) AUD75,000 upon the NMPA's acceptance of our clinical trial application; (ii) AUD100,000 upon initiation of the Phase I clinical trial; (iii) AUD175,000 upon initiation of the Phase II clinical trial; and (iv) AUD175,000 upon initiation of the Phase III clinical trial; and (v) AUD500,000 upon receipt of final marketing approval from the NMPA.

- ***Royalties:*** We are obligated to pay our GAS Partner an annual royalty at a mid single-digit percentage of the gross revenue generated from the licensed patents in the preceding year. This obligation ceases if we exercise the option to purchase the patents.

- ***Patent Purchase Option:*** The agreement grants us an exclusive option to purchase the patent rights for the Designated Territory (Chinese Mainland, Hong Kong and Taiwan) at various stages. The exercise price is set at: (i) AUD25 million upon completion of the Phase II clinical trial in China; (ii) AUD30 million upon completion of the Phase III clinical trial in China; or (iii) AUD35 million upon receiving marketing approval from the NMPA.

Intellectual Property and Commercialization Rights

Under the terms of our GAS Partner, we hold an exclusive license to the patent applications and any derivative patents for use in the field of conjugate vaccines for preventing GAS infection within the Designated Territory. The agreement includes an option for us to expand this territory to include Australia by exercising the option within the first four months of Phase 1 research and paying an associated option fee.

Any new intellectual property we create during the manufacturing or regulatory phases will be owned solely by us. However, we are required to grant our GAS Partner a non-exclusive, perpetual, royalty-free license to use this new IP for research and for commercialization outside the Designated Territory. This license to our GAS Partner explicitly excludes the right to commercialize any of our manufacturing-related intellectual property. Upon the natural expiration of the agreement's term, we are granted a perpetual, royalty-free license to continue commercializing the patents.

License Agreement for MDCK Cell-based Technology

Since July 2022, we have entered in to a series of proprietary technology license agreements, (collectively, the "MDCK License Agreements") with a PRC company primarily engaged in the R&D, production and sale of cell-culture media, biological materials and animal vaccine technologies (the "**MDCK Licensor**"), among other parties. Pursuant to the MDCK License Agreements, the MDCK Licensor has granted us a non-exclusive license to its proprietary MDCK cell-based technology for the development, manufacture, and commercialization of influenza vaccines.

Scope, Objectives and Division of Responsibilities

Under the MDCK License Agreements, the parties aim to develop, manufacture, and commercialize the influenza vaccine candidate. The MDCK Licensor is obligated to provide the complete technology package, including its proprietary MDCK-XF06 suspension cell line (master and working cell banks), and the related know-how for the entire production process. The MDCK Licensor must also provide technical assistance and necessary documentation for our regulatory submissions.

Our primary responsibilities include leading the regulatory progression and commercialization of the vaccine. We are designated as the primary applicant for the IND application and will be the sole applicant for the new drug certificate, positioning us as the marketing authorization holder for the final product in China.

Financial Commitments

The total consideration under the MDCK License Agreements consists of fixed license fees and a sales-based commission. The aggregate fixed license fee is RMB60.0 million, payable to the MDCK Licensor in three installments contingent upon the achievement of specific milestones by us: (i) RMB20.0 million within 10 days of the agreement's execution; (ii) RMB20.0 million within 10 days following the delivery of the MDCK-XF06 cell bank and associated documentation; and (iii) RMB20.0 million within 10 days after the completion of preclinical studies and the submission of a Pre-IND application.

Following the commercial launch of the vaccine, we are obligated to pay the MDCK Licensor a tiered sales commission at low single-digit percentages based on annual net sales. This obligation continues for a term of 10 years or until a total of RMB60.0 million in commissions has been paid, whichever occurs first. If the cumulative commissions paid at the end of the 10-year term are less than RMB60.0 million we are required to make a one-time supplementary payment to cover the shortfall.

Intellectual Property and Commercialization Rights

Under the terms of the MDCK License Agreements, the MDCK Licensor retains full ownership of the intellectual property related to the MDCK-XF06 cell line and the associated vaccine production process technology. Any new inventions or substantial technical improvements made by any party during the collaboration will be owned by the party that developed them.

International Sanctions-related Implications

As advised by our legal advisors to international sanctions, our Key R&D Partner is on the Section 1286 List of the U.S. Department of War (the "Section 1286 List"), and the rABV Original Patent Holder is designated by the Bureau of Industry and Security of the U.S. Department of Commerce (the "BIS") to the Entity List. With respect to our Key R&D Partner, our legal advisors to international sanctions advised us that no specific sanction currently stems from being identified on the Section 1286 List. Rather, the U.S. government advises caution for researchers, academic institutions, or industry partners engaging with institutions on this list. Accordingly, since the Section 1286 List is merely informative, and no specific sanction or restriction stems from the inclusion of our Key R&D Partner on such list, our dealings with it do not violate U.S. sanctions. With respect to the rABV Original Patent Holder, our legal advisors to international sanctions advised us that the transfers of items that are subject to the U.S. Export Administration Regulations ("EAR") to an entity on the Entity List would require a license from BIS. However, as our arrangement under the rABV Agreement only involved the transfer of the relevant technology and patent from the rABV Original Patent Holder to us, the Entity List restrictions are not applicable in this context.

PRODUCTION

Overview

Our production philosophy is centered on stringent quality standards and regulatory compliance. All our manufacturing facilities and processes are designed, operated, and maintained in strict adherence to China's GMP standards. We have a proven track record of passing all GMP inspections from the NMPA during the Track Record Period. Our production capacity is designed for both scale and flexibility, with highly automated lines and a modular facility design that allows us to rapidly scale up production by optimizing schedules and adding shifts to meet market demand.

Production Facilities

As of the Latest Practicable Date, our primary manufacturing base is located in Chengdu, Sichuan Province. The facilities are designed with a modular approach, housing dedicated and physically separated substances workshops for different vaccine types, such as bacterial, viral, and recombinant protein vaccines, to prevent cross-contamination and optimize process flows. All our production sites are self-owned.

The table below sets forth the details of our key production facilities as of the Latest Practicable Date:

Building	Location	Primary Function	Approximate GFA	Key Production Areas Housed
			(sq.m.)	
Building #2	Olin Bio Factory Campus, No. 99 Tianxin Road, Chengdu High-tech Zone	Commercial and clinical-scale manufacturing	18,314.71	Tetanus Workshop; Polysaccharide Workshop; *S. aureus* Vaccine Workshop; Filling and Packaging Workshop (including Filling Lines #1, #2, #3, and #4[(4)], and Packaging Lines #1 and #2); Culture Media Workshop
Building #3	Olin Bio Factory Campus, No. 99 Tianxin Road, Chengdu High-tech Zone	Commercial and clinical-scale manufacturing	22,535.88	Tetanus Workshop Line #2[(1)]; Culture Media Workshop Support Center[(2)]
Building #4	Olin Bio Factory Campus, No. 99 Tianxin Road, Chengdu High-tech Zone	Commercial and clinical-scale manufacturing	18,623.97	Influenza Bulk Substance Workshop[(3)]; Filling and Packaging Workshop, Filling Line #5[(4)]

Notes:

(1) Tetanus Workshop Line #2: Facility construction and equipment installation have been completed. It is currently in the facility and equipment commissioning phase. Following the completion of commissioning and process validation, it can be used for commercial production upon approval from the relevant government authorities.

(2) Culture Media Workshop Support Center: Equipment validation has been completed. It can be put into use for the commercial production of supporting products upon approval from the relevant government authorities.

(3) Influenza Bulk Substance Workshop: Equipment installation and commissioning have been completed, and it is currently in the process validation stage. Following the completion of clinical trials of the relevant influenza candidates, it can be used for commercial batch production upon approval from the relevant government authorities.

(4) Filling and Packaging Workshop: Filling Line #4 – Process validation for the vaccine diluent has been completed. It can be used for the production of marketed vaccine diluents upon approval from the relevant government authorities. Filling Line #5 – Facility construction and equipment installation have been completed. It is currently in the facility and equipment commissioning phase. Following the completion of commissioning and process validation, it can be used for commercial production upon approval from the relevant government authorities.

To ensure efficient and smooth production processes, we place strong emphasis on the acquisition of advanced equipment and the maintenance of our production lines. We maintain our production lines to meet the PRC national standards and perform inspections of our equipment on a regular basis. All the machinery and equipment for our production lines are owned by us. We primarily purchased our production machinery and equipment from domestic suppliers in the PRC. We conduct regular inspections of our production machinery and equipment and have in place maintenance systems for our production machinery and equipment. Maintenance is carried out by our repair staff, and we engage the repair team of the manufacturer of a particular machine when necessary. During the Track Record Period, we did not experience any material or prolonged interruption to our production processes due to machinery or equipment failure.

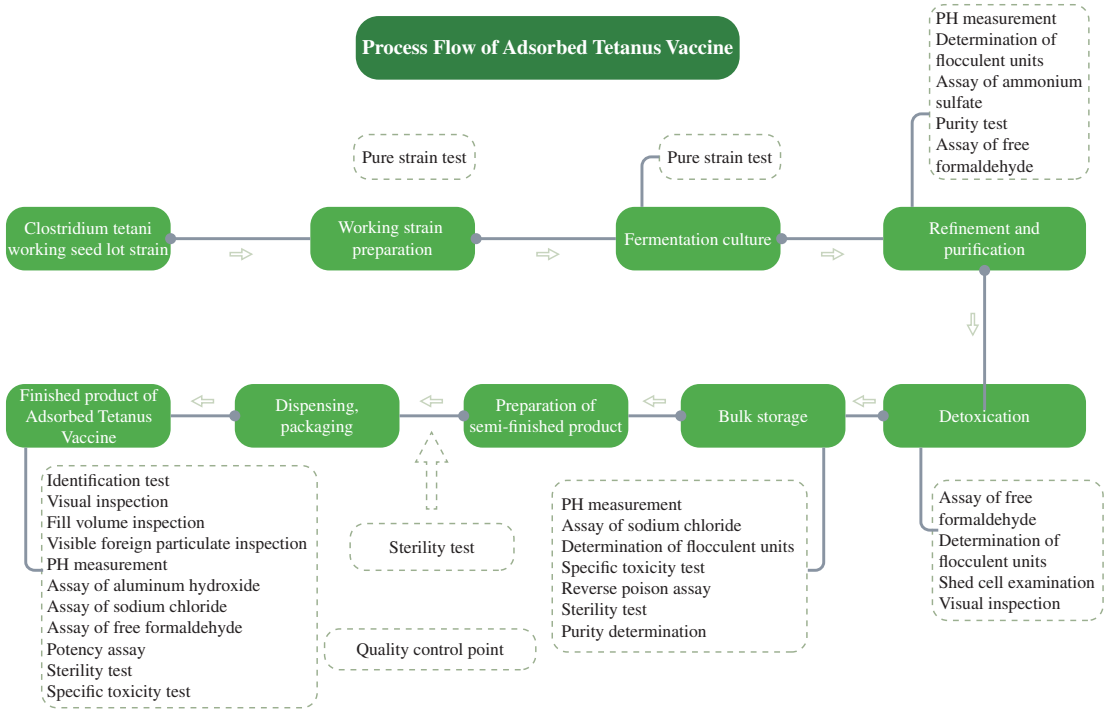
Production Process

The general production flow consists of two main stages: (i) upstream production, which focuses on manufacturing the bulk drug substance, namely the active vaccine antigen, and generally includes cultivation of bacterial or cell lines, harvesting, purification and, where applicable, detoxification or conjugation to produce the final bulk concentrate; and (ii) downstream production, which involves formulating the bulk drug substance with adjuvants, if any, and other excipients, aseptically filling it into final containers such as vials or pre-filled syringes, freeze-drying, if applicable, visual inspection, labeling and final packaging.

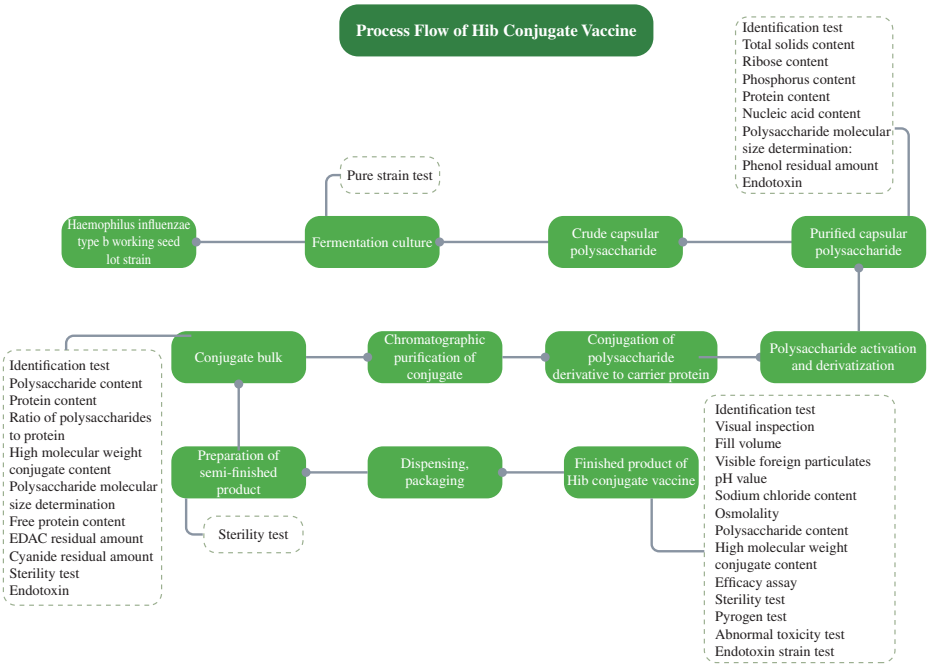
Production Process for Commercialized Products

Our commercialized vaccine products are Adsorbed Tetanus Vaccine, Hib Conjugate Vaccine and AC Conjugate Vaccine. The production process for each of our commercialized products are as follows:

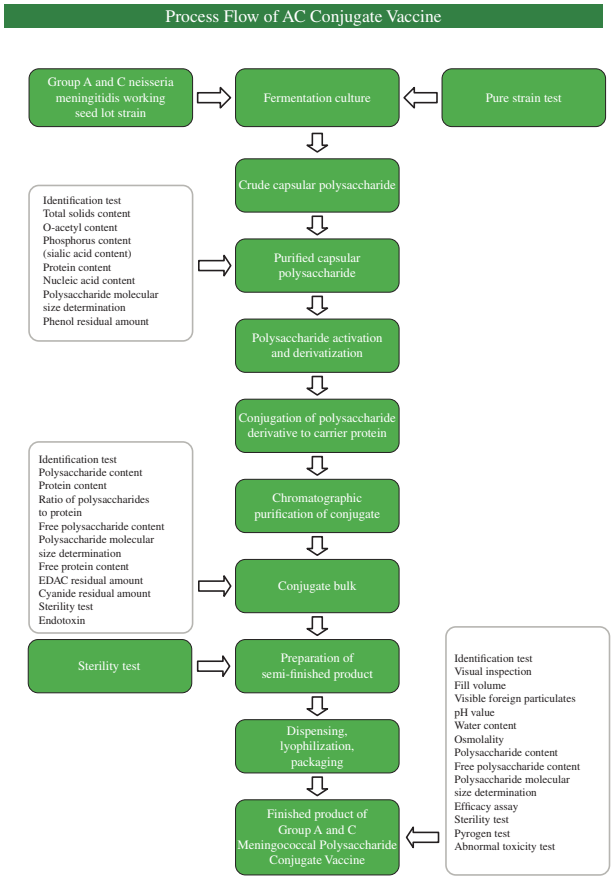
Adsorbed Tetanus Vaccine



Hib Conjugate Vaccine



AC Conjugate Vaccine



Production Lines

Our facilities are equipped with multiple dedicated upstream workshops and flexible downstream filling lines featuring advanced, automated equipment to support our operations.

Upstream Production Workshops (原液車間)

Workshop	Primary Product(s)	Key Manufacturing Equipment
Tetanus Workshop	Refined TT Bulk	Biosecurity Cabinets, Fermentation Systems, Ultrafiltration Systems, Detoxification Tanks
Polysaccharide Workshop	Hib Conjugate Bulk, Group A Meningococcal Polysaccharide Conjugate Bulk, Group C Meningococcal Polysaccharide Conjugate Bulk	Biosecurity Cabinets, Fermentation Systems, Continuous Flow Centrifuges, Ultrafiltration Systems, Activation Tanks, Coupling Tanks, Chromatography Systems

Workshop	Primary Product(s)	Key Manufacturing Equipment
Staphylococcus aureus Vaccine Workshop . . .	4-component Staphylococcus aureus protein bulk	Preparation (Solution Mixing) System, Constant-Temperature Incubator Shaker, Fermentation System, Tubular Centrifuge, High-Pressure Homogenizer, High-Speed Refrigerated Centrifuge, Chromatography System, Aseptic Isolator
Influenza Workshop(1) . .	Quadrivalent and Trivalent Influenza virus bulks	10L-500L Bioreactors, Ultrafiltration Systems, Enzyme Digestion and Inactivation Systems, Inactivation Hydrolysis Systems, Refrigerated Centrifuges, Chromatography Systems, Lysis Systems, and GEA Disc Centrifuges

Note:

(1) Influenza Workshop: Equipment installation and commissioning have been completed, and it is currently in the process validation stage.

Downstream Aseptic Filling Lines (分包裝車間)

Filling Line	Presentation Format	Current/Planned Products	Key Manufacturing Equipment
Line #1	Vials (Liquid & Lyophilized)	AC Conjugate Vaccine and its accompanying Vaccine Diluents	Formulation Systems, Vial Washers, Tunnel Ovens, Filling Machines, Lyophilizers (Freeze-dryers), Capping Machines, Sterilization Cabinets (Autoclaves)
Line #2	Vials (Liquid)	Adsorbed Tetanus Vaccine, rFSAV	Formulation Systems, Stopper Washers, Vial Washers, Tunnel Ovens, Filling Machines, Capping Machines
Line #3	Pre-filled Syringes (PFS)	Hib Conjugate Vaccine, Adsorbed Tetanus Vaccine, Quadrivalent Influenza Virus Split Vaccine (MDCK cells), Trivalent Influenza Virus Split Vaccine (MDCK cells)	Formulation Systems, PFS Debaggers, PFS Filling and Stoppering Machines, Sterilization Cabinets
Line #4(1) . . .	Vials (Liquid)	Vaccine Diluents (for use with lyophilized formulations)	Formulation Systems, Vial Washers, Tunnel Ovens, Filling Machines, Capping Machines, Sterilization Cabinets (Autoclaves)
Line #5(2) . . .	Vials (Liquid & Lyophilized)	Future pipeline products	Formulation Systems, Ultrafiltration Systems, VHP Pass-through Chambers, Vial Washers, Tunnel Ovens, Filling Machines, Lyophilizers, Capping Machines

Notes:

(1) Line #4 has completed process validation for the vaccine diluent and, after approval from the relevant government authority, can be used for the production of diluents for marketed vaccines. It is expected to complete production registration and certification by December 2026.

(2) Line #5 has completed construction and equipment installation and is currently in the workshop and equipment commissioning stage. After commissioning and process validation are completed, it can be used for commercial production upon approval from the relevant government authority. It is expected to complete production registration and certification by December 2027.

Production Capacity, Volume and Utilization Rate

Our overall production output is generally constrained by the capacity of our downstream aseptic filling lines and the availability of qualified technical personnel to operate them. These serve as the rate-limiting steps for our manufacturing process. While we manufacture a diverse portfolio of bulk drug substances through various upstream processes, the final output volume is dictated by the availability of these filling lines and associated staffing. Consequently, our production planning is primarily driven by market demand forecasts, which are influenced by historical sales data, anticipated orders from our customers, and inventory levels.

The following table sets forth our effective designed annual production capacity, actual production volume:

	For the Year Ended December 31,		
	2023	2024	2025
Effective Designed Production Capacity (in million doses)[(1)]	8.7	8.7	8.7
Actual Production Volume (in million doses)	4.8	3.9	5.3
Utilization Rate[(2)] (%)	55.2%	44.8%	60.9%

Notes:

(1) Effective designed production capacity represents the maximum output of our downstream filling lines under our current staffing model and normal operating conditions. This calculation assumes a standard number of operating shifts and days per year, excluding time required for planned maintenance, cleaning, validation, and changeovers.

Our calculation is based on the following key operational assumptions:

- ***Operational days:*** We assume 200 available working days per annum (derived from 250 total working days minus 50 days allocated for mandatory validation and annual equipment maintenance).

- ***Single-shift staffing model:*** We currently operate our three filling lines using a single team of production personnel. Consequently, the three lines cannot operate at full capacity simultaneously. The available 200 working days are allocated among the three lines based on our production planning and market demand for specific vaccine products. We strategically opt to operate our three filling lines using a single, cross-trained team of production personnel based on two key factors, namely, (i) the specialized nature of our production lines and (ii) our demand-driven staffing model. Our three production lines are not interchangeable, as each is designed for a different dosage form and presentation: Line #1 for lyophilized powder for injection (vial), Line #2 for liquid formulation (vial), and Line #3 for pre-filled syringes. Each line features distinct equipment and requires specific operational expertise to comply with GMP standards. Our production is planned based on sales forecasts. Currently, the production volume generated from a single-shift operation is sufficient to meet market demand. To maximize operational efficiency and flexibility, we utilize a "multi-skilled expert" model where all production personnel are trained and certified on the aseptic processes, standard operating procedures, and distinct gowning protocols for all three lines. This ensures we can flexibly allocate our highly-trained staff to the required production line based on the dynamic production schedule, rather than maintaining three separate, underutilized teams. Furthermore, the use of a single, flexible production team is a common strategy in the biopharmaceutical industry, particularly for multi-product facilities where demand is variable. This approach allows companies to remain agile and cost-effective, avoiding the significant expense of maintaining multiple, dedicated teams that would be underutilized when demand for specific products is low. By cross-training employees, companies can

efficiently allocate skilled personnel to different production lines as needed, ensuring operational readiness without incurring unnecessary fixed labor costs. According to the CIC Report, this flexible staffing model is aligned with industry norms for manufacturers that manage a diverse product portfolio and calibrate production volumes to meet fluctuating market demand, rather than operating continuously at maximum theoretical capacity. It is common industry practice for vaccine manufacturers not to operate production lines at full capacity, as vaccine demand can vary depending on factors such as seasonality, disease outbreaks, and government procurement cycles. In addition, given that vaccines have a limited shelf life, companies typically maintain additional production lines and reserve capacity to ensure supply flexibility in response to sudden surges in demand. Operating continuously at full capacity would therefore lead to inefficient use of resources during normal periods of market demand.

The breakdown of the effective designed capacity of 8.7 million doses is calculated as follows:

- **Line #1 (AC Conjugate Vaccine & Diluent):**
  - *Cycle time:* Requires six days to produce one batch (comprising one batch of vaccine and one batch of diluent).
  - *Allocation:* Based on production planning during the Track Record Period, an average of 72 working days is allocated to this line.
  - *Output:* 72 days allow for 12 batches. At approximately 53,000 doses per batch, the effective designed production capacity is 0.64 million doses.
- **Line #2 (Adsorbed Tetanus Vaccine (Vial Formulation)):**
  - *Cycle time:* Requires two days to produce one batch.
  - *Allocation:* Based on production planning during the Track Record Period, an average of 64 days is allocated to this line.
  - *Output:* 64 days allow for 32 batches. At approximately 142,000 doses per batch, the effective designed production capacity is 4.54 million doses.
- **Line #3 (Adsorbed Tetanus Vaccine (Pre-filled Syringe Formulation)):**
  - *Cycle time:* Requires two days to produce one batch.
  - *Allocation:* Based on production planning during the Track Record Period, an average of 64 days is allocated to this line.
  - *Output:* 64 days allow for 32 batches. At approximately 110,000 doses per batch, the effective designed production capacity is 3.52 million doses.

(2) Utilization rate is calculated by dividing the actual production volume by the effective designed production capacity for the relevant period.

Production Facility Utilization Rates

The utilization rates of our production facilities are determined by several key factors inherent to the biopharmaceutical manufacturing industry. These rates are principally governed by several interconnected drivers: (i) the strategic management of production capacity to address market volatility and ensure supply security; (ii) the stringent regulatory and quality assurance requirements mandated for pharmaceutical production; and (iii) the intrinsic technical complexities of biologic manufacturing processes.

We strategically maintain a level of reserve production capacity as a critical component of our long-term business strategy and risk management framework. This approach is a direct response to the significant challenges in demand forecasting and the inherent volatility of the pharmaceutical market. The demand for many of our products, particularly vaccines, is difficult to predict with high accuracy due to its inconsistent and fragmented nature.

Regulatory compliance and the maintenance of the highest quality standards are paramount in our operations and directly influence facility uptime. Our manufacturing activities are conducted in strict adherence to GMP as stipulated by global regulatory authorities. A fundamental aspect of

GMP compliance, particularly in multi-product facilities, is the prevention of cross-contamination. This necessitates comprehensive and time-consuming changeover procedures between the production of different products or even different batches.

Production Management and Personnel

As of December 31, 2025, our production department was comprised of 114 employees. The department is organized into functional units, including upstream production, downstream filling, packaging, engineering and maintenance, and production planning. All personnel undergo rigorous pre-employment and annual retraining on GMP, specific standard operating procedures, and safety. We have an internal certification system to ensure that only qualified and authorized personnel can perform critical tasks. Staff operating special equipment, such as sterilization autoclaves, hold the required government-issued special operation certificates.

QUALITY CONTROL

We believe an effective and robust quality control system is critical to ensuring the consistent quality, safety, and efficacy of our products. As a vaccine manufacturer, product safety and quality are the cornerstones of our business, and this philosophy is embedded throughout the entire product lifecycle, from initial process development and raw material sourcing to final product delivery. All our workshops and production lines for our commercial products have obtained GMP Compliance Inspection Notices from the NMPA and have consistently passed all subsequent annual inspections. Our senior management team actively participates in formulating internal quality control policies and overseeing our overall quality management system. We have established comprehensive quality control procedures and protocols that comply with China's GMP requirements and we strive to continuously improve our quality management system. Our quality department operates independently from our production team and is tasked with implementing these procedures.

Quality Management System and Personnel

We have established a comprehensive Quality Management System (QMS) that governs every aspect of our operations. This system, detailed in our Quality Manual (質量手冊), is certified under ISO 9001:2015 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety) standards.

Raw Material Quality Control

We purchase raw materials used in our production exclusively from our list of qualified suppliers. For details on our supplier management, please see "— Procurement and Supply Chain Management" in this section. Upon receipt, all incoming raw materials are subject to strict quality control procedures. Our warehousing personnel verify the packaging information and integrity before taking delivery, and incoming raw materials are stored in designated areas pending inspection. Our quality control team subsequently selects representative samples for testing against pre-approved methods to verify their quality. Only raw materials that pass these quality control tests are released by the quality department and dispatched for use in our production processes.

Quality Control of Starting Materials

As a biologics manufacturer, the quality of our starting materials, such as master seed lots and working seed lots, is paramount. We have established a rigorous quality control system for these critical biological assets.

In-process Quality Control

We implement stringent in-process quality controls to monitor our manufacturing processes and ensure the quality of our intermediate products at every critical stage. Our production processes are continuously monitored to ensure adherence to validated parameters. We have implemented information systems to ensure the integrity and traceability of all production and quality data.

Critical manufacturing steps are monitored in real-time via video surveillance, and on-site quality control personnel are stationed to oversee key operations to ensure continuous compliance. Our quality control team conducts sample testing on each batch of intermediate products at specific, pre-defined stages. For key quality attributes, we have established internal alert and action limits, which are tighter than the final release specifications. This allows us to monitor process trends and take proactive corrective actions to ensure consistent product quality. After completing each production run, we perform validated cleaning procedures to prevent cross-contamination. We verify that the production line has been properly cleaned before proceeding to the next batch or product. The environment within our cleanrooms is also continuously monitored for particle counts and microbial levels to ensure it remains within GMP-specified limits.

Final Product Quality Control

Every batch of our final products must pass comprehensive quality testing before release for sale. The release process includes two key steps. First, our quality control team tests samples from each finished batch against our internal release specifications and reviews all batch-related documents under procedures such as our Finished Product Release Audit Management Procedure. Our internal standards are often stricter than the Chinese Pharmacopoeia requirements. For example, the potency test results for our Adsorbed Tetanus Vaccine are nearly double the Chinese Pharmacopoeia requirement, and our products are formulated without preservatives to enhance safety. Only after all tests and documentation reviews are completed will our authorized quality personnel approve internal release. Second, as required for biological products in China, each internally released batch is submitted to the NIFDC for independent testing and approval through the batch release process. A product may only be sold after receiving a batch release certificate from the NIFDC. We have not experienced any production accidents, major quality events, or product recalls. Final products that do not meet our quality standards at any stage are not released and are disposed of according to our internal procedures.

LOGISTICS, TRANSPORTATION AND INVENTORY MANAGEMENT

Logistics and Transportation

Our products are temperature-sensitive biologicals that require strict, uninterrupted cold chain logistics to ensure their safety, quality, and efficacy. The entire storage and transportation process is conducted in compliance with China's Good Supply Practice for pharmaceutical products. We engage qualified third-party logistics service providers for the delivery of our products from our GMP-certified warehouses to our customers, which are primarily CDCs in China and blood product manufacturing companies. We select our logistics partners through a rigorous qualification process, evaluating them based on their pharmaceutical cold chain experience, regulatory compliance, service quality, network coverage, and cost-effectiveness. During the Track Record Period, we did not experience any material product spoilage or loss due to failures in logistics or transportation.

Inventory Management

We have established a comprehensive internal inventory management policy and conduct regular inventory counts and audits to ensure accuracy and control. Our inventory management is closely integrated with our production and sales planning. Our production operations team formulates a master production schedule based on annual and quarterly market demand forecasts based on historical sales data and anticipated orders. This schedule is then used by our procurement department to create a corresponding purchasing plan for raw materials. We aim to maintain an optimal inventory level of raw materials and generally maintain a safety stock for key materials sufficient for six months of production to prevent disruptions. A unique and critical aspect of our finished goods inventory management is the regulatory testing period. After our vaccines are fully manufactured and packaged, they are held in our temperature-controlled finished goods warehouse in a "testing" status. They cannot be sold until each batch has been individually tested and approved for release by the NIFDC in a process known as "batch release" (批簽發). This regulatory

requirement is a key factor influencing our level of finished goods inventory at any given time. As of December 31, 2023, 2024 and 2025, our inventories (before write-down of inventories) amounted to RMB82.9 million, RMB93.5 million and RMB83.8 million, respectively, while our write-down of inventories was RMB10.8 million, RMB7.8 million and RMB21.4 million, respectively.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

We have established a systematic procurement system, governed by our internal policies and managed by our procurement department, to ensure the timely supply of high-quality materials while optimizing costs. Our procurement process is initiated based on an annual budget and is managed through regular cross-departmental coordination to align with the needs of our R&D, production, and finance departments. The process is centralized, with all purchases executed via an inquiry and price comparison process or an invitation to quote. For operational control and efficiency, we adhere to a formal negotiation management procedure and have implemented a tiered approval system based on transaction value. Upon arrival, all materials undergo a mandatory quality inspection before being accepted into our inventory. During the Track Record Period, we have not experienced any material returns for non-conforming materials.

The key materials for our operations include, among others: (i) biological and chemical raw materials, such as culture media and chemical reagents; (ii) consumables, such as specialized filters and filtration systems; (iii) primary packaging materials, such as pre-filled syringe components; and (iv) secondary packaging materials, such as boxes and labels. Our sourcing strategy is focused on domestic suppliers in the PRC, in line with our long-term localization strategy. During the Track Record Period, we did not experience any significant delays or shortages in the supply of materials that had a material adverse impact on our business operations.

Supplier Selection and Management

We use a rigorous supplier selection and management process to maintain the quality and stability of our supply chain. Before adding a new supplier to our qualified supplier list, we review its technical capabilities, quality certifications, financial condition, production capacity and track record. Suppliers that pass the initial review are subject to an on-site audit, focusing on their quality control systems and manufacturing processes. We also conduct periodic performance evaluations of qualified suppliers based on product quality, delivery timeliness and service. Suppliers that fail to meet our standards must take corrective actions or may be removed from our qualified supplier list and replaced.

Contracts with Suppliers

Our approach to supplier contracting is tailored to the nature of the relationship. For suppliers providing materials on an as-needed basis, we typically operate on the basis of standalone purchase contracts. For our key suppliers of critical or frequently purchased materials, we typically enter into annual framework agreements to govern the long-term relationship.

The principal terms of our procurement contracts are generally summarized below:

Term	Description
Specifications	Specifications, quantities, and pricing are generally set out in the contract or purchase order.
Quality and Inspection	We perform incoming quality inspections on all materials. We are entitled to return any materials that do not meet our pre-agreed specifications.

Term	Description
Payment and Credit Term . . .	Payment terms are typically structured as recurring settlement within a credit period.
Delivery	Goods are typically delivered to our designated factory warehouse, with transportation costs borne by the supplier.

Engagement with Third-party CROs

Besides suppliers for the manufacturing of our vaccine products, in line with industry practice, we engage qualified CROs to support our R&D activities, which allows us to leverage external expertise, access specialized capabilities, and enhance the efficiency of our development programs.

We have established a systematic process for selecting and managing CRO partners to ensure quality, compliance and operational efficiency. We assess CRO candidates based on their clinical trial experience, project management capabilities, regulatory compliance record, industry reputation and ability to meet our project needs, including staffing and managing multi-center clinical trials. We also verify that they have passed relevant regulatory inspections and have not been placed on regulatory blacklists. Following a comprehensive evaluation, we enter into project-specific contracts and robust confidentiality agreements with our selected CRO partners to ensure our core technologies and proprietary information are protected. We have established strong collaborative relationships with leading CROs in China for services including clinical trial management, data management, and statistical analysis.

Our agreements with CROs are comprehensive and are entered into on an arm's length basis, with terms negotiated to protect our interests and ensure the successful execution of our R&D programs. The typical key terms of these agreements are as follows:

- ***Scope and Term:*** The agreements are project-based, clearly defining the scope of services to be provided for a specific clinical trial phase. The term of an agreement typically lasts for the duration of the project. Should a study or clinical trial be ongoing at the contract's expiration date, the term automatically extends until the work is completed to ensure continuity.

- ***Payment Terms:*** We make payments to our CRO partners in installments based on the achievement of pre-agreed milestones. These milestones may include, but are not limited to, contract execution, study initiation, clinical trial process, and final report submission. Final payment is typically contingent upon our receipt and acceptance of the final, signed-off study report, ensuring services are completed to our satisfaction.

- ***Intellectual Property:*** We retain full and exclusive ownership of all intellectual property rights related to our product candidates. Our agreements explicitly stipulate that all data, results, reports, inventions, discoveries, and other deliverables generated by the CRO in the course of providing the contracted services (the "Technical Service Results") are our sole and exclusive property. The CRO is prohibited from publishing or otherwise using any such information without our prior written consent, and this obligation survives the termination of the agreement. While the CRO retains ownership of its pre-existing background intellectual property and any general tools, methods, or software developed during the engagement (the "Experimental Techniques"), we are granted a limited license to use such intellectual property solely to the extent necessary to utilize the Technical Service Results. Our agreements also include clear provisions for resolving any potential disputes over IP ownership and contain mutual indemnification clauses regarding third-party IP infringement.

- ***Confidentiality:*** Our CRO partners are bound by confidentiality and non-compete obligations to safeguard our sensitive research data and commercial information.

Engagement with Marketing Service Providers

To facilitate the market penetration and academic promotion of our vaccine products, we have adopted a strategy of collaborating with a network of third-party marketing service providers. This approach enables us to efficiently access established local networks and specialized expertise, thereby enhancing our market reach and brand recognition in a cost-effective way. Our agreements with market service providers are entered into on an arm's length basis and contain terms designed to ensure effective market promotion while upholding strict compliance and ethical standards. The typical key terms of these agreements are summarized as follows:

- ***Scope of Services:*** The agreements define a comprehensive suite of marketing services to be performed by the market service providers within a designated territory. These services include, among others, conducting market research on product usage and competitor activity; academic promotion through organizing conferences providing product training and academic materials; and assisting with ancillary tasks such as coordinating deliveries. Marketing service providers are not responsible for the sale, distribution, storage or transportation of our vaccine products.

- ***Term and Non-exclusivity:*** The agreements are typically entered into for a fixed term, often on an annual basis. We retain the right to appoint multiple market service providers within the same service area, ensuring flexibility and preventing reliance on a single provider in any given region.

- ***Service Fees:*** Market service providers are compensated through a service fee. The compensation structure for marketing service providers is academic-service-oriented and consists primarily of base service fees, activity-based fees and service rewards. The fees payable to marketing service providers are determined with reference to, among others, the nature, scope, workload, frequency and complexity of the promotional services performed, the geographic coverage of the relevant service area, the number and scale of academic promotion activities conducted, the quality and timeliness of deliverables, the level of local market resources and service capabilities of the relevant provider, historical cooperation results, and prevailing market rates for comparable services. In particular, the compensation payable to marketing service providers generally comprises: (i) base service fees, which are determined with reference to the agreed scope and workload of promotional activities; (ii) fixed fees for specific deliverables, such as quarterly market research reports; and (iii) activity-based fees for academic promotion activities, which are calculated with reference to objective activity parameters, such as the number of attendees at relevant academic events. In addition, marketing service providers may be eligible for service rewards under a multi-tiered incentive mechanism, including a basic annual bonus where agreed service performance indicators and accounts receivable collection targets are achieved. Payments are made monthly, subject to the relevant marketing service provider providing verifiable supporting documents evidencing the completion of promotional activities, such as conference sign-in sheets, meeting materials, activity photos, visit logs and other supporting records.

- ***Performance Assessments and Penalties:*** The agreements include quarterly performance targets. The performance of marketing service providers is assessed primarily by reference to service-related indicators, including completion of agreed promotional activities, quality and timeliness of deliverables, coverage of target customers, compliance with reporting obligations, collection support and feedback from our sales and marketing team. Failure to meet these targets may result in financial penalties, where the third-party marketing service provider is required to make a deposit for the shortfall, which is refundable if performance improves in subsequent quarters. Persistent underperformance may lead to an adjustment of their designated service area or termination of the agreement.

- ***Compliance and Anti-bribery:*** Market service providers are required to strictly adhere to all applicable PRC laws and regulations concerning anti-bribery and anti-corruption, as well as our internal compliance policies. It is explicitly prohibit any form of commercial bribery and require the third-party marketing service provider to sign a "Clean Promotion Commitment Letter". We retain the right to inspect their books and records related to our business and to immediately terminate the agreement in the event of any suspected or actual violation of these compliance obligations.

- ***Confidentiality and Non-compete:*** Our market service providers are bound by strict confidentiality obligations to protect our commercial secrets and market data, with such obligations surviving the termination of the agreement. They are also prohibited from promoting products that compete with ours during the term of the agreement without our prior written consent.

- ***Pharmacovigilance and Reporting:*** Market service providers are contractually obligated to act as a key channel for post-market surveillance. They are required to report any AEs, product complaints, or other safety-related information to our designated contact person within 24 hours of receipt, in accordance with our pharmacovigilance procedures.

- ***Termination:*** Our agreements include provisions granting us the right to unilaterally terminate the contract under specific circumstances. These include, but are not limited to, the third-party marketing service provider's failure to remedy a breach of contract after receiving notice, engagement in illegal or non-compliant activities discovered during an audit, breach of anti-bribery or non-compete clauses, and unauthorized subcontracting of its obligations. In cases of serious violations, such as those related to bribery, we may terminate the agreement with immediate effect.

As advised by our PRC Legal Advisers, under the currently applicable PRC laws and regulations, third-party marketing service providers engaged by us for marketing, market research and academic promotion services are not required to hold any specific industry license for providing such services, provided that they do not engage in regulated activities such as the sale, distribution, storage or transportation of vaccines or other pharmaceutical products, or other activities which would require specific regulatory permits. However, they are required to complete the relevant basic corporate registration and compliance requirements, including holding a valid business license with an approved business scope covering market promotion, marketing services, consulting services or other relevant service categories.

We also require our marketing service providers to have organizational and compliance management capabilities commensurate with the scale and nature of their promotional activities, including internal compliance policies, personnel management procedures and record-keeping mechanisms. Our marketing service providers generally have backgrounds in the pharmaceutical or healthcare industry, and some of them possess specific experience in academic promotion in the pharmaceutical or vaccine sectors and existing relationship with local hospitals or disease control and prevention institution.

All of our third-party marketing service providers during the Track Record Period were Independent Third Parties. For each of the years ended December 31, 2023, 2024 and 2025, three, two and three of our top five suppliers, respectively, were third-party marketing service providers.

The following table sets forth the number of customers originated from or served through our marketing service providers, the promotion service fees incurred and the corresponding customer acquisition cost during the Track Record Period:

Year	Number of customers originated from third-party marketing service providers	Promotion service fees	Customer acquisition cost
		(RMB in Million)	*(RMB in Thousand)*
2023	1,769	217.9	127
2024	1,949	253.9	136
2025	2,049	319.8	162

Customer acquisition cost is calculated by dividing the promotion service fees incurred for the relevant year by the number of customers originated from or served through marketing service providers in the same year. The increase in customer acquisition cost during the Track Record Period was primarily attributable to the increase in promotion service fees incurred in connection with the expansion and deepening of our marketing and academic promotion activities, including increased coverage of customers and the enhanced frequency and scale of academic promotion activities. As of December 31, 2023, 2024 and 2025, we had 110, 97 and 113 marketing service providers, respectively. During each of the years ended December 31, 2023, 2024 and 2025, the promotion service fees amounted to RMB217.9 million, RMB253.9 million and RMB319.8 million, respectively.

Supply Chain Stability and Risk Mitigation

A core part of our procurement strategy is to ensure supply chain resilience by qualifying multiple suppliers for each of our key raw materials and focusing on domestic suppliers. We are not dependent on any single supplier. In the event we need to switch a key supplier, we estimate the transition period, including validation and qualification, would be approximately one to three months. To manage supply and price risks, we maintain a dynamic safety stock for key materials based on procurement cycles and production needs. The purchase prices of raw materials are primarily influenced by prevailing market rates for materials of similar quality. During the Track Record Period and up to the Latest Practicable Date, there have been no significant increases in the prices of our major raw materials, nor any fluctuations that materially and adversely affected our operations or gross profit margins. For the sensitivity analysis and breakeven analysis of raw material costs, see "Financial Information — Description of Major Components of Our Consolidated Statements of Profit or Loss and Comprehensive Income — Cost of Revenue" in this document.

Our Suppliers

During the Track Record Period, our major suppliers mainly included third-party CROs, marketing service providers, equipment providers and providers of technologies for product development. In 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB156.3 million, RMB215.8 million and RMB214.4 million, respectively, accounting for 31.7%, 32.5% and 32.1%, respectively, of our procurement for the corresponding years. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB43.6 million, RMB57.3 million and RMB52.6 million, respectively, accounting for 8.9%, 8.6% and 7.9%, respectively, of our total procurement for the corresponding years. The following table sets forth details of our five largest suppliers in each year during the Track Record Period:

For the year ended December 31, 2023

Rank	Supplier	Principal Business	Types of Service/ Product Supplied	Primary Payment Method	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Procurement
						Days	*RMB'000*	*%*
1. . . .	Supplier A	A company listed on the Shenzhen Stock Exchange primarily engaged in the provision of CRO services and four of its subsidiaries	CRO services	By telegraphic transfer	2022	Payment upon the receipt of the invoices	43,642	8.9
2.	Supplier B	A company listed on the Shenzhen Stock Exchange primarily engaged in research and development, production, and sales of pharmaceutical equipment and two of its subsidiaries.	Equipment	By telegraphic transfer	2011	Payment upon the receipt of the invoices	34,421	7.0
3.	Supplier C	A group of three companies primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party.	Marketing services	By telegraphic transfer	2020	25	28,785	5.8
4.	Supplier D	A group of 12 companies primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party	Marketing services	By telegraphic transfer	2019	25	28,304	5.7
5.	Supplier E	A company primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party	Marketing services	By telegraphic transfer	2017	25	21,100	4.3
Total . .							156,252	31.7

For the year ended December 31, 2024

Rank	Supplier	Principal Business	Types of Service/ Product Supplied	Primary Payment Method	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Procurement
						Days	*RMB'000*	*%*
1. . . .	Supplier F	A company primarily engaged in cleanroom air conditioning and automation system engineering, manufacturing and R&D of central air-conditioning equipment, and cleanroom installation and two of its subsidiaries	Equipment	By telegraphic transfer	2013	Payment upon the receipt of the invoices	57,255	8.6
2.	Supplier A	A company listed on the Shenzhen Stock Exchange primarily engaged in the provision of CRO services and four of its subsidiaries	CRO services	By telegraphic transfer	2022	Payment upon the receipt of the invoices	44,950	6.8
3.	Supplier G	A company primarily engaged in the R&D, production and sale of cell-culture media, biological materials and animal vaccine technologies and two of its subsidiaries	Technologies for product development	By telegraphic transfer	2022	60	39,583	6.0
4.	Supplier D	A group of 12 companies primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party	Marketing services	By telegraphic transfer	2019	25	37,897	5.7
5.	Supplier C	A group of three companies primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party	Marketing services	By telegraphic transfer	2020	25	36,114	5.4
Total . .							215,799	32.5

For the year ended December 31, 2025

Rank	Supplier	Principal Business	Types of Service/ Product Supplied	Primary Payment Method	Year of Commencement of Business Relationship	Typical Credit Term	Transaction Amount	As Percentage of Our Procurement
						Days	*RMB'000*	*%*
1.	Supplier C	A group of three companies primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party.	Marketing services	By telegraphic transfer	2022	Payment upon the receipt of the invoices	52,556	7.9
2. . . .	Supplier A	A company listed on the Shenzhen Stock Exchange primarily engaged in the provision of CRO services and four of its subsidiaries	CRO services	By telegraphic transfer	2020	25	51,378	7.7
3.	Supplier D	A group of 12 companies primarily engaged in marketing and promoting pharmaceutical products as third-party marketing service providers. During the Track Record Period, these companies were controlled by an Independent Third Party	Marketing services	By telegraphic transfer	2019	25	42,606	6.4
4.	Supplier H	A company primarily engaged in cleanroom air conditioning and automation system engineering, manufacturing and R&D of central air-conditioning equipment, and cleanroom installation and two of its subsidiaries	Equipment	By telegraphic transfer	2020	25	38,221	5.7
5.	Supplier I	A group of three companies primarily engaged in the wholesale distribution of drugs, biological products and medical devices. During the Track Record Period, these companies were controlled by a company quoted on the NEEQ, an Independent Third Party.	Marketing services	By telegraphic transfer	2019	25	29,621	4.4
Total . .							214,382	32.1

To the best knowledge of our Directors, during the Track Record Period, all of our five largest suppliers in each year during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these suppliers during the Track Record Period and up to the Latest Practicable Date.

SALES AND MARKETING

Commercialization of the Vaccine Products

Our commercialized products and pipeline products are, and are expected to be, classified as non-immunization program vaccine (非免疫規劃疫苗), or Class II vaccines, in the PRC. According to the CIC Report, Class II vaccines are optional vaccines purchased voluntarily by individuals at market prices. The commercialization of our vaccine products is conducted in strict accordance with the PRC Vaccine Administration Law (《中華人民共和國疫苗管理法》). This regulatory framework mandates that Class II vaccines must be procured through provincial-level centralized public tender platforms. Vaccine manufacturers are required to sell their products directly to district or county-level CDCs under a "single-invoice system" (一票制). Following the sale, we are responsible for delivering the vaccines directly to these CDCs by commissioning a qualified third-party cold-chain logistics provider. The CDCs then manage the subsequent circulation and supply of the vaccines to the final POVs, such as community health centers or hospital-based clinics. As advised by our PRC Legal Advisors, this is a vaccine circulation process without any sales relationship between CDCs and POVs. The vaccines are ultimately administered to vaccinees on a voluntary, self-paid basis.

Sales and Marketing Organization

Our commercial operations are managed by our marketing center. As of December 31, 2025, our marketing center had 35 employees across sales management, marketing, medical affairs and logistics operations. It is organized into four departments: (i) sales, responsible for marketing service providers, regional sales execution, orders, payment collection and sales targets; (ii) marketing, responsible for brand strategy, product positioning, academic conferences, promotional materials, bidding and market analysis; (iii) medical affairs, responsible for medical and academic support, training, post-marketing studies, pharmacovigilance and AE handling; and (iv) comprehensive, responsible for order management, cross-functional coordination and internal communication. During the years ended December 31, 2023, 2024 and 2025, our total selling and distribution expenses were RMB257.8 million, RMB302.9 million, and RMB380.9 million, respectively.

Marketing Service Provider Network

Since the commercial launch of our vaccine products, we have engaged a network of marketing service providers to conduct academic promotion and marketing activities on our behalf. This model allows us to leverage local resources, expertise, and relationships in a cost-effective manner to achieve broad market coverage and penetration. As these providers only offer marketing services and do not engage in the sale or distribution of vaccine products, they are not required to obtain vaccine sales licenses. According to the CIC Report, engaging marketing service providers is common among companies operating in both the vaccine industry and the broader healthcare industry in China.

As of December 31, 2023, 2024 and 2025, we had 110, 97, 113 marketing service providers, respectively. During the years ended December 31, 2023, 2024 and 2025, the promotion service fees amounted to RMB217.9 million, RMB253.9 million, and RMB319.8 million, respectively.

Our marketing service providers primarily support academic promotion, market information collection, administrative coordination and pharmacovigilance. Under our agreements, they are responsible for (i) academic promotion and information communication, including visits to local CDCs and vaccination clinics, organizing or participating in academic conferences and training

sessions, and providing disease prevention and vaccination materials; (ii) market information collection, including reporting disease prevalence, purchase intentions, inventory and usage levels, competitor activities and product safety information; (iii) administrative and logistical support, including assisting with order verification, document transmission, delivery coordination and customer inquiries; and (iv) pharmacovigilance and safety reporting, including reporting any product-related safety information, such as adverse reactions, adverse events, misuse or immunization failure, to us within 24 hours after becoming aware of it.

Marketing Strategies

Our marketing strategy is designed to operate in full compliance with the regulated sales channel mandated by the PRC Vaccine Administration Law, under which the commercial sales of vaccines occur between the manufacturers and CDCs. Accordingly, we do not sell our products directly to hospitals. Rather, we use academic promotion and market education initiatives to assist hospitals, which are the primary sites for trauma treatment, in obtaining the requisite qualifications from local health administrative departments to become legitimate POVs. By facilitating the establishment of compliant vaccination capabilities within the hospital setting, this strategy enables patients to receive necessary post-exposure prophylaxis at the same location where they receive trauma care. This approach bridges the traditional separation between medical treatment sites and vaccination sites in China.

Selling Process and Market Access

Our revenue is primarily generated through a direct sales model to district/county-level CDCs. We also sell our Adsorbed Tetanus Vaccine products to blood product manufacturers. In addition, on a very limited and non-recurring basis, we sell our Hib Conjugate Vaccine and AC Conjugate Vaccine products to certain entities which they use as clinical trial control samples for their vaccine candidates under development. We do not actively seek to market or sell our products to these entities in our ordinary course of business.

Sales to CDCs

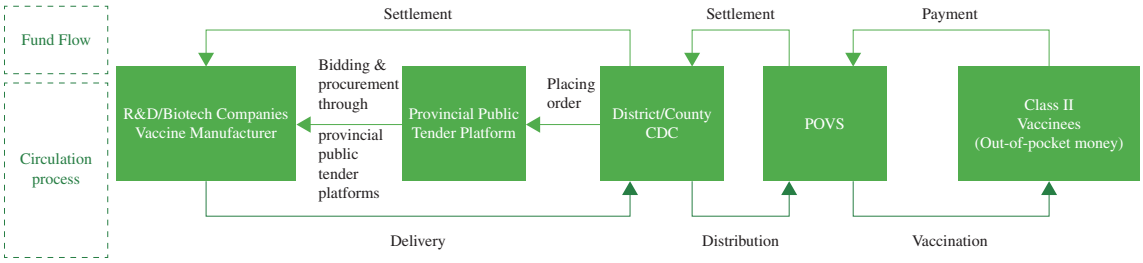
We are required to participate in the public tender and re-tender process held by provincial-level CDCs to sell our products, which are, or are expected to be, Class II vaccines, in China. For Class II vaccines, public tenders and re-tenders serve as an admission for entry to market of the relevant province. The public tenders are typically held once a year; however, in certain provinces, they may take place once every two to three years or at even longer intervals. Once we win a public tender, we are eligible to sell the vaccines (subject to local selection process) to CDCs in a province, typically for one year. Public re-tenders are also held occasionally and, once awarded, are typically valid until the next public tender is held in that province. The following table sets forth a summary of the number of provincial tenders we submitted and were awarded for our commercialized products during the Track Record Period.

	Adsorbed Tetanus Vaccine		Hib Conjugate Vaccine		AC Conjugate Vaccine	
	Tenders Submitted	Tenders Awarded	Tenders Submitted	Tenders Awarded	Tenders Submitted	Tenders Awarded
For the year ended December 31,						
2023	12	12	7	7	6	6
2024	25	25	10	10	10	10
2025	9	9	8	8	8	8

The success rates for provincial vaccine tenders during the Track Record Period were 100% for all products.

Following the public tenders, we are required to participate in the local selection process held by district- or county-level CDCs to sell our products to specific districts or counties. The local selection process, depending on the specific district or county, are typically held once a year. Once selected by a district- or county-level CDC, we can enter into a sales agreement with such CDC, which will specify the supply volume. The district- or county-level CDC can continue to procure from us until the next public tender is held for the province. The public tenders and local selections do not specify any quota or the volume to be admitted and each CDC will negotiate with us on the actual supply volume based on demand of POVs. We generally compete with competitors on the technical designs, registration classification, bid price, clinical effectiveness and quality of product, as well as reputation.

The following flowchart summarizes the selling process of Class II vaccines to CDCs in China.



As of the Latest Practicable Date, our Adsorbed Tetanus Vaccine (vial formulation) had completed the market-entry process in 30 provinces in the PRC (except Tibet Autonomous Region, which had not conducted any public tenders applicable to our commercialized vaccine products), while our Adsorbed Tetanus Vaccine (pre-filled syringe formulation), which was launched in 2023, had completed the market-entry process in 29 provinces (except Guizhou Province, which had not yet conducted a new tender or supplementary tender for such products after its launch). In addition, our AC Conjugate Vaccine and Hib Conjugate Vaccine had completed the market-entry process in 29 provinces (except Shanghai). As of the Latest Practicable Date, we have established direct commercial relationships with over 2,000 district- and county-level CDCs, and one or more of our three commercialized vaccine products were available at approximately 9,100 POVs nationwide, including approximately 2,400 general hospitals.

Sales to Blood Product Manufacturers

In addition to our primary sales channel to CDCs, we also sell Adsorbed Tetanus Vaccine directly to blood product manufacturers. These customers purchase our product as a raw material for their production of Tetanus Immunoglobulin. The sales process for this channel typically involves direct commercial negotiations, customer qualification review, confirmation of purchase orders, and execution of sales contracts. We generally provide a credit period of up to three months to these customers.

Pricing

Under the Vaccine Administration Law, Class II vaccine companies are required to follow reasonable pricing principles. For our vaccine products, we participate in provincial-level centralized bidding processes, prior to which we also set bidding prices in a reasonable and independent manner. If we win the bids, our bidding prices become the selling price of such product in the respective province. The bidding price of our products is one of the factors considered by provincial CDCs.

As Class II vaccines are ultimately paid by vaccinees, our pricing for such vaccines is primarily market-driven. We take into consideration factors such as our costs of production, price quotations of competing products in the bidding process, our technological advantages, product quality and market trends, and vaccinees' purchasing power.

We set the prices for our commercialized products primarily considering existing prices for competing products in the PRC, along with an evaluation of our manufacturing costs. Our commercialized products represent notable technological advancements over certain existing products in the market, offering benefits such as improved safety profiles or enhanced convenience of use, which may also result in increased production costs. Correspondingly, the set prices are determined to reflect these product advantages and are competitive with other comparable products marketed in the PRC.

Compliance and Management of Marketing Activities

We are committed to conducting our marketing and promotional activities in strict compliance with all applicable PRC laws and regulations. We have implemented a robust internal control system, governed by our Marketing Center Compliance Management System (《營銷中心合規管理制度》), to prevent bribery and other improper conduct. For our employees, we have strict internal management and reimbursement policies. All activities must comply with company regulations, and expenses are subject to rigorous review. For third-party marketing service providers, we exercise oversight through the following measures:

- ***Contractual compliance undertakings.*** We enter into service cooperation agreements with third-party marketing service providers, which expressly set out anti-commercial bribery provisions, prohibitions on false promotion, compliance undertaking provisions and liabilities for breach. Marketing service providers and their employees are prohibited from providing any form of improper benefits to relevant institutions or personnel. All promotional activities must be genuine, and fabricated conferences and false expense claims are strictly prohibited. Marketing service providers are required to comply with applicable PRC laws and regulations and our compliance management requirements. Breach of compliance obligations may result in deduction of service fees, termination of cooperation and pursuit of legal liability in accordance with the relevant agreements.

- ***Review of qualifications and background.*** Before engaging a marketing service provider, we assess whether it holds a valid business license and whether its business scope covers market promotion, marketing services, consulting services or other relevant service categories. We also consider its service capability, relevant industry background and whether it has compliance management arrangements commensurate with the scale and nature of the proposed services.

- ***Compliance training.*** We require marketing service providers to organize relevant promotional personnel to attend our annual compliance training. The training covers, among others, applicable laws and regulations, standards of promotional conduct and warnings based on typical non-compliance cases. We maintain training materials, attendance records and other training documentation for compliance audit purposes.

- ***Ongoing supervision of promotional activities.*** We supervise the promotional activities conducted by marketing service providers in their respective territories. Such supervision includes reviewing supporting documents provided by marketing service providers, such as conference sign-in sheets, visit logs, market research reports and other documents evidencing the completion of promotional activities. In addition, payment of promotion service fees is subject to the relevant marketing service provider providing verifiable supporting documents evidencing completion of the relevant promotional activities.

- ***Termination.*** We have the right to unilaterally terminate the contract if a marketing service provider breaches anti-bribery laws, violates our compliance policies, engages in illegal or non-compliant activities, breaches the anti-bribery or non-compete provisions. In cases of serious violations, including bribery-related misconduct, we may terminate the agreement with immediate effect.

After-Sale Services, Product Integrity, and Post-Market Surveillance

Our sales and marketing team is responsible for maintaining contact with CDCs after sales to gather timely feedback. If we receive a complaint about our products, our responsible point of contact will forward it to our relevant departments, which will then follow up on such complaint. Our pharmacovigilance team and quality control department handle complaints involving adverse effects. Our quality control department conducts internal investigations and reports to the sales and marketing department, which then responds to the complaining customer. They also make investigations as necessary and coordinate with other departments internally, to respond until the complaint is resolved. We also have a self-checking and recall protocol in place, which will be activated when we consider a recall is necessary. We are required to make a report to the NMPA if we initiate a product recall. During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints on the quality of our vaccine products or been involved in any significant litigation or disputes arising from customer complaints, nor have we initiated a product recall.

As advised by our PRC Legal Advisors, as the marketing authorization holder, we are primarily responsible for product liability arising from adverse reactions to vaccinations due to defects in the vaccines. We maintain product liability insurance policies for adverse reactions to vaccination, which provide relevant coverage for any related expenses and compensation arising from any adverse reaction to our vaccine products. See "— Insurance" in this section for further details.

Return and Exchange

In line with industry practice, we accept returns of products that are defective, substandard, have damaged packaging, or are otherwise unmarketable due to our fault. Customers are required to provide reasons for returns, and we typically bear the return cost from the CDCs to our warehouse. Returned vaccine products are disposed of in accordance with applicable laws and regulations. To support CDC customers and maintain long-term relationships, we also maintain a flexible return policy, subject to our case-by-case approval and discretion. We do not automatically accept all return requests. For products returned because they are close to expiry but otherwise remain in good condition, we may resell them to other customers after re-inspection confirms that they meet all quality standards. During the Track Record Period and up to the Latest Practicable Date, we had no material product returns due to product quality issues, Adverse Events or improper handling during transportation.

Our Customers

Our customers primarily consist of CDCs at the county or district level across the PRC. We also sell Adsorbed Tetanus Vaccine to qualified blood product manufacturing companies as raw materials for their production of Tetanus Immunoglobulin. Blood product manufacturing companies are specialized companies that create medicines from human plasma. Our Adsorbed Tetanus Vaccine is administered to plasma donors to stimulate the production of high levels of tetanus antibodies. This antibody-rich plasma is then collected and processed by these manufacturers to produce Tetanus Immunoglobulin, a product used for immediate protection against tetanus. In addition, we occasionally sell our Hib Conjugate Vaccine and AC Conjugate Vaccine to certain entities on a highly limited and non-recurring basis. They use our products as clinical trial control samples for their vaccine candidates under development.

The table below sets forth a breakdown of our number of customers by type during the Track Record Period:

	For the Year Ended December 31,		
	2023	2024	2025
Customer Type			
CDCs	1,769	1,949	2,049
Blood Product Manufacturing Companies	14	16	15

* The table above excludes certain entities with whom we engaged in highly isolated transactions conducted on a very limited and non-recurring basis, consisting of one entity in 2023 and one entity in 2025. These entities, which were independently developing or conducting clinical trials for their own vaccine candidates, purchased our Hib Conjugate Vaccine and AC Conjugate Vaccine solely to serve as clinical trial control samples. We do not actively market or seek to sell our products to these entities.

Our sales to CDCs are conducted under a direct sales model. Following our successful bidding on provincial-level public resource trading platforms, which grants us market access within a province, we enter into purchase and sale agreements directly with county or district-level CDCs. Pursuant to these agreements, we are responsible for the logistics and delivery of our vaccine products to the designated locations. Revenue is recognized upon the CDC's formal acceptance of the products. We settle payments directly with the CDCs and typically grant them a credit period of three to six months. For our sales to blood product manufacturing companies, we enter into direct purchase agreements with these companies and generally grant them a credit period of up to three months.

Agreements with Customers

Our sales to CDCs are typically conducted pursuant to our successful bids in provincial public tender processes. The terms of our agreements with individual CDCs are standardized based on the requirements of the tender documents. Our sales to CDCs are typically governed by the individual sales contract we entered with them. The principal terms of these contracts are generally summarized below:

Term	Description
Product and Quantity	The contract specifies the exact type of vaccine product(s) and the quantity to be supplied. This quantity is determined by the individual CDC's procurement plan
Pricing Mechanism	In line with the PRC Vaccine Administration Law's principles for reasonable pricing, the selling price is determined through our participation in provincial-level centralized bidding processes. The unit price specified in the contract is the winning bid price, which remains fixed for the duration of the supply period covered by the bid. The contract would typically reference the relevant bid award document.
Payment Terms	Payment is generally required from the CDC after the delivery and acceptance of the products. The specific credit period is negotiated and stipulated in the contract.
Delivery and Acceptance	We are responsible for delivering the products to a designated warehouse or location specified by the CDC. Transportation and associated costs are generally borne by us. Upon delivery, the CDC conducts an inspection for quantity, packaging, and conformity. The contract specifies a period within which the CDC must raise any claims related to these aspects.
Quality Assurance	We warrant that the products conform to the national standards of the PRC, the specifications outlined in the product registration certificates, and the terms of the contract. The contract will specify our obligations in the event of a quality defect attributable to manufacturing.

Our sales to commercial blood product manufacturing companies are conducted through direct commercial negotiations. We do not enter into long-term framework supply agreements with them; instead, we enter into individual sales agreements covering each purchase to be delivered under the agreement. The principal terms of these contracts are generally summarized below.

Term	Description
Product, Specifications and Quantity	The contract explicitly defines the product, its technical specifications, and the exact quantity to be purchased.
Pricing Mechanism	The unit price is determined through commercial negotiation between ius and the customer. The final price per unit is fixed and stated in the contract.
Payment Terms	Payment terms are commercially negotiated. The contract may require partial pre-payment, full payment upon delivery, or grant a credit period to the customer.
Delivery and Acceptance	The contract specifies the delivery location (e.g., the customer's factory), the party responsible for transport costs, and the delivery timeline. The customer is generally granted a specified period after receipt to inspect the goods for conformity and quality. Any claims must be raised within such specified period.
Quality and Warranty	We provide a warranty that the products meet the agreed-upon specifications and quality standards as set out in the contract. A specific warranty period is provided, during which we are responsible for addressing any quality issues not caused by the customer's improper storage or handling.

In 2023, 2024 and 2025, the revenue generated from our five largest customers in each year during the Track Record Period amounted to RMB38.1 million, RMB34.4 million and RMB35.3 million, respectively, accounting for 7.8%, 5.9% and 5.0% of our total revenue for the corresponding years. Revenue generated to our largest customer in each period of the Track Record Period amounted to RMB12.8 million, RMB10.4 million and RMB11.6 million, respectively, accounting for 2.6%, 1.8% and 1.7% of our total revenue for the corresponding years. The following tables provide details of our five largest customers in each year during the Track Record Period in terms of revenue contribution during the Track Record Period.

For the year ended December 31, 2023

Rank	Customer	Principal Business	Types of Service/ Product Provided	Primary Payment Method	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1. . . .	Customer A	A company listed on the Shenzhen Stock Exchange primarily engaged in production and sales of self-manufactured biological and blood products and one of its subsidiary	Adsorbed Tetanus Vaccine (as raw materials)	50% by telegraphic transfer and 50% by bank acceptance draft	2017	Prepayment	12,816	2.6
2.	Customer B	A company primarily engaged in production, sales, import-export of blood products and other pharmaceutical formulations as well as relevant technology services	Adsorbed Tetanus Vaccine (as raw materials)	By telegraphic transfer and bank acceptance draft	2019	30	8,738	1.8
3.	Customer C	Two subsidiaries of a company listed on the Shenzhen Stock Exchange primarily engaged in production and sales of blood products and R&D of biopharmaceuticals and vaccines	Adsorbed Tetanus Vaccine (as raw materials)	By telegraphic transfer	2018	Payment upon the receipt of the invoices	6,990	1.4
4.	Customer D	A group of two companies primarily engaged in the R&D, production and sales of biological products	Adsorbed Tetanus Vaccine	By telegraphic transfer	2018	180	5,243	1.1
5.	Customer E	A CDC in Beijing	Adsorbed Tetanus Vaccine, AC Conjugate Vaccine, and Hib Conjugate Vaccine	By telegraphic transfer	2018	90	4,264	0.9
Total . .							38,051	7.8

For the year ended December 31, 2024

Rank	Customer	Principal Business	Types of Service/ Product Provided	Primary Payment Method	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1. . . .	Customer E	A CDC in Beijing	Adsorbed Tetanus Vaccine, AC Conjugate Vaccine, and Hib Conjugate Vaccine	By telegraphic transfer	2018	90	10,397	1.8
2.	Customer A	A company listed on the Shenzhen Stock Exchange primarily engaged in production and sales of self-manufactured biological and blood products and one of its subsidiary	Adsorbed Tetanus Vaccine (as raw materials)	50% by telegraphic transfer and 50% by bank acceptance draft	2017	Prepayment	7,573	1.3
3.	Customer B	A company primarily engaged in production, sales, import-export of blood products and other pharmaceutical formulations as well as relevant technology services	Adsorbed Tetanus Vaccine (as raw materials)	By telegraphic transfer and bank acceptance draft	2019	30	6,019	1.0
4.	Customer F	A CDC in Shandong province	Adsorbed Tetanus Vaccine and AC Conjugate Vaccine	By bank transfer	2019	180	5,735	1.0
5.	Customer C	Two subsidiaries of a company listed on the Shenzhen Stock Exchange primarily engaged in production and sales of blood products and R&D of biopharmaceuticals and vaccine	Adsorbed Tetanus Vaccine (as raw materials)	By telegraphic transfer	2018	90	4,660	0.8
Total .							34,384	5.9

For the year ended December 31, 2025

Rank	Customer	Principal Business	Types of Service/ Product Provided	Primary Payment Method	Year of Commencement of Business Relationship	Typical Credit Term	Amount of Revenue	As Percentage of Our Total Revenue
						Days	*RMB'000*	*%*
1. . .	Customer G[(1)]	A national institution specializing in international economic and technological exchange and cooperation.	Adsorbed Tetanus Vaccine	By telegraphic transfer	2025	Payment upon third-party audit after project completion	11,585	1.7
2.	Customer F	A CDC in Shandong province	Adsorbed Tetanus Vaccine and AC Conjugate Vaccine	By bank transfer	2019	180	6,158	0.9
3.	Customer A	A company listed on the Shenzhen Stock Exchange primarily engaged in production and sales of self-manufactured biological and blood products and one of its subsidiary	Adsorbed Tetanus Vaccine (as raw materials)	50% by telegraphic transfer and 50% by bank acceptance draft	2017	Prepayment	6,090	0.9
4.	Customer C	Two subsidiaries of a company listed on the Shenzhen Stock Exchange primarily engaged in production and sales of blood products and R&D of biopharmaceuticals and vaccines	Adsorbed Tetanus Vaccine (as raw materials)	By telegraphic transfer	2018	90	5,732	0.8
5.	Customer H	A CDC in Guangdong province	Adsorbed Tetanus Vaccine, Hib Conjugate Vaccine and AC Conjugate Vaccine	By telegraphic transfer	2019	180	5,703	0.8
Total . .							35,268	5.0

(1) We entered into a transaction with Customer G, a governmental institution specializing in international economic and technological exchange and cooperation MOFCOM, in March 2025. The background to this engagement was a major earthquake that occurred in Myanmar, which led MOFCOM to initiate a humanitarian aid program to supply essential medical supplies, including a batch of tetanus vaccines. After a comprehensive review of the potential suppliers, we were selected to supply our Adsorbed Tantenus Vaccines for this aid project. The sale was made directly by us to Customer G and is considered a one-off, non-recurring transaction driven by an emergency humanitarian purchase. Our primary business involves the sale of vaccines to district- and county-level CDCs in China resulting in a dispersed customer base. In contrast, the transaction with Customer G was a single, large-scale, centralized procurement for the humanitarian aid initiative. The value of this one-off order exceeded the revenue generated from any of our regular customers during the same period. Therefore, Customer G became our largest customer in 2025.

To the best knowledge of our Directors, during the Track Record Period, all of our five largest customers in each year during the Track Record Period were Independent Third Parties. None of our Directors, their respective close associates, or any Shareholder who, to the knowledge of our Directors, owns more than 5% of our issued capital, had any interest in these customers during the Track Record Period and up to the Latest Practicable Date.

Seasonality

Our Directors believe that our business operations and financial results are not subject to significant seasonality. While our business does not experience material seasonal fluctuations, our revenue is typically lower in the first quarter of each year. This is primarily attributable to the general slowdown in business and logistical activities across the PRC during and around the Chinese New Year holiday period. Our revenue levels in the remaining three quarters of the year have historically been relatively stable.

COMPETITION

Vaccine markets in China and globally are highly competitive, rapidly evolving and characterized by constant technological advancement and innovation. We face actual and potential competition from a wide range of companies, including large multinational and domestic pharmaceutical and biotechnology enterprises that have commercialized, are commercializing, or are developing vaccines targeting diseases that our commercialized and pipeline products are designed to address. Competition in the vaccine industry generally takes place across various dimensions, including, among others, product efficacy, safety, pricing, convenience of administration, brand recognition, research and development capabilities, technology platforms, production capacity and manufacturing quality standards. We believe we primarily compete on the strength of our commercialized vaccine products, especially our Adsorbed Tantalus Vaccine, our vaccine pipelines, our proprietary technology platforms, our research and development expertise, as well as our manufacturing facilities and processes. For further details relating to market opportunities and competition in respect of our products and pipelines, see "Industry Overview" and "— Our Commercialized and Pipeline Products."

OUR EMPLOYEES

As of December 31, 2025, we had a total of 451 employees, all of whom are located in China. The table below sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number of Employees	% of Total
Technical	69	15.3
Production	114	25.3
R&D	143	31.7
Management and logistics	83	18.4
Finance	7	1.6
Sales	35	7.8
Total	451	100.0

We believe our success depends partly on our ability to attract, recruit and retain qualified employees. We aim to provide a collaborative work environment, effective training and competitive remuneration. Our training includes orientation on corporate culture, policies, work ethics and occupational safety, as well as on-the-job training on environmental, health and safety systems and other legally required topics. To support our growth, we regularly review our workforce needs and adjust our team to maintain the right mix of expertise. We offer competitive salaries and performance-based cash bonuses. During the Track Record Period and up to the Latest Practicable Date, we recruited through online channels, social recruitment, campus recruitment and internal referrals. In selecting candidates, we consider their education, work experience, expertise and skills, as well as the requirements of the relevant position.

As required by the applicable PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. See "Risk Factors — General Risks Relating to Our Business — We may be subject to fines and penalties as a result of our historical non-compliance with certain PRC laws and regulations regarding social insurance and housing provident fund contributions". Our employees have employee union at our Company level. We believe we maintain a cordial working relationship with our employees, and we have not experienced any material labor disputes during the Track Record Period and up to the Latest Practicable Date.

DATA PRIVACY AND SECURITY

We routinely receive, collect, and store desensitized and deidentified codes of subjects enrolled in our clinical trials, and process, transmit and maintain medical data treatment records and other personal details of the subjects, along with other personal or sensitive information for the purposes of conducting clinical trials. We do not receive, collect and store information of general public vaccines, except for any product complaint. In this case, we collect personal information from individuals who report adverse event details to us through telephone communications, which typical include name, gender, contact information, age and other adverse event details. We had not transferred the state secrets or human genetic resources information, or materials to foreign parties.

We collect and retain data only as permitted by law and as necessary for our clinical studies. Personal information of participants enrolled in our clinical studies and the corresponding clinical data are collected and processed in accordance with the informed consent agreed upon by the participants. To ensure the rigorous protection of patient data from the inception of our clinical trials, our clinical protocols, which are jointly reviewed and approved by all relevant parties, outline the screening and exclusion criteria for subject enrollment. Eligible subjects are screened and examined in accordance with these protocols and are informed of the scope of data collection through informed consent forms prior to enrollment. Crucially, the personal information of clinical trial subjects is managed exclusively by the respective clinical trial sites (hospitals), and we do not directly hold such identifying data. All clinical data transmitted to us by these clinical sites undergoes strict desensitization and anonymization, presented solely under subject codes and containing only information essential for the trials. All clinical trial documents copy-sent to us by hospitals are stripped of key personal identifier information. Furthermore, we have established robust internal control measures to ensure the accuracy, completeness, and secure monitoring of clinical data. Our clinical personnel input trial data into a dedicated database that maintains full traceability for all historical entries and enables remote verification of data completeness, allowing for prompt communication and resolution of any anomalies. Our clinical research associates conduct on-site source data verification to reconcile database entries against source documents, while dedicated data management personnel continuously monitor data consistency. In addition, ourmedical monitoring team regularly checks data logic, temporal accuracy, and cross-parameter consistency. We require employees involved in clinical studies to comply with confidentiality requirements and we provide related training to employees.

We are committed to protecting the data privacy and security of subjects enrolled in our clinical studies. In addition to technical measures implemented to safeguard the security and confidentiality of data we access in the operations, we have designed data protection policies to ensure that the collection, use, storage and processing of medical data comply with applicable laws and prevalent industry practices. Beyond clinical trial data safeguards, we have instituted comprehensive corporate policies and IT controls to secure our internal research, development, and operational data. We have implemented a confidentiality management regulation to govern the classification, handling, and protection of confidential and secret documents. Our specific data security measures during the R&D process include: (i) the installation of advanced data encryption software on all corporate computers, which automatically renders outbound electronic files unreadable (garbled text) to prevent unauthorized data leaks; and (ii) strict equipment and system permission controls, under which access to operational and quality control process equipment is strictly segregated by job roles, defining clear individual rights for equipment operations, parameter modifications, and data backups. To further standardize the management lifecycle of our confidential data and information assets, we have implemented a comprehensive suite of internal protocols governing electronic data backup and recovery, corporate IT and information system security, and intellectual property compliance. Furthermore, we maintain rigorous internal tracking registries and administrative ledgers to strictly monitor, record, and control access to all confidential files and internal archives.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material data breaches or personal information leaks and were not subject to any material claims, lawsuits, penalties or administrative actions, or regulatory enquiries relating to non-compliance with applicable laws and regulations for data privacy and protection. Based on the foregoing, our Data Compliance Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we are in compliance with the applicable PRC data privacy and security laws and regulations in all material aspects.

LICENSES, PERMITS AND APPROVALS

As of the Latest Practicable Date, we had obtained all necessary licenses, permits, and approvals from the relevant PRC government authorities that are material for our business operations. The following is a summary of the material licenses, permits, and approvals we hold for our operations in the PRC.

Drug Manufacturing Permit (藥品生產許可證)

Our core manufacturing activities are conducted under the following permit:

Holder	License No.	Scope	Issuing Authority	Validity Period
Our Company . .	川 20160202	Preventive Biological Products	Sichuan Provincial Medical Products Administration (四川省藥品監督管理局)	November 27, 2025 to November 26, 2030

Drug Registration Approvals (藥品註冊批件)

We have obtained the following drug registration approvals, which are required to market and sell our products in the PRC.

Drug Name	Approval No.	Issuing Authority	Valid until
Adsorbed Tetanus Vaccine (Vial) (吸附破傷風疫苗(西林瓶)) . . .	Guoyao Zhunzi S20160004 (國藥准字S20160004)	Sichuan Provincial Medical Products Administration	September 15, 2031
Adsorbed Tetanus Vaccine (Pre-filled Syringe) (吸附破傷風疫苗(預灌封))	Guoyao Zhunzi S20237005 (國藥准字S20237005)	Sichuan Provincial Medical Products Administration	September 15, 2031
Haemophilus Influenzae type b Conjugate Vaccine (b型流感嗜血桿菌結合疫苗)	Guoyao Zhunzi S20170005 (國藥准字S20170005)	Sichuan Provincial Medical Products Administration	May 4, 2027
Group A and C Meningococcal Polysaccharide Conjugate Vaccine (A群C群腦膜炎球菌多糖結合疫苗)	Guoyao Zhunzi S20200021 (國藥准字S20200021)	Sichuan Provincial Medical Products Administration	September 29, 2030

Following regulatory reforms in the PRC, GMP compliance is now inspected and confirmed as a condition for the issuance and renewal of our Drug Manufacturing Permit, rather than through the issuance of separate GMP certificates. We have consistently passed all required GMP inspections for our commercial production facilities.

Permit for Use of Laboratory Animals (實驗動物使用許可證)

Our research, development, and quality control activities are conducted under the following permit:

License No.	Scope of Use	Issuing Authority	Validity Period
SYXK (川) 2024-0191 . . .	Rabbit, Guinea Pig (conventional environment); Rat, Mouse, Guinea Pig, Gerbil (barrier environment) 兔、豚鼠(普通環境); 大鼠、小鼠、豚鼠、沙鼠(屏障環境)	Sichuan Provincial Department of Science and Technology (四川省科學技術廳)	July 10, 2024 to July 9, 2029

As advised by our PRC Legal Advisors and as confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, certificates and permits from relevant authorities that are material to our operations in the PRC as of the Latest Practicable Date. We are required to renew such licenses, permits, approvals and certificates from time to time. We do not expect any material legal obstacles in such renewal once the relevant documents are submitted as required by the relevant government authorities. For details of the laws and regulations of China that are applicable to our business operations, please see "Regulatory Overview" in this document.

AWARDS AND RECOGNITIONS

During the Track Record Period, we have received awards and recognitions for the quality and popularity of our services and products. Some of the significant awards and recognitions we have received are set forth below.

Award Year	Award/Recognition	Awarding Institution/Authority
2025	Sichuan Top 100 Enterprises in R&D Investment (四川名營企業研發投入100家榜單)	Sichuan Federation of Industry and Commerce (四川省工商業聯合會)
2024	Sichuan Top 100 New Economy Enterprises (四川省新經濟企業100強)	Sichuan Academy of Industrial and Information Technology (四川省工業和信息化研究院)
2024	Second Prize of the 2023 Productivity Promotion (Innovation Development) Award (2023年度生產力促進(創新發展)二等獎)	China Productivity Promotion Center Association (中國生產力促進中心協會)
2024	Top 100 Sichuan Enterprises by Number of Invention Patents Owned (四川企業發明專利擁有量百強企業)	Sichuan Enterprise Confederation (四川省企業聯合會), Sichuan Entrepreneurs Association (四川省企業家協會), Sichuan Enterprise Development Promotion Center (四川省企業發展促進中心)
2024	Chongqing First Prize of the Technical Invention Award (重慶市技術發明獎一等獎)	Chongqing Municipal Science and Technology Bureau (重慶市科技局)

Award Year	Award/Recognition	Awarding Institution/Authority
2024	Top 50 Pharmaceutical Enterprises in Sichuan Province for Year 2023 (2023年四川省醫藥企業50強)	Sichuan Pharmaceutical Industry Association (四川省醫藥行業協會)
2023	National High-tech Enterprise (國家高新技術企業)	Sichuan Provincial Department of Science and Technology
2023	"Sci-Tech China" Pioneer Technology List (「科創中國」先導技術榜)	China Association for Science and Technology (中國科學技術協會)
2023	Top 100 Sichuan Enterprises by Number of Invention Patents Owned (四川企業發明專利擁有量百強企業)	Sichuan Enterprise Confederation (四川省企業聯合會), Sichuan Entrepreneurs Association (四川省企業家協會), Sichuan Enterprise Development Promotion Center (四川省企業發展促進中心), Sichuan Economic Daily (四川經濟日報社)

INTELLECTUAL PROPERTY

We believe our intellectual property rights are important to our competitiveness. As of the Latest Practicable Date, we had 97 patents in China, including 89 invention patents and eight utility models, and eight overseas invention patents. We also had 45 patent applications in China and two overseas patent applications. As of the same date, 80 of our patents and 43 of our patent applications were self-owned. See "Appendix VI — B. Further Information about Our Business — 2. Intellectual Property Rights". Our Directors believe we have sufficient patent protection for our commercialized products and product candidates. Our IP Counsel, Jingtian and Gongcheng, conducted patent due diligence and a freedom-to-operate analysis with respect to rFSAV in China, which found no material legal risks concerning our patents. We also had 36 registered trademarks in Chinese Mainland, three trademark in Hong Kong and two domain names in China. We protect our intellectual property through internal policies, timely registration and filing, monitoring of IP status and potential conflicts, and clear IP ownership and protection provisions in employment agreements. We also rely on patent, trade secret, copyright and trademark laws, license agreements, confidentiality procedures and technical measures. Our Directors, senior management and key personnel are subject to confidentiality arrangements, and our core R&D personnel must assign to us inventions, designs and technologies developed during their employment.

INSURANCE

As of the Latest Practicable Date, we primarily maintained social security insurance for our staff. In addition, we maintained different types of insurance policies, such as product liability insurance policies, clinical trials liability insurance and employee commercial insurance. We believe that our insurance coverage is adequate and in line with industry practice. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims.

PROPERTIES

As of the Latest Practicable Date, we (i) obtained the land use right of one parcel of land located in Chengdu, Sichuan Province, the PRC, with a total gross site area of approximately 52,626.01 sq.m.; and (ii) obtained building ownership certificates for seven properties located in Chengdu, Sichuan Province, the PRC with a total gross floor area of approximately 79,044.36 sq.m. In addition, we leased two properties from Independent Third Parties with an aggregate gross floor area of approximately 8,347.91 sq.m in China. The properties are primarily used for production, research and development, warehousing, and office purposes.

As of December 31, 2025, no single property interest that forms part of non-property activities has a carrying amount of 15%. 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 all our Group's interests in land or buildings.

Owned Properties

Land

As of the Latest Practicable Date, we had obtained the land use right certificate for one parcel of land with a total site area of approximately 52,626.01 sq.m. This parcel of land was obtained by us through a government land grant and is used for industrial purposes. The following table sets forth the details of the parcel of land we owned as of the Latest Practicable Date:

Land Use Right Owner	Certificate No.	Location	Gross Site Area	Existing Use	Expiry Date
			(sq.m.)		
Our Company .	Cheng Gao Guo Yong (2010) No. 11082 (成高國用(2010)第11082號)	Western Area of Chengdu High-tech Zone, Chengdu	52,626.01	Industrial	March 28, 2060

Buildings

As of the Latest Practicable Date, we had obtained building ownership certificates or real estate title certificates for seven properties with an aggregate gross floor area of approximately 79,044.36 sq.m. These buildings are primarily used for production, R&D, and ancillary purposes. The following table sets forth details of the buildings owned by us with title certificates as of the Latest Practicable Date:

No.	Holder of Certificate	Certificate No.	Location	Gross Floor Area	Planned Use
				(sq.m.)	
1. . . .	Our Company	Cheng Fang Quan Zheng Jian Zheng Zi No. 3340190 (成房權證監證字第3340190號)	1-5/F, Building 1, No. 99 Tianxin Road, High-tech Zone	13,319.46	Quality inspection and R&D center
2. . . .	Our Company	Cheng Fang Quan Zheng Jian Zheng Zi No. 3340201 (成房權證監證字第3340201號)	1-3/F, Building 2, No. 99 Tianxin Road, High-tech Zone	19,317.56	Production plant, corridors, etc.

No.	Holder of Certificate	Certificate No.	Location	Gross Floor Area	Planned Use
				(sq.m.)	
3. . . .	Our Company	Cheng Fang Quan Zheng Jian Zheng Zi No. 3530469 (成房權證監證字第3530469號)	1/F, Building 5, No. 99 Tianxin Road, High-tech Zone	1,147.04	Raw and auxiliary material warehouse
4. . . .	Our Company	Cheng Fang Quan Zheng Jian Zheng Zi No. 3530477 (成房權證監證字第3530477號)	1/F, Building 6, No. 99 Tianxin Road, High-tech Zone	2,592.75	Laboratory animal house
5. . . .	Our Company	Cheng Fang Quan Zheng Jian Zheng Zi No. 3530472 (成房權證監證字第3530472號)	1/F, Building 7, No. 99 Tianxin Road, High-tech Zone	1,083.23	Power center
6. . . .	Our Company	Cheng Fang Quan Zheng Jian Zheng Zi No. 3340196 (成房權證監證字第3340196號)	1-4/F, Building 8, No. 99 Tianxin Road, High-tech Zone	2,335.68	Dormitory, activity hall, canteen
7. . . .	Our Company	Chuan (2024) Chengdu Shi Bu Dong Chan Quan No. 0349284 (川(2024)成都市不動產權第0349284號)	Buildings 3 & 4, No. 99 Tianxin Road, High-tech Zone	39,248.64	Industrial use/Industrial building (factory)

Leased Properties

As of the Latest Practicable Date, we leased two properties in the PRC from Independent Third Parties with an aggregate gross floor area of approximately 8,347.91 sq.m. The lease agreements for these properties generally have a term of three to five years. These leased properties are primarily used for R&D, production, and office purposes. As confirmed by our PRC Legal Advisors, the lessors are the owners of such leased properties, and the relevant lease agreements are legally valid and binding on parties. See "Risk Factors — General Risks Relating to Our Business — We are subject to risks relating to some of the properties we use".

TAX INSPECTION

On February 21, 2025, we received a Notice of Tax Inspection from the relevant tax authority in China (the "Tax Authority"), initiating a tax inspection (the "Tax Inspection") for the period from January 1, 2021, to December 31, 2023 (the "Inspection Period") regarding our tax treatment. Following a self-inspection conducted by us parallel with the Tax Inspection and based on preliminary communications with the Tax Authority, we made a provisional corporate income tax payment of approximately RMB4.2 million in December 2025. On June 18, 2026, based on an interview conducted with a representative of the Tax Authority regarding the Tax Inspection, the Tax Authority indicated that the final amount for the tax shortfall and late payment surcharge is RMB87.4 million. The Tax Authority further indicated that the difference between the final tax payable and the preliminary estimate resulted from adjustments following further investigation by

the Tax Authority. The Tax Authority also indicated that such adjustment was customary during such tax inspection process. In addition, the Tax Authority confirmed during such interview that the matters underlying the Tax Inspection did not constitute tax evasion, fraud, material tax noncompliance, intentional misconduct or an administrative penalty involving us, our Directors or our senior management, nor do they give rise to any obligation or liability on the part of our Directors or senior management. The Tax Authority further indicated that, upon our full compliance with the tax treatment decision issued in connection with this matter, the Tax Inspection would be fully resolved and closed, and there would be no subsequent investigation, enquiry, penalty, recovery action or administrative or other legal liability against us, our Directors or our senior management in respect of the same matter. On June 18, 2026, the Tax Authority issued a Tax Treatment Decision (税務處理決定書) to us, pursuant to which we were required to pay tax shortfall and late payment surcharge totaling RMB87.4 million. After deducting the provisional corporate income tax payment of RMB4.2 million made by us in December 2025, which was recorded under income tax for the year ended December 31, 2025, the remaining amount payable was RMB83.2 million, which will be expensed in our consolidated statements of profit or loss and other comprehensive income for the year ending December 31, 2026. As of the Latest Practicable Date, we had paid such remaining amount in full. We have engaged an internal control consultant (the "Internal Control Consultant") who has concluded that our internal control measures are adequate and effective in all material respects to ensure ongoing tax compliance. Furthermore, our Internal Control Consultant confirmed that as of the Latest Practicable Date, there had been no material changes to our internal control environment. Accordingly, our Directors are of the view that the Tax Inspection will not have a material adverse impact on our continued business operations.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention. See "Risk Factors — General Risks Relating to Our Business — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business." As of the Latest Practicable Date, except as disclosed below, we were not involved in any court, arbitral or administrative proceedings that are material to our assets and liabilities or profits and losses, nor, so far as we are aware, are any such proceedings pending or threatened against us. 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 have 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 and results of operations.

Litigation in Relation to a Contract Dispute

In December 2025, we received an action response notice and related legal documents from the Chengdu Intermediate People's Court of Sichuan Province (四川省成都市中級人民法院) in relation to legal proceedings initiated against us as the defendant by an individual, Mr. Wang Jianhua (the "Plaintiff").

The dispute arises from a technology transfer contract entered into between our Company and the Plaintiff in 2011 (the "Agreement"). The Plaintiff alleges that he has fully performed his contractual obligations by providing us with all technical materials for two vaccine technologies, namely (i) "A, C group and A, C, Y, W135 group meningococcal polysaccharide vaccine and conjugate vaccine using tetanus toxoid as a carrier" and (ii) "Hib conjugate vaccine using tetanus toxoid as a carrier". The Plaintiff claims he is therefore entitled to product royalty payments, liquidated damages and, following his amended claims, a technology transfer fee from us. The Plaintiff's claims against us were initially RMB19.2 million, comprising (i) product royalty payments of RMB16.0 million in respect of the two products, namely the Hib Conjugate Vaccine and AC Conjugate Vaccine; and (ii) liquidated damages of RMB3.2 million, calculated at 20% of

the claimed product royalty payments of RMB16.0 million. The Plaintiff also requested that we bear all litigation costs, asset preservation fees and other reasonable expenses incurred in connection with the enforcement of his creditor's rights. In January 2026, the Plaintiff amended his claims to additionally claim a technology transfer fee of RMB1.4 million and to adjust the liquidated damages to RMB3.5 million, calculated at 20% of the claimed outstanding amount of RMB17.4 million. As a result, the total amount claimed by the Plaintiff, excluding litigation and other costs, was increased from RMB19.2 million to RMB20.9 million.

Based on a comprehensive review and analysis of the relevant contracts, we are of the view that the Plaintiff's claims lack sufficient factual and legal basis, and we do not accept the Plaintiff's claims. As advised by the legal advisor representing the Company in this case, we are of the view that the Plaintiff would likely be found to have failed to perform the technology transfer contract in accordance with its terms, which constitutes a fundamental breach, and that the likelihood of us being required to pay the relevant technology transfer fee, royalty payments and liquidated damages to the Plaintiff is remote. The Hib Conjugate Vaccine and AC Conjugate Vaccine involved in this litigation are products that we have legally launched and marketed. The research and development, production, and sales of these products are in compliance with all relevant PRC laws and regulations. Accordingly, we do not believe this litigation will have a material adverse effect on our revenue, the production and operation of our existing products, or our market sales. As of the Latest Practicable Date, our business operations remain normal.

Further to our defense, on January 23, 2026, we filed a counterclaim against the Plaintiff in the same proceedings and subsequently received the notice of case acceptance from the Chengdu Intermediate People's Court. The basis for our counterclaim is that the Plaintiff committed a fundamental breach of the Agreement. The Agreement covered the transfer of five vaccine production technologies. We allege that the Plaintiff failed to provide any technical materials for three of the five technologies. For the remaining two technologies, the Plaintiff only provided limited materials, and we allege that certain key materials were deficient. For instance, the culture medium formula provided for the Hib conjugate vaccine failed to produce qualified polysaccharides, a foundational step for all subsequent research and development, which compelled us to independently research and develop a new, successful formula. We therefore allege that the Plaintiff failed to perform his primary obligations under the Agreement. In our counterclaim, we sought, among other relief, a declaration that the Agreement was terminated on March 1, 2013 or, alternatively, an order terminating the Agreement.

As of the Latest Practicable Date, the first court hearing for both the original claim and our counterclaim has been held. No judgment has been rendered by the court. Based on the current progress of the litigation, we currently expect that the first instance judgment will be rendered between July and August 2026. The amount claimed by the Plaintiff represents only his unilateral assertion and does not represent a final determination by the court. The outcome of the litigation and its potential effect on our profits for the current or future periods remain uncertain. The final actual impact will be subject to the court's final judgment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Governance Regarding Environmental, Social and Climate-related Risks

Our Board holds the ultimate responsibility for overseeing our Environmental, Social, and Governance ("ESG") strategy, policies, and performance. The Board has established a robust corporate governance structure to ensure effective decision-making and oversight. This structure is composed of the Shareholders' General Meeting, the Board, and the Supervisory Committee. The Board is further supported by four specialized committees: the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. This framework ensures that ESG considerations are embedded in our strategic planning and risk management processes.

To manage ESG-related risks, we have implemented a "three lines of defense" model (i) the first line of defense, where our individual business and operational departments are responsible for the day-to-day identification, assessment, and management of risks within their respective functions, acting as the primary barrier to potential risks; (ii) the second line of defense, where our dedicated risk management functions, including our Environmental and Safety Department and legal compliance teams, establish group-wide risk management policies, monitor the effectiveness of controls implemented by the first line, and track the resolution of identified issues; and (iii) the third line of defense, where our Internal Audit Department, operating under the direct oversight of the Board's Audit Committee, provides independent and objective supervision and assessment of the overall effectiveness of our risk management and internal control systems.

We recognize our exposure to climate-related risks, which we categorize into transition risks and physical risks, and have developed targeted strategies to address them. The transition risks arise from policy, legal, technological, and market changes aimed at a lower-carbon economy. This includes compliance with increasingly stringent carbon emission regulations and evolving environmental standards for pharmaceutical manufacturing. To mitigate these risks, we continuously monitor regulatory developments, invest in low-carbon technologies such as low-NOx burners for our boilers, enhance the energy efficiency of our production processes, and actively explore opportunities in green logistics. The physical risks stem from acute events (e.g., extreme heatwaves, floods, and storms) and chronic changes (e.g., rising average temperatures). Such events could disrupt our operations and supply chain, particularly at our facilities in Chengdu, and compromise the storage conditions of our raw materials and finished products. To address these risks, we have formulated a detailed Contingency Plan for Environmental Emergencies (突發環境事件應急預案), conducted regular emergency drills, and proactively assessed our supply chain to diversify our sourcing and reduce reliance on suppliers in high-risk geographical areas.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group has not been subject to any material fines or penalties for the violation of environmental or safety laws that would have a material adverse impact on our business and financial condition.

Environmental Protection and Monitoring

We are committed to minimizing our environmental footprint and operating in an environmentally responsible manner. We have implemented a comprehensive environmental management system certified under the ISO 14001 standard and have formulated detailed internal policies, including the Environmental Factor Identification and Evaluation Control Procedure (環境因素識別和評價控制程序) and the Environmental Monitoring and Measurement Control Procedure (環境的監測和測量控制程序). In 2023, 2024 and 2025, our total investment in environmental protection amounted to approximately RMB0.7 million, RMB1.0 million and RMB0.2 million, respectively.

Our Environmental Protection Measures

Our production process generates wastewater, air emissions, solid waste and noise. We have adopted measures to ensure our emissions comply with applicable national and local standards. For wastewater, we operate a dedicated wastewater treatment station. Production wastewater is treated through equalization, anoxic treatment, contact oxidation, coagulation-sedimentation and disinfection. High-risk or toxic wastewater is sterilized by high-pressure steam before treatment. Domestic sewage is treated separately before discharge into the municipal network. We also collect and reuse rainwater for non-production purposes, such as irrigation and cooling tower replenishment. For air emissions, we control pollutants at source. Boiler emissions are treated with low-NOx burners. Exhaust from fermentation, animal facilities and laboratories is treated through sterilizing filtration, scrubbers and/or activated carbon adsorption before discharge through exhaust stacks. For solid waste, we apply strict waste classification. Hazardous waste, including medical waste, expired pharmaceutical waste and used laboratory animal carcasses, is sterilized, stored in designated areas and transferred to qualified third-party contractors for compliant disposal, mainly

by incineration. Non-hazardous and recyclable materials are handled separately. During the Track Record Period, our compliant solid waste disposal rate was 100%. For noise, we use low-noise equipment, acoustic insulation and barriers, and regular maintenance to control noise from chillers, air compressors and water pumps. We also provide personal protective equipment, such as earplugs and earmuffs, to employees in high-noise areas. During the Track Record Period, our factory boundary noise compliance rate was 100%.

Our Environmental Protection Performance

We systematically monitor our environmental performance to track our progress in resource efficiency and emissions reduction. The table below sets forth our key environmental performance data for the Track Record Period.

	For the year ended December 31,		
Item	**2023**	**2024**	**2025**
Total greenhouse gas (GHG) emissions and intensity			
– Scope 1: Direct emissions (tCO_2e)	4,211.99	3,811.22	3,589.93
– Scope 2: Indirect energy emissions (tCO_2e)	5,282.89	5,349.70	6,259.00
Energy Consumption			
– Purchased electricity (MWh)	9,947.087	9,969.60	11,784.52
– Natural gas consumption ('000 m^3)	1,948.020	1,762.67	1,660.32
Water Management			
– Total water consumption (tonnes)	157,961	157,142	160,781
– Recycled water volume (tonnes)	5,250	1,268	6,999.7
Air Emissions			
– Total air emissions volume ('000 m^3)	10,000	10,800	10,800
Wastewater Discharge			
– Total wastewater discharge (tonnes)	74,108.975	75,809.68	74,856.03
Waste Generation			
– Total hazardous waste generated (tonnes)	59.414	50.37	33.85
– Total non-hazardous waste generated (tonnes)	2.095	3.57	4.93

Our Emissions Targets

To align with our commitment to sustainable development and industry low-carbon trends, we have established specific, measurable targets for our environmental metrics, supported by concrete implementation measures and resource allocation plans. Using 2026 as our baseline year, we target to reduce both our comprehensive energy consumption intensity (measured in tons of standard coal per RMB million of revenue) and our GHG emission intensity (measured in kilotons of CO2 equivalent per RMB million of revenue) by 5% by the year 2031. To achieve these targets from the source, we plan to implement targeted energy-saving and carbon-reduction initiatives focusing on our production and operations, including (i) optimizing our air-conditioning and refrigeration systems and expanding the coverage of high-efficiency plant rooms to reduce overall electricity consumption at our facilities; (ii) establishing a steam condensate recovery system to achieve the recycling and reuse of both water resources and thermal energy; and (iii) gradually phasing out and replacing older, energy-intensive machinery to enhance the overall energy efficiency of our equipment. Using 2026 as our baseline year, we target to reduce our water consumption intensity (measured in thousand cubic meters per RMB million of revenue) by 3% by the year 2031. To ensure the realization of this water conservation target, we plan to implement supporting measures including the deployment of precise water metering systems, the enhancement of water recycling and reuse mechanisms, and the upgrading of our production processes to integrate advanced water-saving technologies.

Supply Chain Management

We have established a standardized and scientific supplier management system governed by internal policies such as the Supplier Management Procedure (物資供應商管理規程) and the Material Procurement Management Procedure (物資採購管理規程). Our selection process requires suppliers to possess all necessary legal and quality certifications, and we give preference to suppliers who demonstrate strong performance in environmental protection, social responsibility, and safety management. We conduct annual performance reviews of our suppliers based on quality, delivery, price, and service. To enhance supply chain resilience, we classify key materials into four risk levels (Special, Level I, II, and III) and develop tailored procurement and inventory strategies for each. We also practice "Responsible Procurement," requiring key suppliers to sign an Integrity Agreement (廉潔協議書) and a Discipline Commitment Letter (紀律承諾書) to ensure compliance with our anti-corruption standards.

Business Ethics and Compliance

We are committed to upholding the highest standards of business ethics and operating with integrity in all our activities. We maintain a zero-tolerance policy towards all forms of bribery, corruption, and fraud. To enforce this, we have implemented a robust compliance framework, including an Anti-Commercial Bribery Management System (反商業賄賂管理制 度) and a Conflict-of-Interest Management Policy (利益衝突管理辦法). Our measures include requiring all managers and key personnel to sign an Anti-Commercial Bribery Commitment (反商業賄賂承諾書) and ensuring all external promotional materials are medically reviewed for accuracy and compliance. To ensure the effectiveness of our compliance framework, we have established confidential and secure whistleblowing channels to encourage employees and external partners to report any suspected misconduct. These channels include a dedicated compliance email address and a compliance hotline. We ensure strict confidentiality for all whistleblowers and have a strict non-retaliation policy to protect them from any form of reprisal. In addition to our anti-corruption efforts, we staunchly support fair competition and strictly abide by all relevant laws and regulations, including the PRC Anti-Unfair Competition Law and the PRC Anti-Monopoly Law. Our compliance program includes regular internal reviews and employee training focused on preventing anti-competitive practices such as false advertising, collusive agreements, and abuse of market position. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material legal cases or disciplinary actions related to corruption, bribery, or anti-competitive behavior.

Occupational Health and Work Safety

The health and safety of our employees are of paramount importance. We have established a robust occupational health and safety management system, which is certified under the ISO 45001 standard and governed by our Safety Production Management System Compilation (安全生產管理制度匯編). Our Safety Production Committee, chaired by senior management, oversees the implementation of all safety policies. Our safety measures include risk identification and control, occupational health management, and safety training. We use a dual system of risk grading and hazard investigation, supported by safety risk maps and regular inspections of high-risk areas such as chemical storage rooms. For occupational health, we follow the "three-simultaneously" principle for new construction projects, conduct regular health checks for employees exposed to occupational hazards, maintain health records and post risk notices at relevant workstations. We also provide regular safety training and emergency drills, including through our annual "Safety Production Month". During the Track Record Period, we conducted 13 safety training sessions and four emergency drills covering biological safety incidents, chemical spills and fire evacuations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material safety accidents or receive any material penalties for violations of occupational health and safety regulations.

Corporate Social Responsibility

We are committed to using our scientific expertise to create lasting social value. We promote disease awareness, medical education and vaccine accessibility. In 2024, we organized or participated in 1,520 academic conferences and events, training over 64,000 medical professionals across 174 cities in China, and we adopt a rational pricing strategy to support broader access to our vaccines. In addition, we support industry-wide innovation through collaboration with academic institutions, including our Key R&D Partner and Griffith University in Australia. We also provide our GMP-compliant pilot-scale development platform to smaller enterprises and research institutions to help accelerate vaccine R&D and reduce development costs. For these efforts, we received the 2023 China Industry-University- Research Cooperation Innovation Award.

RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control

We have engaged the Internal Control Consultant to perform certain agreed-upon procedures in connection with the internal control of our Company and our major subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including environment of control, risk assessment, information and communication, internal control, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, inventory, logistics and cost management, management of fixed assets and intangible assets, human resources and payroll management, cash and treasury management, taxation management, project management, general controls of IT system (including protection of data and privacy), R&D management, insurance management, production management, health, safety and environment protection and contract management. The Internal Control Consultant performed procedures in October 2025 and follow-up procedures in November 2025 on our Company's system of internal control. As of the Latest Practicable Date, there was no material issue remaining in relation to the internal controls of our Group.

We have adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our internal control personnel for each stage of the production process. Our Directors (who are responsible for overseeing our corporate governance) with assistance from our legal advisors, will periodically review our compliance status with all relevant laws and regulations after the [**REDACTED**].

We have implemented or plan to implement the following internal control policies, measures and procedures, (i) we have established the Audit Committee, which shall be responsible to review and supervise our financial reporting process and internal control system of our Group, oversee the audit process, risk management process and external audit functions. For more details, see the section headed "Directors and Senior Management — Board Committees — Audit Committee" in this document; (ii) we have engaged Alliance Capital Partners Limited as our compliance advisor to provide advice to our Directors and management team until the end of the first fiscal year after the [**REDACTED**] regarding matters relating to the Listing Rules. Our compliance advisor is expected to ensure our use of funding complies with the section headed "Future Plans and Use of [**REDACTED**]" in this document after the [**REDACTED**], as well as to provide support and advice regarding requirements of relevant regulatory authorities in a timely fashion; and (iii) we plan to engage a PRC law firm to advise us on and keep us abreast with the PRC laws and regulations after the [**REDACTED**]. We will continue to arrange various trainings to be provided by external legal advisors from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management, and relevant employees on the latest PRC laws and regulations.

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the applicable regulatory environment, our ability to offer quality services, our ability to manage our anticipated growth and to execute on our growth strategies, and our ability to compete with our competitors. See "Risk Factors" in this document for a discussion of various risks and uncertainties we face. We have established a risk management system consisting of the relevant policies and procedures that we believe are appropriate for our business operations. Pursuant to our risk management policy, our key risk management objectives include: (i) identifying different types of risks; (ii) assessing and prioritizing the identified risks; (iii) developing appropriate risk management strategies for different types of risks; (iv) identifying, monitoring and managing risks and our risk tolerance level; and (v) execution of risk response measures. Our Board oversees and manages the overall risks associated with our business operations. Moreover, our Audit Committee will review and supervise our financial reporting process and internal controls system. The Audit Committee consists of three members, namely, Dr. Duan Hong, Dr. Chen Zhengxu and Dr. Ju Dianwen. For qualifications and experience of the members of the Audit Committee, see "Directors and Senior Management" in this document.