OVERVIEW

Our history can be traced back to March 1999 when our Company's predecessor, Jiangsu Shengbaoluo Pharmaceutical Co., Ltd. (江蘇聖寶羅藥業有限公司) (later renamed as Ziyond Pharmaceutical Co., Ltd. (江蘇知原藥業有限公司)) was established under the PRC Company Law. Led by Mr. Xu, our chairman of the Board and executive Director, and Mr. Xie, our executive Director, chief executive officer and general manager, we have, over years of development, become a specialized topical dermatology pharmaceutical company in China, with products across multiple therapeutic areas, providing "head-to-toe" coverage across dermatological pharmaceuticals and medical-grade skincare products. On November 27, 2020, our predecessor was converted into a joint stock limited company, Ziyond Pharmaceutical Co., Ltd. (江蘇知原藥業股份有限公司). As of the Latest Practicable Date, the registered capital of our Company was RMB138,168,000.00, divided into 138,168,000 Shares with a nominal value of RMB1.00 each.

KEY MILESTONES

The following is a summary of key development milestones of our Group:

Year	Milestone
1999	The predecessor of our Company, Jiangsu Shengbaoluo Pharmaceutical Co., Ltd. was established (later renamed as Ziyond Pharmaceutical Co., Ltd.).
2019	We established Wuxi Langrun Pharmaceutical Co., Ltd. (無錫朗潤醫藥有限公司) to further enhance our pharmaceutical sales and channel management.
	We refined our strategic focus on topical dermatological medicines.
2020	Our Company was converted into a joint stock limited company.
2021	We established Wuxi Zhiyan Biotechnology Co., Ltd. (無錫知妍生物科技有限公司) ("**Zhiyan Biotechnology**") to expand our medical-grade skincare products.
2022	We were designated as a National Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprise.
2023	Our Lifu Pimecrolimus Cream was launched and subsequently ranked first in China in terms of online sales in the same year.
	We ranked first in China in terms of topical dermatology drug applications.
2024	We were designated as a National Key Specialized, Sophisticated, Distinctive, and Innovative "Little Giant" Enterprise.
2025	We completed the 2025 capital increase in December.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had 16 subsidiaries. The following table sets forth certain information of our major subsidiaries which are of strategic importance to us or have made material contributions to our results of operations during the Track Record Period:

No.	Name of Subsidiary	Date and Place of Establishment	Principal Business Activities	Registered Capital	Ownership as of the Latest Practicable Date
				(RMB)	
1	Wuxi Langrun Pharmaceutical Co., Ltd.	March 29, 2019, PRC	Primarily engaged in the sale of pharmaceutical products	25,000,000.00	100.00%
2	Zhiyan Biotechnology	July 5, 2021, PRC	Primarily engaged in R&D and the sale of medical-grade skincare products	20,000,000.00	80.00%
3	Chongqing Yaoyanyuan Pharmaceutical Co., Ltd. (重慶市藥研院製藥有限公司)	November 13, 1986, PRC	Primarily engaged in R&D, production and the sale of traditional Chinese medicines	28,000,000.00	84.29%
4	Wuxi Zhiyan E-commerce Co., Ltd. (無錫知妍電子商務有限公司)	May 30, 2019, PRC	Primarily engaged in the online sale of medical-grade skincare products	5,000,000.00	80.00%
5	Chongqing Zhiyuan Pharmacy Co., Ltd. (重慶知原大藥房有限公司)	November 29, 2022, PRC	Primarily engaged in the online sale of dermatological medicines	10,000,000.00	100.00%

DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Major Shareholding Changes Before Conversion into Joint Stock Limited Company

Establishment of our Company and Early Development

On March 11, 1999, the predecessor of our Company was established in Wuxi with an initial registered capital of RMB5.00 million by Wuxi Fangqian Real Estate Development Co., Ltd. (無錫市坊前房地產開發公司) ("**Fangqian Real Estate Co., Ltd.**"), Mr. Guo Jianyang (過建陽) and twelve other early-stage individual investors, all being independent third parties, with Fangqian Real Estate Co., Ltd. holding 51.00% of our Company's then registered capital and Mr. Guo Jianyang together with the twelve other early-stage individual investors collectively holding the remaining 49.00%.

There had been a series of equity transfers and capital increases from the establishment of our Company to November 2014. As of January 29, 2015, our Company was held as to 66.67% by Wuxi Zhiyuan Pharmaceutical Investment Co., Ltd. (無錫知原醫藥投資有限公司) (formerly known as Ningbo Zhiyuan Pharmaceutical Investment Co., Ltd. (寧波知原醫藥投資有限公司)) ("**Wuxi Zhiyuan Investment**"), 20.00% by Mr. Guo Jianyang and 13.33% by Treasure Boulevard Investment Limited (珍寶路投資有限公司) ("**Treasure Boulevard**"), with registered capital of RMB42.0 million.

Mr. Xu Obtaining Control of our Company

Mr. Xu became acquainted with Mr. Guo Jianyang through his prior industry experience. Recognizing our Company's development potential, Mr. Xu subsequently obtained control of our Company and led his management team to drive our Company's strategic development. After the completion of industrial and commercial registrations on February 9, 2015, Wuxi Zhonghe, which was controlled by Mr. Xu, acquired a 59.38% equity interest in Wuxi Zhiyuan Investment. Through controlling Wuxi Zhiyuan Investment, Mr. Xu obtained actual control over our Company. Leveraging Mr. Xu and his team's extensive industry experience and resources, as well as their solid operational capabilities and market insight, our Company strengthened its strategic planning and execution following the change in control, with a clearer focus on the dermatology segment.

On March 31, 2021, for the purpose of strengthening our Company's corporate governance structure and stabilizing its control, Mr. Xu and Mr. Xie entered into the Acting-in-Concert Agreement confirming their concerted actions in Wuxi Zhonghe and our Company. Pursuant to the Acting-in-Concert Agreement, Mr. Xie agreed to act in concert with Mr. Xu by aligning their votes at the board meetings and shareholders' meetings at the level of both Wuxi Zhonghe and our Company. As of the Latest Practicable Date, Mr. Xu and Mr. Xie were entitled to collectively exercise approximately 64.89% of the voting rights in the issued share capital of our Company.

Acquisition of Langrun Tech through Share Swap

Established in August 2012, Langrun Tech principally engaged in pharmaceutical promotion and was then indirectly controlled by Wuxi Zhonghe.

Pursuant to the capital contribution agreement dated November 6, 2015, the seven then shareholders of Langrun Tech subscribed for an additional registered capital of RMB60,666,710.00 of our Company. The consideration for such subscription was satisfied by their respective equity interests in Langrun Tech, which were valued at RMB60,666,710.00 following arm's length negotiations with reference to an appraised net asset value of RMB61,012,200.00 determined by an independent valuer. Upon completion, the registered capital of our Company increased from RMB42,000,000.00 to RMB102,666,710.00.

Capital Increase in 2020

Pursuant to a capital contribution agreement dated August 3, 2020 entered into among our Company, Mr. Xu, Mr. Xie, the investors set forth below and certain of our then Shareholders, such investors agreed to subscribe for the increased registered capital of our Company (the "**Capital Increase in 2020**"). Details of the Capital Increase in 2020 are as below:

Investor	Registered Capital Subscribed for	Consideration
	(RMB)	*(RMB)*
Jiangsu Sino-German Service Trade Industry Investment Fund (Limited Partnership) (江蘇中德服貿產業投資基金(有限合夥)) ("**Jiangsu Sino-German**")[1]	2,933,335.00	30,000,000.00
Hubei Tongying Equity Investment Fund Partnership (Limited Partnership) (湖北通瀛股權投資基金合夥企業(有限合夥)) ("**Hubei Tongying**")[1]	1,466,668.00	15,000,000.00

Investor	Registered Capital Subscribed for	Consideration
	(RMB)	*(RMB)*
Wuxi Jinling Medical Venture Investment Partnership (Limited Partnership) (無錫金靈醫養創業投資合夥企業(有限合夥)) ("**Wuxi Jinling**")	1,271,112.00	13,000,000.00
Wuxi Jincheng Venture Capital Co., Ltd. (無錫市金程創業投資有限公司) ("**Wuxi Jincheng**")(2)	782,223.00	8,000,000.00

Notes:

(1) Pursuant to the Shareholders' resolution dated January 27, 2025 and due to commercial considerations of certain of our investors, we repurchased (i) 2,950,237 Shares from Jiangsu Sino-German at a consideration of RMB38,327,125.48 and (ii) 1,475,119 Shares from Hubei Tongying at a consideration of RMB19,163,562.30. Upon completion of the share repurchase, Jiangsu Sino-German and Hubei Tongying ceased to be our Shareholders. All repurchased Shares were canceled and the registered capital of our Company was correspondingly reduced upon completion of the share repurchase.

(2) Pursuant to a share transfer agreement dated March 21, 2022 and due to internal shareholding restructuring within the investment group, Wuxi Jincheng transferred 786,730 Shares to Wuxi Jincheng Hefeng Venture Capital Partnership (Limited Partnership) (無錫金程和風創業投資合夥企業(有限合夥)) ("**Wuxi Jincheng Hefeng**") at a consideration of RMB8.00 million, which was fully settled on March 29, 2022.

Conversion into Joint Stock Limited Company and Major Shareholding Changes After Conversion

Conversion into a Joint Stock Company

On November 27, 2020, our Company was converted into a joint stock company. Upon the completion of the conversion, the registered capital of our Company became RMB124,500,000.00 which was divided into 124,500,000 Shares with a nominal value of RMB1.00 each. Upon the completion of the conversion, the shareholding structure of our Company was as follows:

No.	Shareholder	Number of Shares	Shareholding (%)
(1)	Wuxi Zhonghe	35,132,378	28.22
(2)	Wuxi Langming	16,240,955	13.04
(3)	Wuxi Langwei	12,476,416	10.02
(4)	Harbour Avenue Limited (港甬有限公司) ("**Harbour Avenue**")	9,701,587	7.79
(5)	Wuxi Langxing	8,684,691	6.98
(6)	Wuxi Langyi	8,659,647	6.96
(7)	Wuxi Jinrunyang	8,448,400	6.79
(8)	Treasure Boulevard	5,632,267	4.52
(9)	Wuxi Zhiwen	4,455,525	3.58
(10)	Peaceful Harbour Holdings Limited (港寧控股有限公司) ("**Peaceful Harbour**")	3,496,232	2.81
(11)	Jiangsu Sino-German	2,950,237	2.37
(12)	Wuxi Boyi Investment Management Partnership Enterprise (Limited Partnership) (無錫博頤投資管理合夥企業(有限合夥)) ("**Wuxi Boyi**")	2,394,855	1.92
(13)	Shenzhen Jinyi Equity Investment Enterprise (Limited Partnership) (深圳市金易股權投資企業(有限合夥)) ("**Shenzhen Jinyi**")	1,851,743	1.49
(14)	Hubei Tongying	1,475,119	1.18
(15)	Wuxi Jinling	1,278,436	1.03

No.	Shareholder	Number of Shares	Shareholding (%)
(16)	Wuxi Zhiyue Pharmaceutical Investment Partnership Enterprise (Limited Partnership) (無錫知越醫藥投資合夥企業(有限合夥)) ("**Wuxi Zhiyue**")	834,782	0.67
(17)	Wuxi Jincheng	786,730	0.63
	Total	**124,500,000**	**100.00**

Historical Nominee Arrangements and Their Termination

In April 2005, following the Shareholders' resolutions passed on January 19, 2004 and February 28, 2005, Fangqian Real Estate Co., Ltd. transferred its equity interests in our Company to Mr. Guo Jianyang, together with a series of equity transfers among early-stage individual investors. As part of these transfers, certain registered individual shareholders began holding equity interests in our Company on behalf of the ultimate beneficial owners, thereby establishing the historical nominee arrangements (the "**Historical Nominee Arrangements**"). The investors and our Company agreed to the Historical Nominee Arrangements to reduce the administrative burden of managing the investors.

Between December 2011 and November 2014, our Company underwent a series of capital increases. Mr. Guo Jianyang subscribed for an aggregate registered capital increase of RMB7.40 million, which was funded pro rata by Mr. Guo Jianyang and the respective beneficial owners based on their actual equity interests. Subsequently, pursuant to a share transfer agreement dated October 20, 2017, Mr. Guo Jianyang transferred his registered equity interests, representing RMB8.40 million in registered capital, to a newly established shareholding platform, Wuxi Jinrunyang Investment Partnership Enterprise (Limited Partnership) (無錫金潤陽投資合夥企業(有限合夥)) ("**Wuxi Jinrunyang**"), at a consideration of RMB8.4 million.

From December 2020 to March 2021, in order to formalize the equity ownership and driven by the transferees' confidence in our Company's future prospects, a series of transfers of partnership interest were carried out within Wuxi Jinrunyang to unwind the nominee arrangements. Through these transfers, the relevant transferees acquired partnership interest in Wuxi Jinrunyang to indirectly hold our Shares. As of March 2, 2021, Wuxi Jinrunyang completed all registration of changes regarding the aforementioned transfers. Upon completion of such registration of changes, the Historical Nominee Arrangements were fully unwound and terminated.

Capital Increase in 2021

Pursuant to a capital contribution agreement dated June 10, 2021 entered into among our Company, Mr. Xu, Mr. Xie, the investors set forth below and certain of our then Shareholders, such investors agreed to subscribe for the increased registered capital of our Company (the "**Capital Increase in 2021**"). Details of the Capital Increase in 2021 are as below:

Investor	Shares Subscribed for	Consideration
		(RMB)
Pingtan Wenzhou Ruixi Investment Partnership (Limited Partnership) (平潭文周瑞璽投資合夥企業(有限合夥)) ("**Pingtan Wenzhou**")[1]	3,000,000	45,000,000.00
Wuxi Yunlin Industrial Development Investment Fund (Limited Partnership) (無錫雲林產業發展投資基金(有限合夥)) ("**Wuxi Yunlin**")[1]	1,000,000	15,000,000.00

Investor	Shares Subscribed for	Consideration
		(RMB)
Yangzhou Jiatai Venture Capital Partnership (Limited Partnership) (揚州嘉泰創業投資合夥企業(有限合夥)) ("**Yangzhou Jiatai**")[(1)]	866,667	13,000,000.00
Wuxi Jincheng Xingao Investment Partnership (Limited Partnership) (無錫金程新高投資合夥企業(有限合夥)) ("**Wuxi Jincheng Xingao**")[(1)]	533,333	8,000,000.00

Note:

(1) Pursuant to the Shareholders' resolution dated January 27, 2025 and due to commercial considerations of certain of our investors, we repurchased (i) 3,000,000 Shares from Pingtan Wenzhou at a consideration of RMB55,657,917.81, (ii) 1,000,000 Shares from Wuxi Yunlin at a consideration of RMB18,618,904.11, (iii) 866,667 Shares from Yangzhou Jiatai at a consideration of RMB15,954,027.14 and (iv) 533,333 Shares from Wuxi Jincheng Xingao at a consideration of RMB9,926,575.60. Upon completion of the share repurchase, Pingtan Wenzhou, Wuxi Yunlin, Yangzhou Jiatai and Wuxi Jincheng Xingao ceased to be our Shareholders. All repurchased Shares were canceled and the registered capital of our Company was correspondingly reduced upon completion of the share repurchase.

Capital Increase and Share Transfer in 2025

Pursuant to a capital contribution agreement dated September 28, 2025 entered into among our Company, Mr. Xu, Mr. Xie, the investors set forth below and certain of our then Shareholders, such investors agreed to subscribe for the increased registered capital of our Company (the "**Capital Increase in 2025**"). Details of the Capital Increase in 2025 are as below:

Investor	Shares Subscribed for	Consideration
SDF ZY Investment Limited	6,663,321	US$20,000,000.00
Cathay Chuangmei Future (Shanghai) Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (凱輝創美未來(上海)私募投資基金合夥企業(有限合夥)) ("**Shanghai Cathay Beauty & Innovation**")	4,659,665	RMB100,000,000.00
Yue Investments Capital L.P. ("**Yue Investments**")	799,598	US$2,400,000.00
Jiaxing Haocheng Liyue Venture Capital Partnership (Limited Partnership) (嘉興浩程勵悅創業投資合夥企業(有限合夥)) ("**Jiaxing Haocheng**")	223,664	RMB4,800,000

Pursuant to a share transfer agreement dated December 25, 2025 entered into between Treasure Boulevard and SDF ZY Investment Limited, Yue Investments, Jiaxing Haocheng and Alibaba Health Technology (China) Co., Ltd. (阿里健康科技(中國)有限公司) ("**Alibaba Health**") (the "**Share Transfer in 2025**"), Treasure Boulevard transferred an aggregate of 5,632,267 Shares to such transferees. In particular, (i) SDF ZY Investment Limited acquired 2,982,665 Shares at a consideration of approximately US$7.16 million, (ii) Yue Investments acquired 249,875 Shares at a consideration of US$0.60 million, (iii) Jiaxing Haocheng acquired 69,895 Shares at a consideration of RMB1.20 million, and (iv) Alibaba Health acquired 2,329,832 Shares at a consideration of RMB40.00 million.

Share Repurchase for Employee Incentives in 2025

We repurchased, canceled, and issued Shares for employee incentive purposes from December 2024 to November 2025, resulting in a decrease of 4,078,248 Shares. See "Changes in the Share Capital of Our Company" in Appendix V to this document for details.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our Group's development, we have adopted the employee incentive plan (the "**Employee Incentive Plan**") through the employee shareholding platforms below. Mr. Xu is the general partner of each of the employee shareholding platforms. The Employee Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of new Shares or options over new Shares of our Company after [**REDACTED**].

Below is the structure of the employee shareholding platforms:

	As of the Latest Practicable Date	
Employee Shareholding Platforms	**Shareholding in our Company**	**Limited Partners**
Wuxi Langxing[(1)]	4.84%	Mr. Xu (an executive Director holding approximately 5.43% of the limited partnership interest), Mr. Xie (an executive Director holding approximately 28.46% of the limited partnership interest), Dr. Cai Beilei (an executive Director holding approximately 3.01% of the limited partnership interest), Mr. Deng Wei (鄧偉) (a senior management member holding approximately 17.98% of the limited partnership interest), and 16 current or former employees of our Group and their assignees
Wuxi Zhiwen[(2)]	3.23%	Mr. Xu (an executive Director holding approximately 33.63% of the limited partnership interest), Dr. Cai Beilei (an executive Director holding approximately 8.82% of the limited partnership interest), Mr. You Bin (尤斌) (an executive Director holding approximately 3.39% of the limited partnership interest), Mr. Deng Wei (a senior management member holding approximately 0.67% of the limited partnership interest), and 34 current or former employees of our Group and their assignees, each of whom holding less than 10.00% of the limited partner interests therein

Notes:

(1) Wuxi Langxing became a Shareholder in November 2015 pursuant to the acquisition of Langrun Tech, under which it contributed its equity interest in Langrun Tech in exchange for equity interests in our Company. Wuxi Langxing subsequently served as an employee shareholding platform of our Group. For details, see "— Acquisition of Langrun Tech through Share Swap" in this section.

(2) Pursuant to the Board's resolution dated November 20, 2017, Wuxi Zhiwen subscribed for RMB4.43 million of the registered capital of our Company at a consideration of RMB15.95 million. Wuxi Zhiwen subsequently served as an employee shareholding platform of our Group.

MATERIAL ACQUISITION, MERGER AND DISPOSAL

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, mergers or disposals that we consider to be material to us.

PRE-[REDACTED] INVESTMENTS

Summary of the Pre-[REDACTED] Investments

The following table sets forth a summary of details of the Pre-[**REDACTED**] Investments[(1)]:

	Capital Increase in 2015	Capital Increase in 2017	Capital Increase in 2020	Capital Increase in 2021	Capital Increase in 2025
Amount of registered capital subscribed for	RMB5,600,000	RMB6,000,000	RMB6,453,338	RMB5,400,000	RMB12,346,248
Amount of consideration paid	RMB8,000,000	RMB21,600,000	RMB66,000,000	RMB81,000,000	RMB264,960,000
Pre-money valuation	RMB52,000,000	RMB386,400,276	RMB1.20 billion	RMB1.87 billion	RMB2.55 billion
Post-money valuation	RMB60,000,000	RMB408,000,276	RMB1.27 billion	RMB1.95 billion	RMB2.82 billion
Date of payment of full consideration	March 5, 2015	November 21, 2017	August 11, 2020	September 2, 2021	November 13, 2025
Cost per Share paid under the Pre-[REDACTED] Investment (approximate)	RMB1.43	RMB3.60	RMB10.23	RMB15.00	RMB21.46
[REDACTED] to the [REDACTED][(2)]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Basis of consideration	The consideration for each round of the Pre-[**REDACTED**] Investments was determined based on arm's length negotiations among the relevant parties taking into consideration the timing of the investments, and our development stage and commercialization prospects.				
Use of Proceeds	We utilized the proceeds from the Pre-[**REDACTED**] Investments for the principal business of our Group, including research and development, manufacturing, and replenishment of our working capital. As of the Latest Practicable Date, all of the net proceeds from the Pre-[**REDACTED**] Investments had been utilized.				
Reasons for Increase in Valuation	The successive increases in our valuation from 2015 to 2025 were primarily driven by our strategic business expansion, continued product achievements and increasing recognition from institutional investors. We continuously strengthened our commercialization capabilities, expanded our market presence and achieved key product and R&D milestones, which enhanced our competitive position and growth prospects. Supported by these operational achievements, expected future profitability and favorable market conditions, we attracted increasing participation from sophisticated external investors, contributing to the progressive increase in our valuation.				
Lock-up Period	Pursuant to the applicable PRC laws and regulations, within the 12 months following the [**REDACTED**], no existing Shareholders (including the Pre-[**REDACTED**] Investors) may dispose of any of the Shares held by them.				
Strategic Benefits	The Pre-[**REDACTED**] Investments not only fueled our research and development and business operation, but also demonstrated the investors' confidence in our business operation and strengths, and our growth prospects. Our Group could benefit from the business resources and potential business opportunities that may be provided by the Pre-[**REDACTED**] Investors from time to time. Some of the Pre-[**REDACTED**] Investors are professional investment entities, and they brought us valuable industrial strengths, experience in market expansion and their insight on business strategies, and they also provided us with advice on our corporate governance, financial reporting and internal control.				

Notes:

(1) The above table does not include the Share transfers as the considerations of such transfers were paid to relevant transferors, instead of our Company, by relevant transferees. Such considerations were determined after arm's length negotiations between the parties taking into account various factors, such as our Company's valuation and development stage at the time of the transaction, past or present relationships between the parties and their respective bargaining power in the negotiation when determining the consideration. Former shareholders who transferred their equity interest in our Company to other shareholders and ceased to be our Shareholders are not treated as Pre-[**REDACTED**] Investors.

Share Transfer in 2025: The consideration was fully settled on March 19, 2026. The cost per share of such transfer was RMB17.17. The [**REDACTED**] to the [**REDACTED**] is approximately [**REDACTED**]%.

(2) The [**REDACTED**] to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**]), assuming that the [**REDACTED**] is not exercised.

Special Rights of the Pre-[REDACTED] Investors

The Pre-[**REDACTED**] Investors were granted certain customary special rights, including but not limited to right of first refusal, liquidation preferences right, tag-along right, anti-dilution right, redemption right, and information right. In compliance with paragraph 13 of Chapter 4.2 of the Guide for New Listing Applicants and pursuant to the termination agreement dated May 31, 2026, the redemption right was terminated prior to our first submission of [**REDACTED**] to the Stock Exchange (the "[**REDACTED**]"). The redemption right under which our Company bears the responsibilities shall be automatically reinstated upon the earliest of the following conditions: (a) our Company withdraws the [**REDACTED**] or the [**REDACTED**] lapses, and our Company fails to renew the [**REDACTED**] within six months after the withdrawal or the lapse; (b) the [**REDACTED**] is rejected by the CSRC, Stock Exchange or SFC; or (c) the [**REDACTED**] fails to take place on or before March 31, 2029. The other special rights will be terminated upon the [**REDACTED**].

Sole Sponsor's Confirmation

On the basis that (i) the considerations for the Pre-[**REDACTED**] Investments were all settled more than 28 clear days before the date of the first submission of our first [**REDACTED**] to the Stock Exchange, and (ii) none of the Pre-[**REDACTED**] Investors was granted any special rights, the Sole Sponsor confirms that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about Pre-[REDACTED] Investors

Set out below is a description of our principal Pre-[**REDACTED**] Investors, each or in aggregate holding more than 1.00% of our total issued share capital immediately prior to the [**REDACTED**]. To the best knowledge of our Directors, save as disclosed below, each of our Pre-[**REDACTED**] Investors is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, or its subsidiaries, or any of their respective close associates, and each of such Pre-[**REDACTED**] Investors is independent from each other.

Harbour Avenue and Wuxi Boyi

Harbour Avenue is a limited liability company incorporated in Hong Kong on May 31, 2013. Harbour Avenue is owned as to 99.00% by Cai Huiyu (蔡慧瑜). Wuxi Boyi is a limited partnership established in the PRC on April 27, 2017. Its general partner is Xu Dacheng (徐大成), who is our non-executive Director and the spouse of Cai Huiyu. The sole limited partner of Wuxi Boyi is Yang Meidi (楊美娣), a deemed connected person of Xu Dacheng, holding 99.00% of the partnership interest.

SDF ZY Investment Limited

SDF ZY Investment Limited is a limited liability company incorporated in Hong Kong on July 4, 2024. It is an investment vehicle of and controlled by Sinovation Disrupt Fund, L.P. ("**Sinovation Disrupt Fund**"), and no shareholders of Sinovation Disrupt Fund hold 30% or more of its partnership interest. Each of them is an independent third party. Sinovation Disrupt Fund is an investment fund under the brand of Sinovation Ventures. Sinovation Ventures is a technology venture capital established in 2009 by a team led by Dr. Kai-Fu Lee.

Wuxi Jinrunyang

Wuxi Jinrunyang is a limited partnership established in the PRC on September 26, 2017. It is managed by Chen Weiliang (陳偉良) as its general partner. Wuxi Jinrunyang has 16 limited partners and none of them holds 30.00% or more of the partnership interests. Each of them is an independent third party.

Shanghai Cathay Beauty & Innovation

Shanghai Cathay Beauty & Innovation is a limited partnership established under the laws of the PRC. Shanghai Cathay Beauty & Innovation is principally engaged in equity investment, with a focus on investing in skincare, haircare, color cosmetics and medical aesthetics brands, including supply chain, upstream and digital-related solutions. Shanghai Cathay Beauty & Innovation is owned as to (i) 0.40% by Cathay (Quanzhou) Private Equity Fund Management Co., Ltd. (凱輝(泉州)私募基金管理有限公司) ("**Cathay Quanzhou**") as its general partners, which is ultimately controlled by Cai Mingpo (蔡明潑); (ii) 50.00% by Shanghai Meicifang Investment Co., Ltd. (上海美次方投資有限公司), which is ultimately controlled by L'Oréal S.A.; (iii) 32.67% by Shanghai Jing'an Industry Guidance Equity Investment Fund Co., Ltd. (上海靜安產業引導股權投資基金有限公司), which is ultimately controlled by Shanghai Jing'an District State-owned Assets Supervision and Administration Commission; and (iv) the remaining interests by four other limited partners, none of whom holds 30.00% or more of the partnership interest. Each of them is an independent third party.

Peaceful Harbour

Peaceful Harbour is a limited liability company incorporated in Hong Kong on May 27, 2013. Peaceful Harbour is held as to 35.33% by each of Yam Tze Ping Ruby (任芷蘋) and Lee Ling Kwan (李凌君). No other shareholder holds 30.00% or more of the equity interest. Each of them is an independent third party.

Alibaba Health

Alibaba Health is a limited liability company established in the PRC on August 3, 2015. It is indirectly wholly-owned by Alibaba Health Information Technology Limited, a company listed on the Stock Exchange (stock code: 00241). Alibaba Health is the flagship platform of Alibaba Group for integrated online and offline medical and healthcare resources, providing one-stop healthcare solutions. Alibaba Health is primarily engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.

Shenzhen Jinyi

Shenzhen Jinyi is a limited partnership established in the PRC on October 9, 2015. The general partner of Shenzhen Jinyi is Feng Dingqiang (馮定強), an independent third party, holding approximately 73.77% of the partnership interest. Shenzhen Jinyi has four limited partners and each of them is an independent third party.

PREVIOUS A-SHARE LISTING ATTEMPT

In April 2023, our Company submitted an application for the listing of our Shares on the Main Board of Shenzhen Stock Exchange (the "**Previous A-Share Listing Application**"). Subsequently, in October 2024, we voluntarily withdrew the Previous A-Share Listing Application after considering, among others, the prevailing market conditions and regulatory policies at that time. As of the time we withdrew the Previous A-Share Listing Application, there were no outstanding comments received from the Shenzhen Stock Exchange.

Our Directors believe that the Stock Exchange provides a good platform for us to access international capital markets and expand our global business footprint. The [**REDACTED**] will provide us with the funding to increase our competitiveness by assisting us to expand our operations and strengthen our business prospects, and the [**REDACTED**] on the Stock Exchange will raise our profile and market awareness of our brand name and present us with an opportunity to further expand our [**REDACTED**] base. Taking into account, among others, the aforementioned factors and the long-term business development strategies of our Group, our Directors consider the Stock Exchange to be a more suitable venue to access international equity markets, and the [**REDACTED**] will be in the best interests of our Company and our Shareholders as a whole.

Our Directors are not aware of any issues identified during the review process of the Previous A-Share Listing Application that have been brought to their attention and would have a material adverse implication on the [**REDACTED**], or any matters that might materially and adversely affect our Company's suitability for the [**REDACTED**]. Our Directors further confirm that there is no other matter in relation to the Previous A-Share Listing Application that needs to be brought to the attention of the Stock Exchange or potential [**REDACTED**]. Having taken into account the factors above and the independent due diligence work conducted by the Sole Sponsor, nothing material has come to the Sole Sponsor's attention that would reasonably cause them to disagree with the Directors' view above.

PUBLIC FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming that the [**REDACTED**] is not exercised, (i) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low end of the [**REDACTED**]), our expected market capitalization upon the [**REDACTED**] is HK$[**REDACTED**], and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%; (ii) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**]), our expected market capitalization upon the [**REDACTED**] is HK$[**REDACTED**], and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%; and (iii) based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the top end of the [**REDACTED**]), our expected market capitalization upon the [**REDACTED**] is HK$[**REDACTED**], and the minimum prescribed public float percentage applicable to our Shares is [**REDACTED**]%.

Upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares into H Shares, [**REDACTED**] Unlisted Shares will be converted into H Shares and [**REDACTED**] on the Stock Exchange. The [**REDACTED**] Domestic Shares held by Wuxi Zhonghe as of the Latest Practicable Date will not be considered as part of the public float as those Shares will not be converted into H Shares and [**REDACTED**] on the Stock Exchange upon the completion of the [**REDACTED**].

Upon the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares into H Shares, the H Shares held by certain of our Shareholders, or directly or indirectly controlled by our core connected persons, will not be counted towards the public float. Details of these Shareholders are set out below:

- Mr. Xu, Mr. Xie, Wuxi Zhonghe, Wuxi Langming, Wuxi Langwei, Wuxi Langyi, Wuxi Langxing and Wuxi Zhiwen are a group of Controlling Shareholders and the [**REDACTED**] H Shares held by them will not count towards the public float;

- Harbour Avenue is a limited liability company which is owned as to 99.00% by Ms. Cai Huiyu, the spouse of Mr. Xu Dacheng (our non-executive Director). Therefore, the [**REDACTED**] H Shares held by it will not count towards the public float;

- Wuxi Boyi is a limited partnership managed by its general partner, Mr. Xu Dacheng (our non-executive Director). Therefore, the [**REDACTED**] H Shares held by it will not count towards the public float;

- Mr. You Bin is our executive Director and the [**REDACTED**] H Shares held by him will not count towards the public float; and

- Dr. Cai Beilei is our executive Director and the [**REDACTED**] H Shares held by her will not count towards the public float.

Upon completion of the [**REDACTED**] and conversion of the Unlisted Shares into H Shares, assuming that (i) [**REDACTED**] H Shares being issued in the [**REDACTED**]; (ii) the [**REDACTED**] is not exercised; (iii) [**REDACTED**] Unlisted Shares being converted to H Shares; and (iv) [**REDACTED**] Shares are issued and outstanding in the share capital of our Company upon completion of the [**REDACTED**], [**REDACTED**] Shares, representing approximately [**REDACTED**]% of the total issued Shares, will be counted towards the public float and is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Taking into consideration the number of issued share capital of our Company, [**REDACTED**] to be issued under the [**REDACTED**], Shares held by the existing Shareholders subject to lock-up requirement under the PRC laws and regulations, the expected market value of the H Shares being held by the public and not subject to any disposal restrictions at the time of [**REDACTED**] under Rule 19A.13C of the Listing Rules would amount to approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low end of the [**REDACTED**], and the [**REDACTED**] is not exercised). Accordingly, our Company will comply with the free float requirement under Rule 19A.13C of the Listing Rules at the time of the [**REDACTED**].

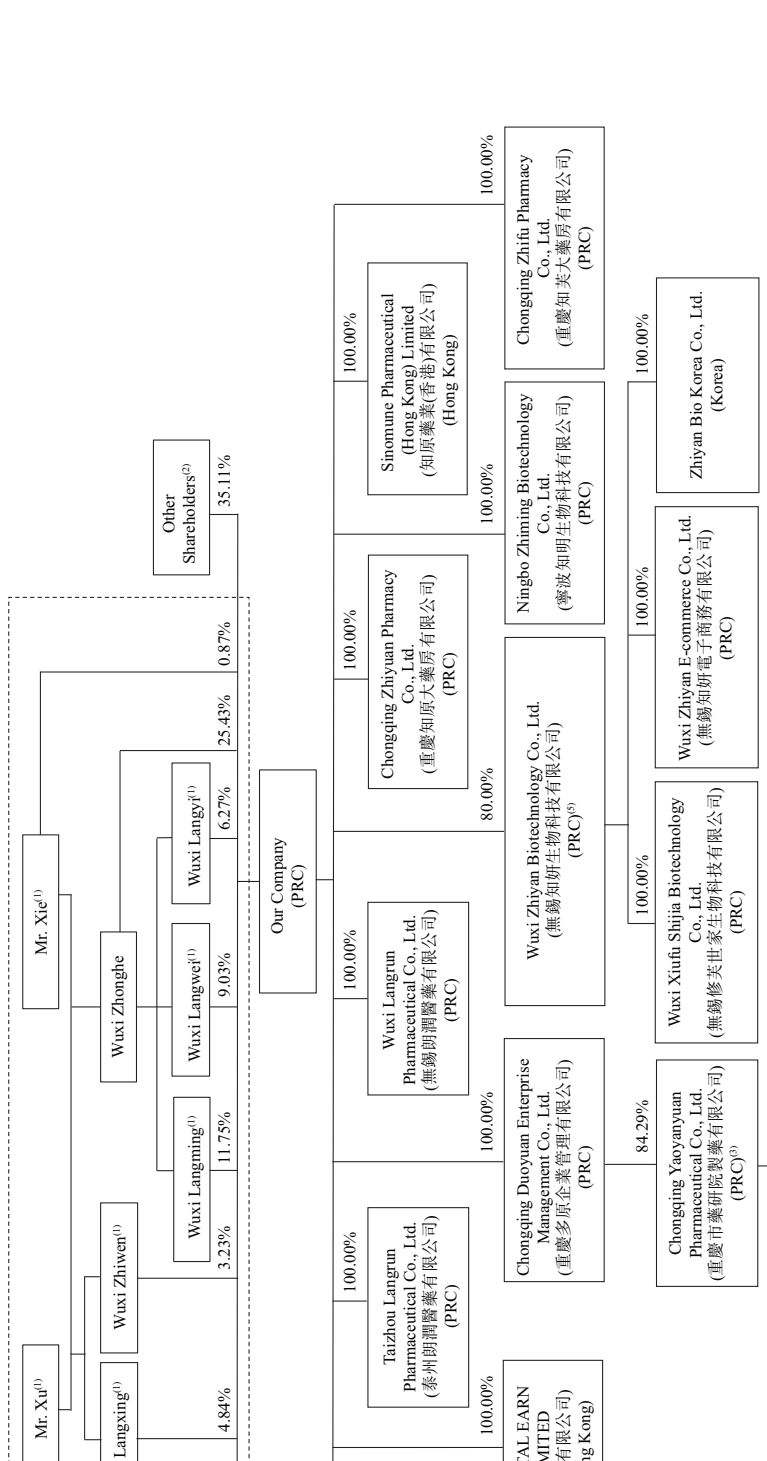
CAPITALIZATION OF OUR COMPANY

The table below sets out the capitalization of our Company as of the Latest Practicable Date and upon the completion of the [**REDACTED**] and the conversion of Unlisted Shares into H Shares (assuming that the [**REDACTED**] is not exercised):

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)					
No.	Shareholder	Number of Unlisted Shares	Ownership percentage in the total issued Share capital	Number of H Shares	Ownership percentage of shareholding in the H Shares	Number of Domestic Shares	Ownership percentage of shareholding in the Domestic Shares	Number of Total Shares	Ownership percentage of shareholding in the Total issued Share Capital
(1) . .	Wuxi Zhonghe	35,132,378	25.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(2) . .	Wuxi Langming	16,240,955	11.75%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(3) . .	Wuxi Langwei	12,476,416	9.03%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(4) . .	Harbour Avenue	9,701,587	7.02%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(5) . .	SDF ZY Investment Limited	9,645,986	6.98%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(6) . .	Wuxi Langyi	8,659,647	6.27%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(7) . .	Wuxi Langxing	6,684,691	4.84%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(8) . .	Wuxi Jinrunyang	5,515,200	3.99%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(9) . .	Mr. Xu	4,800,308	3.47%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(10) .	Shanghai Cathay Beauty & Innovation	4,659,665	3.37%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(11) .	Wuxi Zhiwen	4,455,525	3.23%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(12) .	Peaceful Harbour	3,496,232	2.53%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(13) .	Wuxi Boyi	2,394,855	1.73%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(14) .	Alibaba Health	2,329,832	1.69%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(15) .	Shenzhen Jinyi	1,851,743	1.34%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(16) .	Wuxi Jinling	1,278,436	0.93%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(17) .	Mr. Tian Zhihui (田志會)	1,240,000	0.90%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(18) .	Mr. Xie	1,200,000	0.87%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(19) .	Yue Investments	1,049,473	0.76%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(20) .	Wuxi Zhiyue	834,782	0.60%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(21) .	Wuxi Jincheng Hefeng	786,730	0.57%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(22) .	Mr. Huang Junnan (黃俊楠)	630,000	0.46%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(23) .	Mr. You Bin	600,000	0.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(24) .	Dr. Cai Beilei	600,000	0.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(25) .	Ms. Chueng Yu Lai (張宇麗)	600,000	0.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(26) .	Mr. Deng Wei	300,000	0.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(27) .	Ms. Wu Lin (吳琳)	300,000	0.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(28) .	Mr. Feng Jie (馮傑)	300,000	0.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(29) .	Jiaxing Haocheng	293,559	0.22%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(30) .	Ms. Wang Biao (王標)	110,000	0.08%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
(31) .	[**REDACTED**] taking part in the [**REDACTED**]	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Total	**138,168,000**	**100%**	[REDACTED]	**100%**	[REDACTED]	**100%**	[REDACTED]	**100%**

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The following chart illustrates the shareholding structure and corporate structure of our Group immediately prior to the completion of the [**REDACTED**] and conversion of the Unlisted Shares into H Shares:



Notes:

(1) Wuxi Langxing and Wuxi Zhiwen are employee shareholding platforms of our Company, with Mr. Xu being the general partner of each. Pursuant to the Acting-in-Concert Agreement, Mr. Xu and Mr. Xie together hold approximately 61.82% of the equity interests in Wuxi Zhonghe. Wuxi Zhonghe is the general partner of Wuxi Langming, Wuxi Langwei and Wuxi Langyi.

(2) See "History, Development and Corporate Structure – Pre-[**REDACTED**] Investments – Information about Pre-[**REDACTED**] Investors" and "History, Development and Corporate Structure – Capitalization of Our Company" for details.

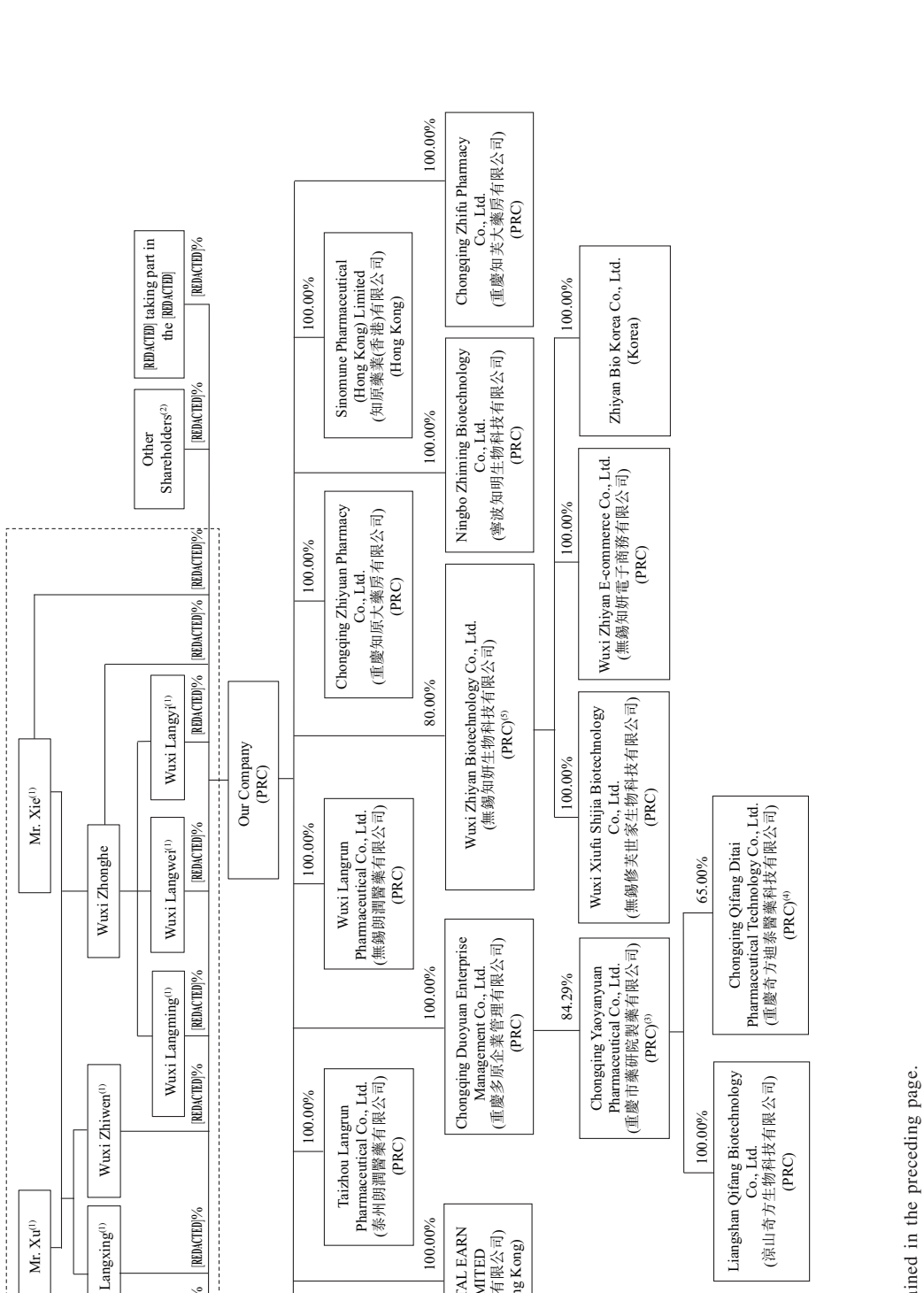
(3) The remaining equity interest in Chongqing Yaoyanyuan Pharmaceutical Co., Ltd. was owned by Chongqing Pharmaceutical Research Institute Technology Development Co., Ltd. (重慶市藥研院科技開發有限公司), an independent third party of our Company.

(4) The remaining equity interest in Chongqing Qifang Ditai Pharmaceutical Technology Co., Ltd. was owned by Chongqing Jiubing Pharmaceutical Co., Ltd. (重慶九秉醫藥有限公司), an independent third party of our Company.

(5) The remaining equity interest in Zhiyan Biotechnology was owned by Wuxi Zhuoyan Enterprise Management Service Partnership Enterprise (Limited Partnership) (無錫卓妍企業管理服務合夥企業(有限合夥)) ("**Wuxi Zhuoyan Enterprise**"). The general partner of Wuxi Zhuoyan Enterprise is Mr. Tian Zhihui, the deputy general manager of our Company, holding 47.50% of the partnership interest. One of the limited partners of Wuxi Zhuoyan Enterprise is Dr. Cai Beilei, who is our executive Director, holding 32.50% of the partnership interest.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart illustrates the shareholding structure and corporate structure of our Group immediately following the completion of the [REDACTED] and conversion of the Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised):



Note:

(1) – (5) Please see the details contained in the preceding page.