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Application Proof of

Sichuan Biokin Pharmaceutical Co., Ltd.
四川百利天恒藥業股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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百利天恒
Biokin Pharma

Sichuan Biokin Pharmaceutical Co., Ltd.
四川百利天恒藥業股份有限公司

(*A joint stock company incorporated in the People's Republic of China with limited liability*)

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We are incorporated, and a majority part of our businesses are located, in the PRC. Potential [**REDACTED**] should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong and that there are different risk factors relating to [**REDACTED**] in PRC-incorporated businesses. Potential [**REDACTED**] should also be aware that the regulatory framework in the PRC is different from that in Hong Kong and should take into consideration the different market nature of our H Shares. Such differences and risk factors are set out in "Risk Factors," "Regulatory Overview," "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association."

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EXPECTED TIMETABLE[1]

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Page

Expected Timetable iv

Contents vii

Summary 1

Definitions 19

Glossary of Technical Terms 26

Forward-Looking Statements 34

Risk Factors 35

Waivers and Exemption 59

Information About This Document and the [REDACTED] 66

Directors and Parties Involved in the [REDACTED] 69

Corporate Information 72

Industry Overview 74

CONTENTS

Regulatory Overview		93
History, Development and Corporate Structure		113
Business		120
Relationship with our Controlling Shareholder		220
Substantial Shareholders		223
Share Capital		224
Directors and Senior Management		226
Financial Information		237
Future Plans and [REDACTED]		271
[REDACTED]		273
Structure of the [REDACTED]		281
How to Apply for [REDACTED]		288
Appendix I	**Accountants' Report**	I-1
Appendix II	**Unaudited [REDACTED] Financial Information**	II-1
Appendix III	**Taxation and Foreign Exchange**	III-1
Appendix IV	**Summary of Principal Legal and Regulatory Provisions**	IV-1
Appendix V	**Summary of Articles of Association**	V-1
Appendix VI	**Statutory and General Information**	VI-1
Appendix VII	**Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display**	VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full document. You should read the whole document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors" of this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**]. *In particular, we are a biotechnology company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rule 8.05 of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies like ours. Notably, our Core Products, namely iza-bren and T-Bren, are under clinical development for certain indications. We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Products, and our Core Products may not be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

OVERVIEW

Founded in 1996, we are an integrated biopharmaceutical group committed to advancing breakthrough innovation to develop oncology therapeutics with breakthrough efficacy and bring them to patients worldwide. In 2014, we established SystImmune, Inc. ("**SystImmune**") in Seattle, the United States, to expand our presence in the global biotechnology ecosystem and spearhead "0-to-1" innovation. Complementing these capabilities, our China-based research, translational medicine and clinical development infrastructure enables us to accelerate the "1-to-N" clinical translation and indication expansion of internally discovered assets. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. We are focused on the oncology therapeutic area and have strategically deployed three cutting-edge technology tracks — antibody-drug conjugates ("**ADCs**"), antibody-radionuclide conjugates ("**ARCs**") and multi-specific T-cell engagers ("**TCEs**").

We have two Core Products, iza-bren and T-Bren. Iza-bren pioneers the bispecific ADC field and is the world's first and, to date, only approved bispecific ADC, as well as the only epidermal growth factor receptor ("**EGFR**") × human epidermal growth factor receptor 3 ("**HER3**") bispecific ADC to have entered registrational stage globally. Iza-bren received new drug application ("**NDA**") approvals from the NMPA for the late-line treatment of nasopharyngeal carcinoma ("**NPC**") in June 2026 and for the second-line treatment of esophageal squamous cell carcinoma ("**ESCC**") in July 2026. As of the Latest Practicable Date, iza-bren's NDA for triple-negative breast cancer ("**TNBC**") had also been accepted by the NMPA. T-Bren is a human epidermal growth factor receptor 2 ("**HER2**") ADC with best-in-class potential, and is currently in registrational clinical development across multiple HER2-expressing solid tumors.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR PIPELINE PRODUCTS, INCLUDING OUR CORE PRODUCTS, IZA-BREN AND T-BREN.

OUR PORTFOLIO ASSETS

Our Innovative Drug Pipeline

Leveraging our proprietary technology platforms — HIRE-ADC (and SEBA), GNC and HIRE-ARC, we have systematically built a global pipeline of innovative drug candidates across multiple modalities, targeting major tumor types and demonstrating the repeatable productivity of our discovery engine beyond any single product. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. All assets in our innovative drug pipeline as of the Latest Practicable Date are self-discovered.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

The following chart sets forth an overview of our pipeline products as of the Latest Practicable Date.

	Product	Target	Indication	Mono/Combo	Pre-Clinical	IND	Phase Ia	Phase Ib	Phase II	Phase III	NDA	Approved for Marketing	Expected Completion Year[1]	Commercial Rights
HIRE-ADC	★ iza-bren	EGFR x HER3	NSCLC, SCLC, HR+/HER2- BC, TNBC, ESCC, GC, CRC, BTC, NPC, HNSCC, gynecological tumors, urological tumors and other solid tumors	Mono&Combo						*NPC and ESCC approved*			2026-2032[2]	China & U.S.[3]
	★ T-Bren	HER2	HER2+ BC, HER2- BC, GC, NSCLC, CC, OC, endometrial cancer, UC, BTC and other solid tumors	Mono&Combo									2026-2031	Global
	BL-M14D1	DLL3	SCLC, neuroendocrine tumors and other solid tumors	Mono&Combo									2026-2030	
	BL-M05D1	Claudin 18.2	GC/GEJ adenocarcinoma and other solid tumors	Mono									2026-2029	
	BL-M11D1	CD33	AML	Mono									2026-2028	
	BL-B16D1	Undisclosed	Lung cancer, BC, HNSCC and other solid tumors	Mono									2026	
	BL-M08D1	Undisclosed	Solid tumors and hematologic malignancies	Mono									2026-2027	
	BL-M09D1	Undisclosed	NSCLC, GIC and other solid tumors	Mono									2027	
	BL-M24D1	Undisclosed	Hematologic malignancies, NSCLC, HNSCC, GIC and other solid tumors	Mono									2027	
HIRE-ARC	BL-ARC001	Undisclosed	Lung cancer, BC, HNSCC, GIC and other solid tumors	Mono									2027	
	BL-ARC002	Undisclosed	Solid tumors	Mono									2027	
GNC	GNC-038	CD3 x 4-1BB x PD-L1 x CD19	Autoimmune diseases (systemic lupus erythematosus and rheumatoid arthritis, etc.)	Mono									2027	
SEBA	SI-B001	EGFR x HER3	NSCLC, HNSCC	Mono&Combo									2026-2027	
	SI-B003	PD-1 x CTLA-4	Solid tumors	Mono&Combo									2026	
	SI-B036	Undisclosed	Solid tumors	Mono									2028	

★ Core Products

Abbreviations: NSCLC: non-small cell lung cancer; SCLC: small cell lung cancer; BC: breast cancer; TNBC: triple-negative breast cancer; ESCC: esophageal squamous cell carcinoma; GC: gastric cancer; CRC: colorectal cancer; BTC: biliary tract cancer; NPC: nasopharyngeal carcinoma; HNSCC: head and neck squamous cell carcinoma; CC: cervical cancer; OC: ovarian cancer; UC: urothelial carcinoma; GEJ: gastroesophageal junction adenocarcinoma; AML: acute myeloid leukemia; GIC: gastrointestinal cancer

Notes: (1) denotes estimated primary completion year; (2) in June 2026, the NMPA granted conditional approval for iza-bren for the treatment of NPC, based on data from the Phase III trial in r/m NPC (NCT06118333), which met its ORR primary endpoint in March 2025. In July 2026, the NMPA granted approval for iza-bren for the treatment of ESCC, based on data from the Phase III trial in r/m ESCC (NCT06304974), which met its dual primary endpoints of PFS and OS in October 2025; (3) we have entered into a global strategic license and collaboration agreement with BMS. Under this agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. We have retained exclusive rights to develop and commercialize iza-bren in Chinese Mainland, and we have granted BMS an exclusive license to develop and commercialize iza-bren in the rest of the world, subject to certain specified conditions and limitations. For details of this agreement, see "Business — License and Collaboration Agreement with Bristol-Myers Squibb Company"; and (4) clinical progress represents the most advanced trial stage of the corresponding pipeline asset.

Biologics Portfolio Empowered by HIRE-ADC Platform

Iza-bren (EGFR × HER3 bispecific ADC), Our Core Product

Iza-bren (izalontamab brengitecan, 宜泽康®) is the world's first and only approved bispecific ADC. It is also the only EGFR × HER3 bispecific ADC to have entered registrational stage globally, underscoring its substantial global clinical value and market potential. As of the Latest Practicable Date, iza-bren had received approvals from the NMPA through the Priority Review Programs for the treatment of adult patients with recurrent or metastatic NPC who had failed at least two prior lines of systemic chemotherapy and treatment with PD-1/PD-L1 inhibitor therapy and for the treatment of adult patients with recurrent or metastatic ESCC who had failed at least two prior lines of systemic therapy. These approvals provide new treatment options and may reshape the standard of care for the relevant patient population and mark the entry of bispecific ADC therapy into the later-line treatment paradigm for NPC and second-line treatment for ESCC. In addition, iza-bren's NDA for locally advanced or metastatic TNBC had been accepted by the NMPA as of the Latest Practicable Date. These regulatory milestones mark iza-bren's transition from clinical development to commercialization and demonstrate continued progress in realizing its potential value across multiple indications.

EGFR and HER3 are broadly and highly expressed across a wide range of epithelial tumors. Leveraging its bispecific structure, iza-bren is designed to broadly target multiple solid tumors and achieve greater enrichment within tumor tissues, thereby enhancing tumor-killing activity while reducing on-target off-tumor toxicity. Its differentiated design provides the biological foundation for the broad clinical development of iza-bren across multiple tumor types, patient populations and treatment settings.

Durable core patent protection supporting long-term commercialization. The core patent portfolio covering iza-bren is expected to provide protection through November 2042, potentially offering a substantial period of patent exclusivity to support its long-term commercialization in global markets and sustained value realization through indication expansion, global registration, commercial ramp-up and lifecycle management.

Expansive global clinical program. As of the Latest Practicable Date, iza-bren was being evaluated in over 45 clinical trials in China and overseas, comprising (i) 14 Phase III trials in China three of which supported advanced regulatory milestones – the NMPA's conditional approval for NPC, approval for ESCC and acceptance for filing of the NDA for TNBC; (ii) three global pivotal Phase II/III registrational trials; (iii) two additional Phase II/III registrational trials in China; (iv) 21 Phase II trials; and (v) six early-stage trials. In addition, a global Phase III clinical trial for EGFRmut NSCLC is expected to be initiated in September 2026. These trials span first-line, later-line, maintenance and perioperative settings, covering more than 10 major solid tumor types — including lung, breast, gastrointestinal, head and neck, gynecologic and genitourinary cancers — both as monotherapy and in combination regimens. As of the Latest Practicable Date, iza-bren had received breakthrough therapy designations for a total of eight indications, comprising seven indications under the CDE's breakthrough therapy designation program and one indication under the FDA's breakthrough therapy designation.

Next-generation backbone cancer therapy and super-blockbuster potential. Iza-bren's broad clinical validation across treatment settings and tumor types positions it to potentially become the next backbone cancer therapy. In tumors where PD-(L)1 plus chemotherapy is currently first-line standard of care, iza-bren may replace or reduce reliance on the chemotherapy component, offering a potentially better-tolerated regimen. In tumors where first-line treatment is primarily tyrosine kinase inhibitor ("**TKI**")-based, iza-bren is being evaluated in combination with TKIs to explore new treatment paradigms. Its development also extends into earlier-stage disease, including perioperative settings, which represent significant additional market opportunities. If successfully validated across these indications, iza-bren could achieve the broad applicability required to become a super-blockbuster drug — a transformative therapy with global revenue potential of tens of billion.

Clinical results presented at global oncology congresses. As a first-in-class therapy, iza-bren's clinical data have been showcased at leading international oncology congresses — including the American Society of Clinical Oncology ("**ASCO**"), the European Society for Medical Oncology ("**ESMO**"), the World Conference on Lung Cancer ("**WCLC**"), the European Lung Cancer Congress ("**ELCC**") and the San Antonio Breast Cancer Symposium ("**SABCS**") — and published in top-tier peer-reviewed journals such as *The Lancet Oncology* and *Nature Medicine*, demonstrating promising efficacy signals and a favorable safety profile across multiple tumor types.

2023 ASCO — EGFRmut NSCLC (Phase I): At the 2023 ASCO annual meeting, we were invited to give an oral presentation at the session of *Developmental Therapeutics-Molecularly Targeted Agents and Tumor Biology*. The presentation, delivered to over 6,000 attendees including oncology clinical experts and pharmaceutical research scientists, announced first-in-human Phase I data showing an objective response rate ("**ORR**") of 63.2% and disease control rate ("**DCR**") of 89.5% in EGFRmut non-small cell lung cancer ("**NSCLC**") patients. Following this presentation, several top global pharmaceutical companies approached us for partnership discussions, ultimately leading to the BMS collaboration. The updated data was published in July 2024 in the globally renowned academic journal, *The Lancet Oncology*.

2025 WCLC — EGFRmut NSCLC (first-line and second-line): At the 2025 WCLC, two iza-bren studies for the treatment of NSCLC were selected for the official press program and presented as oral presentations. The presentations featured breakthrough data from both first-line and later-line settings:

- *First-line:* Iza-bren plus osimertinib achieved a 100% ORR and 100% DCR — the first and only cancer therapy worldwide to achieve 100% ORR in solid tumors. At 12.5 months median follow-up, the 12-month progression-free survival ("**PFS**") rate was 92.1% and overall survival ("**OS**") rate was 94.8%, the highest ever reported for first-line NSCLC therapy. These results highlight the potential of iza-bren in combination with osimertinib to redefine the first-line treatment standard for EGFRmut NSCLC.

- *Second-line:* Iza-bren monotherapy in post-TKI, chemotherapy-naïve patients achieved median progression-free survival ("**mPFS**") of 12.5 months and 18-month OS rate of 69.2% — the longest mPFS reported for a monotherapy in second-line EGFRmut NSCLC. These results indicate that earlier use of iza-bren following EGFR-TKI therapy may deliver meaningful survival benefit and offer a potential new approach to addressing EGFR-TKI resistance.

2025 ESMO — NPC (Phase III, first approval): Our Phase III study (NCT06118333), the world's first confirmatory randomized controlled Phase III study in post-line treatment for NPC, was selected as a Late-Breaking Abstract, the highest honor at this conference. Iza-bren demonstrated statistically significant improvements over chemotherapy: ORR 54.6% vs. 27.0%, DCR 82.4% vs. 69.6%, median duration of response ("**mDoR**") 8.5 vs. 4.8 months, and mPFS 8.38 vs. 4.34 months. These results directly supported approval of iza-bren's first indication and advanced the treatment of later-line NPC from conventional chemotherapy into the era of bispecific ADC therapy.

At 2025 ESMO, we also released the first multicenter international solid tumor data from the global Phase Ib trial, demonstrating a confirmed ORR of 55.0% and mPFS of 5.4 months in heavily pretreated patients, with particularly compelling signals in lung and breast cancers. Together with the clinical data observed in Chinese patients with advanced solid tumors, these results further demonstrate iza-bren's broad anti-tumor potential across diverse patient populations and tumor types and highlight its promising profile as a versatile therapeutic agent.

2026 ELCC — ES-SCLC (first-line combination): At the 2026 ELCC, we presented Phase II data for iza-bren plus serplulimab as first-line therapy for ES-SCLC — the world's first study evaluating an ADC plus PD-1 inhibitor in this setting. SCLC is an aggressive subtype of lung cancer characterized by rapid progression, high recurrence rates and poor prognosis. Platinum-based chemotherapy combined with immunotherapy has long been the principal first-line treatment for ES-SCLC. However, a substantial unmet clinical need remains for treatments that can provide more durable disease control and improved survival outcomes. In this Phase II study, iza-bren in combination with serplulimab demonstrated encouraging anti-tumor activity and a manageable safety profile, with an ORR of 88.3%, a confirmed objective response rate ("**cORR**") of 77.9%, an mPFS of 8.2 months and a 12-month OS rate of 80.8% (85.7% in the recommended dose cohort). These results suggest that iza-bren in combination with immunotherapy has the potential to help address the plateau in clinical benefit observed with existing chemo-immunotherapy regimens, providing a clinical foundation for advancing to a confirmatory Phase III trial and exploring a new first-line treatment paradigm for SCLC.

2026 ASCO — TNBC and ESCC (Phase III): At the 2026 ASCO Annual Meeting, we presented positive Phase III data in two indications:

- *TNBC:* PANKU-Breast02 is the world's first Phase III study of a bispecific ADC to report positive results for the dual primary endpoints of PFS and OS in TNBC, and the results were selected as a Late-Breaking Abstract. TNBC is an aggressive subtype of BC characterized by poor prognosis and limited treatment options. At a median follow-up of 11.0 months, iza-bren demonstrated statistically significant improvements over chemotherapy in both OS (mOS 15.9 vs. 12.5 months; HR=0.60, 40% reduction in death risk) and PFS (mPFS 8.5 vs. 3.1 months; HR=0.29, 71% reduction in progression/death risk), with a manageable safety profile (1.9% discontinuation rate, 1.4% interstitial lung disease ("**ILD**") incidence, no Grade 3 or above ILD events). These data demonstrate that iza-bren may offer a new therapeutic option with survival benefit and a manageable safety profile for patients with previously treated advanced TNBC, with the potential to reshape the second-line and later treatment landscape and provide a clinical foundation for further exploration in earlier-line settings. The NDA was accepted by CDE in June 2026.

- *ESCC:* PANKU-Esophagus01 is the world's first Phase III trial of a bispecific ADC in esophageal cancer ("**EC**") to report positive results for both PFS and OS, and the results were selected for oral presentation. In patients with recurrent or metastatic ESCC who progressed after first-line immunotherapy plus platinum-based chemotherapy, subsequent treatment options remain limited and long-term survival outcomes remain suboptimal. Iza-bren achieved significant improvements over chemotherapy in OS (mOS 9.8 vs. 7.2 months; HR=0.64, 36% reduction in death risk) and PFS (mPFS 4.2 vs. 2.0 months; HR=0.50, 50% reduction in progression/death risk), with ORR nearly three times that of chemotherapy (35.3% vs. 13.1%). Iza-bren demonstrated a manageable safety profile with no new safety signals observed. These data indicate that iza-bren has the potential to address an important gap in the second-line treatment landscape for ESCC. The NDA was approved by the NMPA in July 2026.

Collaboration with MNC. On December 11, 2023, we reached a global strategic license and collaboration agreement with BMS. Under the agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. We are exclusively responsible for the development, commercialization, and manufacturing of iza-bren in Chinese Mainland, and will be responsible for manufacturing some of the drug supply for use outside of Chinese Mainland. BMS has an exclusive

license for iza-bren in the rest of the world. This collaboration is expected to generate substantial global revenues for us, while also allowing us to extend our biopharmaceutical capabilities beyond early-stage drug discovery and development into global clinical development and commercialization. As of the Latest Practicable Date, we had received the upfront payment of US$800 million and the first clinical trial milestone of US$250 million. We expect to trigger the second clinical trial milestone in the fourth quarter of 2026. See "Business — License and Collaboration Agreement with Bristol-Myers Squibb Company" for details.

T-Bren (HER2 ADC), Our Core Product

T-Bren (trastuzumab brengitecan) is our internally developed innovative HER2-targeting ADC candidate with best-in-class potential. T-Bren is the second Core Product generated from our HIRE-ADC platform to enter Phase III clinical development, demonstrating the strength of our mature and systematic innovation engine. T-Bren uses our proprietary, globally patented Topoisomerase I ("**Topo1**") inhibitor payload (Ed-04) and a cleavable, highly stable linker. Designed to improve hydrophilicity and reduce aggregation, it has demonstrated stronger antitumor activity than certain marketed HER2 ADCs in various cell line-derived xenograft ("**CDX**") tumor models, with a favorable safety profile. As a next-generation candidate in the HER2 ADC industry, T-Bren has validated its broad development potential in multiple HER2-expressing or HER2-driven solid tumors, including breast cancer ("**BC**"), gastric cancer/gastroesophageal junction adenocarcinoma ("**GC/GEJ**"), lung cancer and ovarian cancer ("**OC**").

As of the Latest Practicable Date, T-Bren was being evaluated in 18 clinical trials in China and overseas, including eight Phase III trials, one Phase II/III registrational trial, three Phase II trials, three Phase I/II trials and three Phase I trials. As of the Latest Practicable Date, one T-Bren indication had been included by the CDE in the breakthrough therapy designation program.

Clinical validation across tumor types. T-Bren has demonstrated positive efficacy and a favorable safety profile across multiple HER2-expressing and HER2-driven solid tumors, with data presented at leading international conferences including ASCO, ESMO and SABCS.

2025 ESMO/ESMO Asia — GC/GEJ and NSCLC. In previously treated HER2+ advanced GC/GEJ adenocarcinoma (median two prior lines, majority with prior anti-HER2 therapy, representing a difficult-to-treat patient population), T-Bren demonstrated positive antitumor activity: ORR 55.3%, cORR 47.4%, DCR 92.1%, mPFS 8.4 months; mOS not yet reached. In previously treated HER2-mutant NSCLC, T-Bren achieved cORR 56.9%, with mPFS not yet reached and six-month PFS rate of 88.7%. These data support T-Bren's broad development potential as a next-generation HER2 ADC.

2026 ASCO — OC and BC. At the 2026 ASCO Annual Meeting, we presented Phase II data for T-Bren in two indications, further demonstrating its best-in-class potential:

- *OC:* T-Bren monotherapy data in platinum-resistant recurrent ovarian cancer ("**PROC**") were selected for oral presentation. In pooled analysis of two Phase II studies, T-Bren achieved a cORR of 52.5%, mPFS not reached and a nine-month PFS rate of 54.7% in PROC patients with HER2 expression, with a favorable safety profile (only one Grade 1 ILD case). These data further demonstrate T-Bren's best-in-class potential and support its continued late-stage development in HER2-expressing PROC.

- *BC:* In a Phase II study of T-Bren plus pertuzumab as first-line treatment for HER2+ unresectable locally advanced or metastatic BC, T-Bren achieved one-year PFS rate of 90.8%, one-year OS rate of 95% and cORR of 87.5%, with no treatment-related ILD events. A registrational Phase III study comparing T-Bren plus pertuzumab with docetaxel plus trastuzumab and pertuzumab as first-line therapy is ongoing, the results of which may provide a new potential treatment option for this patient population.

BL-M14D1 (DLL3 ADC)

BL-M14D1 is an innovative delta-like ligand 3 ("**DLL3**")-directed ADC designed for the treatment of advanced small cell lung cancer ("**SCLC**"), neuroendocrine neoplasms and other solid tumors. DLL3 is overexpressed in up to 80% of SCLC and other neuroendocrine neoplasms, with low expression in normal tissues, making it an attractive therapeutic target for ADC-based approaches. In our Phase I trial to evaluate BL-M14D1 as monotherapy in patients with locally advanced or metastatic SCLC, neuroendocrine carcinoma ("**NEC**") and other solid tumors, BL-M14D1 has demonstrated promising antitumor activity with a tolerable safety profile. As of the data cut-off date (March 1, 2026), among SCLC patients, BL-M14D1 achieved an ORR of 71.4% (cORR of 60.7%), a DCR of 94.0%, and an mPFS of 7.1 months. Among NEC patients, the ORR was 55.9% (cORR 38.2%), DCR was 94.1%, and the 6-month PFS rate was 56.7%. The most common treatment related adverse events ("**TRAEs**") were hematologic and clinically manageable, with only 2.4% of patients discontinuing treatment due to TRAEs. These results were presented as an oral presentation at the 2026 ASCO Annual Meeting. We initiated a Phase III multi-regional clinical trial of BL-M14D1 as first-line treatment for extensive-stage SCLC ("**ES-SCLC**") in July 2026, which is our first independently initiated global Phase III trial.

BL-M05D1 (Claudin 18.2 ADC)

BL-M05D1 is an innovative Claudin 18.2-targeted ADC and is currently being evaluated in three clinical trials across China and the U.S. Claudin 18.2 is predominantly expressed in the gastric mucosa and typically absent from other healthy tissues; however, its overexpression has been identified in 30% to 50% of GC, pancreatic cancer and biliary tract cancer ("**BTC**") cases, making it an attractive therapeutic target. In our Phase I clinical trial, BL-M05D1 has demonstrated promising antitumor activity with a tolerable safety profile across multiple Claudin 18.2-expressing tumor types. As of the data cut-off date (March 30, 2026), BL-M05D1 achieved an ORR of 41.5% (cORR of 37.7%), an mPFS of 5.5 months and an mOS of 12.8 months in GC/GEJ; an ORR of 26.3% (cORR of 23.7%), an mPFS of 4.4 months and an mOS of 14.2 months in pancreatic cancer; and an ORR of 42.5% (cORR of 32.5%), an mPFS of 5.7 months and mOS not reached in BTC. The most common TRAEs were hematologic and clinically manageable, with no new safety signals observed. These results were presented at the 2026 ASCO Annual Meeting. Based on the Phase I data in GC/GEJ cohort, we initiated a Phase III registrational trial in May 2026 in China to evaluate BL-M05D1 as monotherapy for Claudin 18.2+ advanced GC/GEJ.

BL-M11D1 (CD33 ADC)

BL-M11D1 is an innovative CD33 specific ADC being evaluated in hematologic malignancies, including relapsed/refractory acute myeloid leukemia ("**AML**") and myelodysplastic syndromes. CD33 is a transmembrane receptor expressed on cells of myeloid lineage and is broadly overexpressed in hematologic malignancies. Approximately 85% to 90% of AML patients express CD33 on their leukemia cells, supporting CD33 as a promising selective therapeutic target in AML. In our Phase I monotherapy trial in China, BL-M11D1 demonstrated encouraging anti-leukemic activity and an acceptable safety profile in patients with relapsed/refractory AML. We initiated a Phase II/III trial in March 2026 evaluating BL-M11D1 in combination with either cytarabine and daunorubicin or venetoclax and azacitidine in AML.

Other HIRE-ADC Candidates

We are also advancing other HIRE-ADC candidates, including BL-B16D1, BL-M08D1, BL-M09D1 and BL-M24D1. All these candidates are in Phase I clinical trials, covering solid tumors including head and neck squamous cell carcinoma ("**HNSCC**"), NSCLC, gastrointestinal cancer ("**GIC**") and BC, and hematologic malignancies such as relapsed or refractory lymphoid malignancies.

Biologics Portfolio Empowered by GNC Platform

Our proprietary GNC platform is a fully self-developed multi-specific antibody development platform. The platform is designed to generate multi-specific antibodies with symmetrical or asymmetrical architectures that can simultaneously engage multiple distinct antigens. Through the coordinated interaction of multiple tumor- and immune-related protein domains, GNC molecules are designed to synergistically modulate multiple immune mechanisms, thereby "guiding," "navigating" and "controlling" immune cells to induce targeted, activated immune responses against tumor or other pathogenic cells.

GNC-038, a representative drug candidate generated from our GNC platform, is an innovative recombinant humanized tetra-specific antibody targeting cluster of differentiation 3 ("**CD3**"), 4-1BB, PD-L1 and cluster of differentiation 19 ("**CD19**"). According to CIC, GNC-038 is the world's first tetra-specific therapeutic antibody to enter clinical development. We are conducting two Phase I clinical trials of GNC-038 in China for rheumatoid arthritis and systemic lupus erythematosus, demonstrating the potential versatility of our GNC platform beyond oncology and into severe autoimmune diseases.

Biologics Portfolio Empowered by SEBA Platform

Our "Specificity Enhanced Bispecific Antibody," or SEBA, platform is our proprietary, self-developed bispecific antibody platform. SEBA molecules are able to not only block growth signals that cancer cells rely on for survival, but also induce greater immune system activity for greater potency and selectivity while minimizing off-target effects. Products developed from our SEBA platform include SI-B001 (EGFR × HER3 bispecific antibody), SI-B003 (PD-1 × cytotoxic T lymphocyte-associated antigen-4 ("**CTLA-4**") bispecific antibody) and SI-B036.

SI-B001 (EGFR × HER3 bispecific antibody)

SI-B001, also known as izalontamab, is a potentially first-in-class EGFR × HER3 bispecific antibody. According to CIC, SI-B001 is currently the only clinical-stage bispecific antibody in the world that simultaneously targets EGFR and HER3. Clinical studies have demonstrated SI-B001's encouraging antitumor activity and manageable safety in HNSCC. In a Phase II trial evaluating SI-B001 in combination with paclitaxel in patients with recurrent or metastatic HNSCC who had progressed on prior PD-(L)1 therapy, SI-B001 plus paclitaxel achieved an ORR of 58.2%, a DCR of 82.4%, an mDoR of 3.9 months and an mPFS of 5.4 months as of the same data cut-off date. In addition, updated HNSCC data from an expanded cohort were presented at the 2026 ASCO Annual Meeting, showing an ORR of 52.9% (cORR 41.2%), a DCR of 73.5%, an mPFS of 5.4 months and an mOS of 11.2 months. In patients with only one prior line of therapy, the ORR was 53.8% (cORR 46.2%) and mOS was 17.9 months. We are advancing four clinical trials for SI-B001 in China in HNSCC and NSCLC in combination settings, including in combination with chemotherapy and SI-B003. All these trials were in follow-up visit stage as of the Latest Practicable Date.

Other Bispecific Antibody Candidates

We are also developing other bispecific antibody candidates, including SI-B003 and SI-B036. SI-B003 is a bispecific antibody targeting both PD-1 and CTLA-4, designed to restore antitumor immune function by simultaneously blocking two key immune checkpoint pathways. We are currently conducting one Phase I clinical trial for SI-B003 as monotherapy for advanced solid tumors in China. As of the Latest Practicable Date, the database lock had been completed. We are exploring the combination therapy potential of SI-B003 with our other pipeline drug candidates, including iza-bren. SI-B036 is another bispecific antibody candidates currently in Phase I clinical trial for solid tumors in China.

Biologics Portfolio Empowered by HIRE-ARC Platform

Leveraging our expertise in antibody and ADC technologies, we have established the HIRE-ARC platform, a proprietary platform for the development of ARCs. The platform integrates precise antibody-mediated targeted delivery with the potent tumor-killing capabilities of radionuclides. Compared with conventional radioligand drug conjugates ("**RDCs**"), ARC candidates developed on our HIRE-ARC platform are designed to provide enhanced target specificity and tumor accumulation and may offer greater potential to overcome drug resistance.

As of the Latest Practicable Date, two drug candidates generated from our HIRE-ARC platform, BL-ARC001 and BL-ARC002, had entered Phase I clinical development for solid tumors in China. BL-ARC001 is our first innovative drug candidate in the ARC field and a potentially first-in-class ARC candidate. The clinical advancement of BL-ARC001 and BL-ARC002 demonstrates the ability of our HIRE-ARC platform to extend our antibody-engineering capabilities into innovative radiopharmaceutical modalities and further diversify our oncology pipeline.

Our Generics and Traditional Chinese Medicine Products

During the Track Record Period, we generated a portion of our revenue from the sales of 31 approved generics (covering a wide range of therapeutic areas such as anesthesia, parenteral nutrition, pediatric and anti-infective drugs) and traditional Chinese medicine products with over 100 specifications. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our total revenue from the sales of these pharmaceutical products amounted to RMB486.8 million, RMB380.1 million, RMB60.5 million and RMB92.0 million, respectively. Among these, our major generics and traditional Chinese medicine products, which contributed over 5% of our total revenue from the sales of pharmaceutical products in any of 2024, 2025 or the three months ended March 31, 2026, comprised seven products across four therapeutic areas: (i) three anesthesia drugs — Leweijing (乐维静®, propofol injectable emulsion), Leweitai (乐维泰®, propofol medium and long chain fat emulsion injection) and Shuweijing (舒维静®, sevoflurane for inhalation); (ii) two parenteral nutrition drugs — Tianze (天泽®, medium and long chain fat emulsion injection) and Bailineng (百利能®, structural fat emulsion injection); (iii) one pediatric drug — Leyeping (乐液平®) and Pujikang (朴吉康®, glucose electrolyte effervescent tablet); and (iv) one traditional Chinese medicine — astragalus granule (黄芪颗粒). For details of the inclusion of our major generics and traditional Chinese medicine products in the National Reimbursement Drug List of China ("**NRDL**") and their participation in the VBP and other centralized procurement schemes, see "Business — Pricing."

The following table sets forth our revenue from the sale of our pharmaceutical products by product for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)				*(Unaudited)*			
Major anesthesia drugs								
Leweijing	131,869	27.1	83,487	22.0	10,484	17.3	21,384	23.2
Leweitai	26,337	5.4	21,858	5.8	3,792	6.3	5,721	6.2
Shuweijing	46,009	9.5	40,956	10.8	6,142	10.2	13,013	14.1
Major parenteral nutrition drugs								
Tianze	27,245	5.6	19,610	5.2	4,192	6.9	3,751	4.1
Bailineng	968	0.2	21,131	5.6	2,954	4.9	8,344	9.1
Major pediatric drugs								
Leyeping and Pujikang	20,158	4.1	22,959	6.0	5,526	9.1	6,110	6.6
Other chemical drugs								
Anti-infectives	21,473	4.4	17,890	4.7	2,636	4.4	2,977	3.2
Others	48,219	9.9	56,185	14.8	9,482	15.6	12,937	14.0

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)				*(Unaudited)*			
Traditional Chinese medicine								
Astragalus granule	146,312	30.1	84,077	22.1	13,641	22.5	15,838	17.2
Other traditional Chinese medicines	18,169	3.7	11,922	3.0	1,656	2.8	1,906	2.3
Total	**486,759**	**100.0**	**380,075**	**100.0**	**60,505**	**100.0**	**91,981**	**100.0**

See "Financial Information — Period to Period Comparison of Results of Operations" for details regarding material fluctuations.

BUSINESS SUSTAINABILITY

To realize long-term growth and enhance patient outcomes, we made the strategic move into the innovative drug business in 2010 and have focused on discovering and developing breakthrough oncology therapies since 2014. Leveraging our proprietary technology platforms, we have systematically built a pipeline of potential first- and best-in-class treatments across multiple modalities that target major tumor types. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. All assets in our innovative drug pipeline as of the Latest Practicable Date are self-discovered. This innovative drug pipeline is led by our Core Products, iza-bren, an EGFR × HER3 bispecific ADC which we believe has the potential to become a backbone pan-tumor treatment, and T-Bren, an innovative HER2-specific ADC with best-in-class potential.

We recorded a net profit of RMB3,707.5 million in 2024, mainly attributable to the license fee income we received. We recorded net losses of RMB1,053.6 million, RMB531.4 million and RMB774.6 million in 2025 and the three months ended March 31, 2025 and 2026, respectively. Our net losses recorded in 2025 and the three months ended March 31, 2026 were primarily due to (i) our substantial investment in R&D activities, with research and development expenses amounting to RMB2,513.7 million in 2025 and RMB694.8 million in the three months ended March 31, 2026, reflecting the continued clinical development of our iza-bren, T-Bren and other innovative drug candidates, and (ii) a decrease in license fee income from RMB5,331.7 million in 2024 to RMB2,124.4 million in 2025 as the milestone payment revenue recognized in 2025 was smaller in scale than the upfront payment revenue recognized in 2024.

We have identified the following strategic priorities to drive long-term growth and profitability: (i) commercialization and indication expansion of our Core Products; (ii) maintaining financial stability through generics and traditional Chinese medicine business; and (iii) continuing to advance our diverse portfolio of innovative drugs. For details, see "Financial Information — Business Sustainability."

LICENSE AND COLLABORATION AGREEMENT WITH BRISTOL-MYERS SQUIBB COMPANY

On December 11, 2023, we entered into an exclusive license and collaboration agreement with Bristol-Myers Squibb Company ("**BMS**"), effective as of February 8, 2024 (the "**BMS Agreement**"), under which we and BMS will conduct a global strategic license of and collaboration on iza-bren, a bispecific ADC which targets both EGFR and HER3 (the "**Licensed Product**"). Under the BMS Agreement, BMS agreed to pay to us a US$800 million upfront payment and up to US$500 million in contingent near-term payments. In addition, we are eligible to receive additional payments of up to US$7.1 billion contingent upon the achievement of certain development, regulatory and sales performance milestones for a total potential consideration of up to US$8.4 billion. Under the agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance

with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. The parties will share certain global development expenses and profits and losses in the U.S., and we retained exclusive rights to develop and commercialize the Licensed Product in Chinese Mainland where BMS will receive a royalty on net sales, and we granted BMS an exclusive license to develop and commercialize the Licensed Product in the rest of the world ("**ROW**") where we will receive a tiered royalty on net sales, subject to certain specified conditions and limitations.

RESEARCH AND DEVELOPMENT

Research and development is a fundamental pillar of our business and will continue to be critical to our future growth and our ability to remain competitive in the global biopharmaceutical market. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses were RMB1,442.8 million, RMB2,513.7 million, RMB494.9 million and RMB694.8 million, respectively. In particular, our research and development expenses attributable to our Core Products were RMB745.8 million, RMB1,800.4 million, RMB326.5 million, and RMB488.9 million during the same periods, respectively, accounting for 51.7%, 71.6%, 66.0% and 70.4% of our total research and development expenses in the corresponding periods. Our in-house R&D capabilities revolve around our four core technology platforms: HIRE-ADC, GNC, SEBA and HIRE-ARC, which in turn serve as the foundation for our continued drug innovation. We currently have three R&D facilities, namely our SystImmune R&D Center in Seattle, U.S., our Baili Pharm R&D Center and Baili-Bio R&D Center in Chengdu, Sichuan Province, PRC. As of March 31, 2026, we had an R&D team of 1,702 members across our offices in China and the U.S., accounting for approximately 52.0% of our total employees.

MANUFACTURING

We manufacture all of our innovative drug candidates as well as our generic drugs and traditional Chinese medicines on our own, which are in a variety of dosage forms, including injections, tablets, capsules, and granules. We currently have five manufacturing facilities, housing a total of 29 production lines for our major approved drugs. Our Baili-Bio Base is dedicated to the production of innovative biologics, while our Guorui Base, Baili Base, Hiatt/Jingxi Base and Tianze Base are primarily used for the production of generic drugs and traditional Chinese medicine products. We currently own the major production equipment used in our manufacturing process. With a GFA of approximately 36,000 sq.m., our Baili-Bio Base houses various workshops, covering the full cycle of cell culture, antibody purification, ADC conjugation, filling, lyophilisation and packaging. As of the Latest Practicable Date, our manufacturing facilities for generic drugs and traditional Chinese medicines occupied an aggregate site area of approximately 174,341 sq.m. and had an aggregate gross floor area ("**GFA**") of approximately 90,142 sq.m.

SALES AND MARKETING

As of the Latest Practicable Date, we had grown iza-bren's commercial coverage to span 30 provincial-level regions and 161 cities across Chinese Mainland, with access through over 450 direct-to-patient pharmacies located in proximity to major hospitals and leading cancer centers. We are actively pursuing hospital admissions to further broaden patient access. During the Track Record Period, we generated a portion of our revenue from the sales of 31 approved with over 100 specifications generics and traditional Chinese medicine products. We generate revenue from the sales of generic drugs and traditional Chinese medicine products primarily by selling our products to distributors who, in turn, sell our products to hospitals, pharmacies and other medical institutions. We have established a comprehensive sales and marketing system for our generic drugs and traditional Chinese medicines that spans over 30 provinces and 200 cities across China. As of the Latest Practicable Date, our distribution network comprised of over 800 distributors across more than 30 provinces and over 200 cities.

SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of contract research organizations ("**CROs**") and suppliers of raw materials, equipment, devices and construction services. We primarily procure our raw materials within the PRC, with a minor portion sourced from the United States. Purchases from our five largest suppliers in each period during the Track Record Period were RMB217.2 million, RMB422.0 million and RMB105.9 million in 2024, 2025 and the three months ended March 31, 2026, respectively, representing 15.8%, 16.6% and 16.5% of our total purchases for the corresponding periods. Purchases from our largest supplier in 2024,2025 and the three months ended March 31, 2026 were RMB73.2 million, RMB205.9 million and RMB37.2 million, respectively, representing 5.3%, 8.1% and 5.8% of our total purchases for the corresponding periods.

CUSTOMERS

During the Track Record Period, our revenue was derived from license fee income and sales of pharmaceutical products. In 2024 and 2025, our revenue was primarily derived from license fee income, while in the three months ended March 31, 2026, our revenue was primarily derived from sales of pharmaceutical products, mainly to third-party distributors. Our revenue from our five largest customers in each period during the Track Record Period, calculated on the group level with entities controlled by the same group combined together, were RMB5,537.8 million, RMB2,306.9 million and RMB47.7 million in 2024, 2025 and the three months ended March 31, 2026, respectively, representing 95.1%, 91.5% and 50.7% of our total revenue for the corresponding periods. Our revenue from our largest customer in each period during the Track Record Period were RMB5,334.3 million, RMB2,136.9 million and RMB18.1 million, respectively, representing 91.6%, 84.8% and 19.2% of our total revenue for the corresponding periods.

COMPETITION

We operate in a competitive industry, facing potential competition from many others working to develop therapies and products targeting the same indications and markets, such as multinational biopharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies. In our innovative biologics business, our drug candidates may, upon marketing approval, face competition from existing drugs and other drug candidates directed against the same molecular targets, mechanisms and indications, as an increasing number of biotechnology and multinational pharmaceutical companies commit substantial resources to our modalities of focus. In our generics and traditional Chinese medicine business, we face competition from other domestic manufacturers, including in the centralized tender process and the VBP scheme, where pricing pressure and competing bidders have affected, and may continue to affect, the sales volume, pricing and market share of such products. We believe that the primary competitive factors in our markets include the identification of promising targets, mechanisms, and pathways for drug development, molecule screening and design, efficacy and safety of drug candidates, manufacturing efficiency, and commercialization, as well as, for our generics and traditional Chinese medicine products, price competitiveness, product quality, clinical effectiveness, and manufacturer qualifications and reputation in centralized tender and VBP processes. We believe our continued success will depend on our following capabilities: the capability to develop innovative products and advanced technologies, including our proprietary HIRE-ADC, SEBA, GNC and HIRE-ARC platforms; the capability to apply technologies to all production lines; the capability to develop an extensive product portfolio spanning both our innovative biologics pipeline and our generics and traditional Chinese medicine business; the capability to maintain a highly efficient operational model; the capability to attract, retain and cultivate talent; the capability to maintain high quality standards; the capability to obtain and maintain regulatory approvals; and the capability to effectively market and promote products, including through our differentiated bidding strategy in centralized tender and VBP processes.

INTELLECTUAL PROPERTY

We have a global portfolio of invention patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 251 issued invention patents, including 83 in Chinese Mainland, 22 in the U.S., and 146 in other jurisdictions, and (ii) 938 patent applications, including 205 in Chinese Mainland, 77 in the U.S., 14 valid applications under the Patent Cooperation Treaty ("**PCT**") and 642 in other jurisdictions. As of the Latest Practicable Date, with respect to our Core Products, we owned 11 issued patents in Chinese Mainland, five issued patents in the U.S. and 32 issued patents in other jurisdictions, as well as 188 patent applications, including 26 in Chinese Mainland, 14 in the U.S., two valid applications under the PCT and 146 in other jurisdictions. The invention patents granted to, or under application by, us cover all material aspects of our Core Products. For details of our intellectual property, see "Business — Intellectual Property."

SUMMARY OF KEY FINANCIAL INFORMATION

The summary of the key financial information set forth below has been derived from and should be read in conjunction with our consolidated financial statements, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this document, as well as the information set forth in the section headed "Financial Information."

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Revenue	**5,821,050**	**100.0**	**2,518,494**	**100.0**	**67,034**	**100.0**	**94,076**	**100.0**
Cost of sales	(290,827)	(5.0)	(266,697)	(10.6)	(38,694)	(57.7)	(47,896)	(50.9)
Gross profit	**5,530,223**	**95.0**	**2,251,797**	**89.4**	**28,340**	**42.3**	**46,180**	**49.1**
Other income	253,953	4.4	270,603	10.7	64,524	96.3	64,893	69.0
Other gains and losses, net	94,310	1.6	(97,183)	(3.9)	(11,170)	(16.7)	(40,182)	(42.7)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	(2,191)	0.0	2,792	0.1	697	1.0	668	0.7
Research and development expenses	(1,442,789)	(24.8)	(2,513,725)	(99.8)	(494,913)	(738.3)	(694,755)	(738.5)
Distribution and selling expenses	(214,560)	(3.7)	(201,112)	(8.0)	(52,653)	(78.5)	(42,913)	(45.6)
Administrative expenses	(194,739)	(3.3)	(300,085)	(11.9)	(57,196)	(85.3)	(83,071)	(88.3)
Other expenses	(3,530)	(0.1)	(49,452)	(2.0)	(491)	(0.7)	(414)	(0.4)
Finance costs	(42,523)	(0.7)	(85,069)	(3.4)	(15,961)	(23.8)	(26,557)	(28.2)
Profit (loss) before tax	**3,978,154**	**68.3**	**(721,434)**	**(28.6)**	**(538,823)**	**(803.8)**	**(776,151)**	**(825.0)**
Income tax (expense) credit	(270,649)	(4.6)	(332,184)	(13.2)	7,387	11.0	1,593	1.7
Profit (loss) for the year/period attributable to owners of the Company	**3,707,505**	**63.7**	**(1,053,618)**	**(41.8)**	**(531,436)**	**(792.8)**	**(774,558)**	**(823.3)**

Revenue

During the Track Record Period, we generated revenue primarily from the sale of pharmaceutical products and the license fee income. The following table sets forth a breakdown of our revenue by nature in both absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Sale of pharmaceutical products	486,759	8.4	380,075	15.1	60,505	90.3	91,981	97.8
License fee income	5,331,724	91.6	2,124,353	84.4	–	–	–	–
Others[(1)]	2,567	0.0	14,066	0.5	6,529	9.7	2,095	2.2
Total	**5,821,050**	**100.0**	**2,518,494**	**100.0**	**67,034**	**100.0**	**94,076**	**100.0**

(1) Primarily included revenue generated from the sales of R&D materials.

See "— Our Portfolio Assets — Our Generics and Traditional Chinese Medicine Products" regarding the breakdown of our revenue from the sale of our pharmaceutical products by product during the Track Record Period.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Total non-current assets	830,153	957,078	1,039,853
Total current assets	6,307,206	10,490,724	10,005,707
Total current liabilities	1,994,656	1,954,682	2,015,801
Net current assets	4,312,550	8,536,042	7,989,906
Total assets less current liabilities	5,142,703	9,493,120	9,029,759
Total non-current liabilities	1,256,778	2,870,446	3,386,041
Net assets	3,885,925	6,622,674	5,643,718

Our net current assets decreased from RMB8,536.0 million as of December 31, 2025 to RMB7,989.9 million as of March 31, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB2,212.2 million as we placed funds into term deposits with a maturity of more than three months, and (ii) an increase in borrowings of RMB96.6 million, partially offset by (iii) an increase in term deposits of RMB1,712.4 million; and (iv) an increase in trade and other receivables of RMB31.4 million.

Our net current assets increased from RMB4,312.6 million as of December 31, 2024 to RMB8,536.0 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB1,934.2 million, (ii) an increase in financial assets at FVTPL of RMB2,170.0 million, and (iii) a decrease in contract liabilities of RMB348.8 million, reflecting the recognition of license fee income from the transfer of manufacturing technology in 2025, partially offset by (iv) an increase in trade and other payables of RMB207.2 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Net cash from/(used in) operating activities	3,841,817	(977,064)	(539,171)	(778,427)
Net cash (used in)/from investing activities	(2,348,591)	(2,152,263)	259,152	(1,642,024)
Net cash from financing activities	1,273,891	5,156,223	739,010	365,505
Net increase/(decrease) in cash and cash equivalents	2,767,117	2,026,896	458,991	(2,054,946)
Cash and cash equivalents at the beginning of the year/period	391,693	3,207,998	3,207,998	5,142,149
Effect of foreign exchange rate changes	49,188	(92,745)	(5,887)	(157,272)
Cash and cash equivalents at the end of the year/period	3,207,998	5,142,149	3,661,102	2,929,931

Key Financial Ratios

	As of/for the year ended December 31,		As of/in the three months ended March 31,
	2024	2025	2026
Gross profit margin[(1)]	95.0%	89.4%	49.1%
Current ratio[(2)]	3.2	5.4	5.0
Quick ratio[(3)]	3.1	5.3	4.9

(1) Gross profit margin is calculated by dividing gross profit by our revenue for the period/year indicated.

(2) Current ratio is calculated by dividing total current assets by total current liabilities as of the date indicated.

(3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of year/period end.

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." You should read the "Risk Factors" section in its entirety before you decide to invest in our Company. Some of the major risks that we face include: (i) our business and prospects depend substantially on the success of our drug candidates. Development of innovative drugs involves a lengthy and expensive process with uncertain outcomes. If we are not able to develop and commercialize new products, including our Core Products, our business prospects could be adversely affected; (ii) we may face intense competition, and our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates; (iii) we may be unable to identify, discover, in-license, acquire or develop new drug candidates, or to expand the therapeutic opportunities for our drug candidates; (iv) before we start to generate revenue from the commercialization of our innovative drug candidates, we rely on the sales of commercialized products. If we are unable to maintain the sales volume, pricing levels and profit margins of our existing marketed products, our operations, revenue and profitability could be adversely affected; (v) pricing regulations or other policies such as volume-based procurement (the "**VBP**") that are

intended to reduce healthcare costs could adversely affect our operations, revenue and profitability; and (vi) we had net losses during the Track Record Period except for the year of 2024. We may continue to incur net losses and may fail to achieve or maintain profitability in the future.

OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Dr. Zhu directly held approximately 72.22% of our total issued Shares, representing approximately 72.49% of the total voting rights in our Company (excluding treasury Shares). Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), Dr. Zhu will directly hold approximately [**REDACTED**]% of our total issued Shares, representing approximately [**REDACTED**]% of the total voting rights in our Company (excluding treasury Shares). Accordingly, Dr. Zhu is, and will continue to be upon completion of the [**REDACTED**], our Controlling Shareholder.

SOPHISTICATED INVESTOR

Since our establishment, we have received meaningful investments from our financial investors including the Sophisticated Investor, namely OAP III. For further details, see "History, Development and Corporate Structure — Sophisticated Investor."

LISTING ON THE SSE STAR MARKET

On January 6, 2023, our A Shares were listed on the SSE STAR Market with the stock code of 688506. For details, see "History, Development and Corporate Structure."

[**REDACTED**]

WORKING CAPITAL SUFFICIENCY

Based on our available cash and cash equivalents, term deposits and financial assets at FVTPL, the anticipated cash flow from operations, available banking facilities and the anticipated [**REDACTED**] from the [**REDACTED**], our Directors are of the opinion that we will have sufficient funds to meet 125% of our working capital requirements and financial requirements of our capital expenditure for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. Assuming an average cash burn rate going forward of [**REDACTED**] times the level of the 15 months from January 1, 2025 to March 31, 2026, we estimate that our cash at bank and on hand and other financial assets as of March 31, 2026 will be able to maintain our financial viability for [**REDACTED**] months from March 31, 2026 taking into account the estimated [**REDACTED**] from the [**REDACTED**], net of capitalized [**REDACTED**]; or we estimate that we will be able to maintain our financial viability for [**REDACTED**] months from March 31, 2026 without taking into account the estimated [**REDACTED**] from the [**REDACTED**], net of capitalized [**REDACTED**]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses to be borne by us are estimated to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), representing approximately [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] assuming no H Shares are [**REDACTED**] pursuant to the [**REDACTED**]. The [**REDACTED**] expenses consist of (i) [**REDACTED**]-related expenses, including [**REDACTED**] commission, of approximately HK$[**REDACTED**], and (ii) non-[**REDACTED**]-related expenses of approximately HK$[**REDACTED**], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. Among the total [**REDACTED**] expenses, approximately RMB[**REDACTED**] will be directly attributable to the [**REDACTED**] of our H Shares, which will be deducted from equity upon the completion of the [**REDACTED**], and [**REDACTED**] has been expensed during the Track Record Period, and the remaining amount of approximately RMB[**REDACTED**] is expected to be expensed upon the [**REDACTED**]. We do not believe any of the above fees or expenses are material or are unusually high to us. The [**REDACTED**] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDENDS

We did not declare or pay dividends on our H Shares during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our products as well as our earnings, capital requirements, overall financial condition and contractual restrictions. Currently, we do not have a dividend policy or pre-determined dividend payout ratio in place. As confirmed by our PRC Legal Advisor, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above.

[**REDACTED**]

We estimate that we will receive [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**] commissions, fees and estimated expenses in connection with the [**REDACTED**] payable by us, and assuming that the [**REDACTED**] is not exercised and based on an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range stated in this document. We intend to apply such [**REDACTED**] from the [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the clinical development of iza-bren; (ii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the clinical development of T-Bren; (iii) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the clinical development of BL-M14D1, (iv) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the upgrade and construction of our production and R&D bases; and (v) approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for our working capital and other general corporate purposes overseas. For further details, see "Future Plans and [**REDACTED**]."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, we have continued to advance our pipeline across multiple assets and indications. In May 2026, we submitted an NDA for iza-bren for the treatment of TNBC, which had been accepted for review by the CDE as of the Latest Practicable Date. In June and July 2026, the NMPA granted marketing approvals for iza-bren for the late-line treatment of NPC and the second-line treatment of ESCC, respectively. Further, we have initiated six clinical trials of iza-bren across BTC, ES-SCLC, ESCC and HR+/HER2- BC, as well as in the maintenance and perioperative treatment settings for EGFR-mutant NSCLC since April 2026. For T-Bren, we have initiated three Phase III clinical trials in HER2+ BC, HER2-expressing BTC, and HER2-expressing epithelial ovarian, fallopian tube and primary peritoneal cancers since April 2026. We also initiated a Phase II trial in China and a global multicenter Phase III trial in July 2026, each evaluating BL-M14D1 in combination with atezolizumab as first-line treatment for ES-SCLC.

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of the periods reported in Appendix I to this document, and there was no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

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

"A Share(s)"	ordinary shares of our Company with a nominal value of RMB1.00 each, listed on the SSE STAR Market and traded in Renminbi
"Accountants' Report"	the accountants' report of our Company prepared by Deloitte Touche Tohmatsu and set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person that directly or indirectly controls, is controlled by, or is under common control with, such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, as amended and effective on the [**REDACTED**], a summary of which is set out in "Appendix V — Summary of Articles of Association"
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Baili Base"	our manufacturing facility in Wenjiang, Chengdu, Sichuan Province, PRC, operated by Baili Pharmaceutical
"Baili-Bio"	Baili-Bio (Chengdu) Pharmaceutical Co., Ltd. (成都百利多特生物藥業有限責任公司), a PRC limited liability company established on February 21, 2017 and formerly known as Chengdu Baili Duote Antibody Drug Co., Ltd. (成都多特抗體藥物有限責任公司), and our wholly-owned subsidiary
"Baili-Bio Base"	our manufacturing facility in Chengdu, Sichuan Province, PRC, operated by Baili-Bio
"Baili Pharm R&D Center"	our R&D facility located in Chengdu, Sichuan Province, PRC
"Baili Pharmaceutical"	Sichuan Baili Pharmaceutical Co., Ltd. (四川百利藥業有限責任公司), a PRC limited liability company established on August 23, 1996 and our wholly-owned subsidiary
"Biokin Shanghai"	Biokin (Shanghai) Biopharmaceutical Technology Co., Ltd. (百利天恒(上海)生物醫藥科技有限責任公司), a PRC limited liability company established on December 22, 2025 and our wholly-owned subsidiary
"BMS"	Bristol-Myers Squibb Company, a global biopharmaceutical company headquartered in the U.S. and listed on the New York Stock Exchange under the ticker symbol BMY
"BMS Agreement"	the global strategic license and collaboration agreement entered into with BMS on December 11, 2023 and effective on February 8, 2024
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for business, other than a Saturday, Sunday or public holiday in Hong Kong
"BVI"	the British Virgin Islands

[**REDACTED**]

"CDE"	the Center for Drug Evaluation of the NMPA (國家藥品監督管理局藥品審評中心)

"Chengdu Jinghe"	Chengdu Jinghe Pharmaceutical Co., Ltd. (成都精核藥業有限責任公司), a PRC limited liability company established on April 2, 2026 and our wholly-owned subsidiary
"Chengdu Yuyanqi"	Chengdu Yuyanqi Biotechnology Co., Ltd. (成都玉顏芪生物科技有限責任公司), a PRC limited liability company established on December 15, 2025 and our wholly-owned subsidiary
"Chief Scientific Officer"	the chief scientific officer of the Company
"China" or "PRC"	the People's Republic of China, which, for the purposes of this document and geographical references only, excludes Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan Region
"CIC"	China Insights Industry Consultancy Limited, an independent industry consultant of our Company
"CIC Report"	the industry report commissioned by our Company and independently prepared by CIC, a summary of which is set out in "Industry Overview"
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
"Company," "our Company" or "the Company"	Sichuan Biokin Pharmaceutical Co., Ltd. (四川百利天恒藥業股份有限公司), a PRC joint stock company with limited liability incorporated on November 29, 2011 and listed on the SSE STAR Market under stock code 688506 on January 6, 2023, or, where the context requires, its predecessor, Sichuan Tianheng Pharmaceutical Co., Ltd. (四川天恒藥業有限責任公司), or Tianheng Pharmaceutical, a PRC limited liability company established on August 17, 2006
"Compliance Adviser"	TFI Capital Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules and, unless the context otherwise requires, refers to Dr. Zhu
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product(s)"	has the meaning ascribed to it under Chapter 18A of the Listing Rules and, in the context of our Group, refers to iza-bren and T-Bren
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSO"	the chief scientific officer of SystImmune
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company
"Dr. Zhu"	Dr. Zhu Yi (朱義), our founder, chairperson of the Board, executive Director, general manager, Chief Scientific Officer and Controlling Shareholder
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended from time to time

"Exchange Participant"	a person who may trade on or through the SEHK in accordance with the Listing Rules and is registered as such by the SEHK
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
"FDA"	the Food and Drug Administration of the United States

[**REDACTED**]

"Group," "our Group," "we" or "us"	our Company and its subsidiaries, or any of them as the context requires
"Guide for New Listing Applicants" or the "Guide"	the Guide for New Listing Applicants issued by the SEHK, as amended from time to time
"Guorui Base"	our manufacturing facility in Leshan, Sichuan Province, PRC, operated by Guorui Pharmaceutical
"Guorui Pharmaceutical"	Sichuan Guorui Pharmaceutical Co., Ltd. (四川國瑞藥業有限責任公司), a PRC limited liability company established on December 7, 2005 and our wholly-owned subsidiary
"H Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, to be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars and [**REDACTED**] on the SEHK

[**REDACTED**]

"Hiatt Technology"	Chengdu Hiatt Technology Co., Ltd. (成都海亞特科技有限責任公司), a PRC limited liability company established on September 29, 2014 and our wholly-owned subsidiary
"Hiatt/Jingxi Base"	our manufacturing facility in Qionglai, Sichuan Province, PRC, operated by Jingxi Pharmaceutical and Hiatt Technology
"HK$" or "HK dollar" or "Hong Kong dollar"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

[**REDACTED**]

"IFRS Accounting Standards"	International Financial Reporting Standards, including standards, amendments and interpretations issued by the International Accounting Standards Board and its predecessor bodies
"Independent Third Party(ies)" or "independent third party(ies)"	a person or entity that, to the best of our Directors' knowledge, information and belief after reasonable enquiries, is not a connected person of our Company under the Listing Rules

[**REDACTED**]

"Jingxi Pharmaceutical"	Chengdu Jingxi Pharmaceutical Co., Ltd. (成都精西藥業有限責任公司), a PRC limited liability company established on September 29, 2014 and our wholly-owned subsidiary

[**REDACTED**]

"Joint Sponsors"	the joint sponsors named in "Directors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	July 28, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
"Lhasa Xinbo"	Lhasa Xinbo Pharmaceutical Co., Ltd. (拉薩新博藥業有限責任公司), a PRC limited liability company established on August 22, 2013 and our wholly-owned subsidiary

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Main Board"	the Main Board of the SEHK
"Ministry of Finance" or "MOF"	the Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of our Board
"Nuoxin Bio"	Chengdu Nuoxin Biotech Co., Ltd. (成都諾芯生物科技有限公司), a PRC limited liability company established on March 4, 2025 and our wholly-owned subsidiary

[**REDACTED**]

"Panku Capital"	Panku Capital Limited, a company incorporated in the British Virgin Islands on April 16, 2014 and our wholly-owned subsidiary
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended from time to time
"PRC Legal Advisor"	JunHe LLP, our legal advisor as to PRC laws

[**REDACTED**]

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

[**REDACTED**]

"SAFE"	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)

"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
"SEHK"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
	[**REDACTED**]
"SSE"	The Shanghai Stock Exchange
"SSE STAR Market"	the Shanghai Stock Exchange Science and Technology Innovation Board (上海證券交易所科創板)
"SSE STAR Market Listing Rules"	the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》), as amended from time to time
"STA"	the State Taxation Administration of the PRC (中國國家税務總局)
	[**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy and Development Committee"	the strategy and development committee of our Board
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"SystImmune"	SystImmune, Inc., a company incorporated in the United States on April 21, 2014 and our wholly-owned subsidiary
"SystImmune Incentive Plan I"	the incentive plan adopted by SystImmune in 2015, the principal terms of which are set out in "Appendix VI — Statutory and General Information — D. SystImmune Incentive Plans"
"SystImmune Incentive Plan II"	the incentive plan adopted by SystImmune in 2022, as amended and restated in 2024, the principal terms of which are set out in "Appendix VI — Statutory and General Information — D. SystImmune Incentive Plans"
"SystImmune Incentive Plan III"	the incentive plan adopted by SystImmune in 2023, the principal terms of which are set out in "Appendix VI — Statutory and General Information — D. SystImmune Incentive Plans"
"SystImmune Incentive Plan IV"	the incentive plan adopted by SystImmune in 2024, the principal terms of which are set out in "Appendix VI — Statutory and General Information — D. SystImmune Incentive Plans"
"SystImmune Incentive Plans"	SystImmune Incentive Plan I, SystImmune Incentive Plan II, SystImmune Incentive Plan III and SystImmune Incentive Plan IV
"SystImmune R&D Center"	our R&D facility located in Seattle, U.S.
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended from time to time
"Tianze Base"	our manufacturing facility in Lhasa, Tibet Autonomous Region, the PRC, operated by Tianze Pharmaceutical

"Tianze Pharmaceutical"	Lhasa Tianze Pharmaceutical Co., Ltd. (拉薩天澤藥業有限責任公司), a PRC limited liability company established on November 26, 2020 and our wholly-owned subsidiary
"Track Record Period"	the period comprising the financial years ended December 31, 2024 and 2025 and the three months ended March 31, 2026
"Trial Measures for Overseas Listing"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC, as amended from time to time

[**REDACTED**]

"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollar", "US$" or "USD"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax

[**REDACTED**]

"%"	per cent

Chinese names of laws, regulations, governmental authorities, institutions, natural persons and entities (including certain subsidiaries) are included for ease of reference. If there is any inconsistency, the Chinese names shall prevail.

References to "provinces" of China include provinces, municipalities directly under the central government and provincial-level autonomous regions.

Certain amounts and percentages in this document have been rounded. Totals may therefore differ from the sum of individual amounts.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similarly terms adopted by other companies.

"4-1BB"	a receptor expressed on activated T cells and NK cells which gives costimulatory signals to promote T cell division and survival, activate cytotoxic effects and help form memory T cells
"ADC"	antibody-drug conjugates, a therapeutic modality in cancer therapies that comprise antibodies, linkers and cytotoxic drugs, binding to tumor antigens and delivering the payload directly to tumor cells
"ADCC"	antibody-dependent cell-mediated cytotoxicity, an immune mechanism through which Fc gamma receptor-bearing effector cells can kill target cells expressing tumor- or pathogen-derived antigens on their surface through antibody-binding effect
"adjuvant"	a substance or treatment added to a primary therapy to enhance its effectiveness
"AGA"	actionable genomic alterations
"AKT"	a serine/threonine-specific protein kinase that plays a key role in multiple cellular processes
"ALK"	anaplastic lymphoma kinase, a receptor tyrosine kinase protein that is likely to play a role in the development and function of the nervous system
"ALL"	acute lymphocytic leukemia, a cancer of the blood and bone marrow that affects white blood cells, which progresses rapidly and creates immature lymphocytes (a type of white blood cell)
"AML"	acute myeloid leukemia, a cancer of the blood and bone marrow which progresses rapidly and creates abnormal myeloblasts (a type of white blood cell), red blood cells or platelets
"antibody"	a blood protein produced in response to and counteracting a specific antigen
"API"	active pharmaceutical ingredient, the biologically active component in a pharmaceutical drug that produces the intended therapeutic effects
"ARC"	antibody radionuclide conjugate, a targeted cancer therapy combining a monoclonal antibody with a radioactive isotope for precise tumor irradiation
"aromatase inhibitor"	a type of medications that block the enzyme aromatase, which converts androgens to estrogens, primarily used in treating HR+
"ASCO"	American Society of Clinical Oncology
"B cell"	B lymphocyte, a type of white blood cell that produces antibodies
"BC"	breast cancer, a malignant tumor that develops from the cells of the breast
"biliary cancer"	a type of cancer that originates in the bile ducts
"biomarker"	a measurable indicator of a biological state or condition
"biopharmaceutical"	therapeutic product derived from biological sources
"bispecific antibody"	antibody or antibody-constructs that have bispecific in their binding arms
"BLA"	biologics license application
"BRCA1/2"	breast cancer susceptibility genes 1 and 2, tumor suppressor genes involved in DNA repair; germline mutations in BRCA1/2 are associated with increased risk of breast, ovarian, and other cancers

GLOSSARY OF TECHNICAL TERMS

"BRAF"	B-Raf proto-oncogene serine/threonine kinase, a gene encoding a protein kinase involved in the MAPK signaling pathway; activating mutations in BRAF are associated with the development and progression of various cancers, including melanoma, colorectal cancer and thyroid cancer
"BTC"	biliary tract cancer, a group of cancers that occur in the bile ducts, gallbladder, and other parts of the biliary system
"bystander effect"	a phenomenon in which cells or tissues not directly targeted by a treatment or stimulus exhibit a response due to signaling from nearby affected cells
"CAGR"	compound annual growth rate
"carboplatin"	a platinum-based chemotherapy drug used to treat various cancers
"cathepsin B cleavable linker"	a chemical linker used in targeted drug delivery systems that is cleaved by the enzyme cathepsin B, allowing for the controlled release of therapeutics within specific cellular environments
"CC"	cervical cancer, a type of cancer that occurs in the cells of the cervix
"CD3"	cluster of differentiation 3, a complex of proteins expressed on the surface of T lymphocytes, playing a crucial role in T cell activation, signal transduction, and immune response
"CD19"	cluster of differentiation 19, a surface protein expressed on B cells, serving as a biomarker for B cell development and function, and commonly used in the diagnosis and treatment of B cell-related diseases
"CD33"	a transmembrane receptor expressed on cells of myeloid lineage
"CDC"	complement-dependent cytotoxicity, an immune effector mechanism in which antibodies bound to target cell surfaces activate the complement cascade, leading to cell lysis
"CDX"	cell line-derived xenograft, a preclinical cancer research model in which human cancer cell lines are implanted into immunocompromised mice to study tumor growth, drug efficacy, and therapeutic responses
"chemoimmunotherapy"	a treatment approach that combines chemotherapy and immunotherapy to enhance anti-tumor immune responses and treatment efficacy
"chemoradiotherapy"	a treatment approach that combines chemotherapy and radiotherapy, often used to enhance the effectiveness of cancer treatment
"CI"	confidence interval, a range of values derived from sample data, which is likely to contain the true population parameter with a specified level of confidence
"Claudin 18.2"	Claudin 18.2, a highly specific tissue junction protein for gastric tissue
"Claudin" or "CLDN"	a family of transmembrane proteins crucial for the formation and maintenance of tight junctions between cells
"CNS"	central nervous system
"combination therapy" or "combo"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"cORR" or "confirmed ORR"	confirmed objective response rate, the percentage of patients who achieve and maintain a predefined tumor size reduction for a specified duration, confirmed by follow-up assessments
"CR"	complete response, the disappearance of all signs of cancer in response to treatment
"complete remission"	the absence of detectable signs of cancer, with normalization of clinical and laboratory parameters, including bone marrow function, without evidence of disease progression or relapse
"CRC"	colorectal cancer, the development of cancer from the colon or rectum (parts of the large intestine)

GLOSSARY OF TECHNICAL TERMS

"CRi"	complete remission with incomplete count recovery, a state where the disease is in complete remission, but blood cell counts have not fully recovered
"CRO"	contract research organization
"CTLA-4"	cytotoxic T lymphocyte-associated antigen-4, an essential receptor involved in the negative regulation of T cell activation
"cytokine release syndrome"	a systemic inflammatory response caused by rapid immune activation and cytokine release, which may occur after certain immunotherapies
"DAR"	drug-to-antibody ratio, the average number of drugs conjugated to the antibodies
"DCR"	disease control rate, the percentage of patients in a clinical trial who achieve complete response, partial response, or stable disease, indicating the overall effectiveness of a treatment in controlling cancer progression
"DLL3"	delta-like ligand 3, a cell-surface protein aberrantly expressed in certain neuroendocrine cancers, including small cell lung cancer, which may serve as a therapeutic target
"DLT"	dose-limiting toxicity, a side effect or adverse reaction of a drug or treatment that is severe enough to prevent an increase in dose or continuation of therapy
"DNA synthesis"	the biological process by which cells replicate their DNA, involving the formation of a new strand of DNA based on the template provided by the original strand, essential for cell division and growth
"DoR"	duration of response, the length of time that a tumor continues to respond to treatment without the cancer growing or spreading
"DXd"	a topoisomerase I inhibitor payload used in antibody-drug conjugates, characterized by membrane permeability and a bystander killing effect on neighboring tumor cells
"EC"	esophageal cancer, a malignancy that develops in the esophagus, the muscular tube connecting the throat to the stomach, often presenting with symptoms such as difficulty swallowing and weight loss
"ECOG"	Eastern Cooperative Oncology Group, one of the first publicly funded cooperative groups to perform multicenter clinical trials for cancer research
"EGFR"	epidermal growth factor receptor, a cell surface receptor that binds to epidermal growth factor, triggering intracellular signaling pathways that regulate cell proliferation, differentiation, and survival, often implicated in cancer development and progression
"EGFRmut" or "EGFR-mutant"	a term refers to cells or tissues harboring mutations in the EGFR gene, which can affect receptor function and are often associated with certain types of cancer
"EGFRwt" or "EGFR wild-type"	a term refers to the wild-type form of the EGFR, indicating the normal, non-mutated version of the receptor as found in healthy cells
"endometrial cancer"	a type of cancer that originates in the lining of the uterus (endometrium), often presenting with symptoms such as abnormal uterine bleeding and commonly diagnosed in postmenopausal women
"epithelial tumor"	a type of tumor arising from the epithelial cells that line the surfaces and cavities of organs and structures throughout the body, often classified based on the organ of origin and cellular characteristics
"ESCC"	esophageal squamous cell carcinoma
"exploratory endpoint"	an outcome measure in a clinical trial used to gather preliminary data on potential effects or mechanisms of action, which may inform future research but is not intended to provide definitive evidence of efficacy

GLOSSARY OF TECHNICAL TERMS

"Fc"	the fragment crystallizable region of an antibody that interacts with cell surface receptors and complement proteins, playing a crucial role in mediating immune responses such as antibody-dependent cellular cytotoxicity and complement activation
"first-line" or "1L"	with respect to any disease, the first line treatment, which is the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment
"GC"	gastric cancer, a malignant condition originating in the stomach lining, often presenting with symptoms like indigestion, stomach pain, and weight loss, and commonly associated with risk factors such as Helicobacter pylori infection and dietary factors
"GCP"	good clinical practice
"GEJ"	gastroesophageal junction adenocarcinoma, an adenocarcinoma arising at or near the junction where the esophagus meets the stomach
"GFA"	gross floor area
"GIC"	gastrointestinal cancer, a group of malignancies affecting the digestive system, including cancers of the esophagus, stomach, liver, pancreas, intestines, and rectum, often presenting with symptoms related to the affected organ
"GMP"	Good Manufacturing Practice
"GNC"	guidance, navigation, and control
"HCC"	hepatocellular carcinoma, the most common type of primary liver cancer, originating from hepatocytes, the main functional cells of the liver
"HER2-"	a term refers to cells or tissues that do not overexpress HER2, often used in the context of cancer diagnostics to guide treatment decisions
"HER2+"	a term refers to cells or tissues that overexpress HER2, commonly associated with more aggressive forms of cancer, particularly breast and gastric cancers, and often targeted by specific therapies
"HER2"	human epidermal growth factor receptor 2, also known as ErbB2 or neu, a protein that promotes cell growth and division, often overexpressed in certain cancers such as breast and gastric cancers, and serving as a target for specific therapeutic agents
"HER2-ultralow"	HER2 status of tumor cells identified with an IHC score of >0 and <1+
"HER2-low"	HER2 status of tumor cells identified with a test score of IHC 1+ or IHC 2+/ISH
"HER3"	human epidermal growth factor receptor 3, a member of the ErbB family of receptor tyrosine kinases, involved in cell signaling pathways that regulate growth, differentiation, and survival, with implications in cancer development and progression
"HER4"	human epidermal growth factor receptor 4, a member of the ErbB family of receptor tyrosine kinases, involved in mediating cell signaling pathways that regulate cellular growth, differentiation, and survival, with roles in both normal physiology and cancer
"HIRE-ADC"	high internalizing receptor-targeted antibody-drug conjugate, a type of targeted cancer therapy that combines an antibody specific to a high internalizing receptor on tumor cells with a cytotoxic drug, enabling selective delivery and enhanced killing of cancer cells
"HIRE-ARC"	high internalizing receptor-targeted antibody-radionuclide conjugate, a type of targeted cancer therapy that combines an antibody specific to a high internalizing receptor on tumor cells with a therapeutic radionuclide, enabling selective delivery of radiation to tumor cells and enhanced killing of cancer cells

GLOSSARY OF TECHNICAL TERMS

"HNSCC"	head and neck squamous cell carcinoma, a type of cancer arising from the mucous membranes of the mouth, nose, and throat and can spread to other parts of the body
"HR+"	a term refers to cancer cells that express hormone receptors, such as estrogen receptors or progesterone receptors, which can influence the growth of the tumor and guide hormone-based treatment strategies
"ICI(s)"	immune checkpoint inhibitor(s), a type of immuno-therapy that blocks proteins called immune checkpoints that prevent that immune system from attacking the cancer cells
"ILD"	interstitial lung disease, a group of disorders characterized by inflammation and scarring of the lung interstitium, leading to progressive lung function impairment and symptoms such as shortness of breath and cough
"immune cell"	a type of cell that plays a role in the body's immune system, responsible for detecting, responding to, and eliminating pathogens, infected cells, and cancer cells, and includes various cell types such as T cells, B cells, NK cells, macrophages, dendritic cells, and neutrophils
"immunohistochemistry" or "IHC"	a laboratory technique used to visualize the presence and localization of specific antigens in tissue sections by using labeled antibodies, often employed in the diagnosis and research of diseases, including cancer
"IND"	investigational new drug
"intent-to-treat population"	all patients who were enrolled and randomly assigned to a treatment group, regardless of whether they completed the treatment or adhered to the study protocol
"ISH"	in situ hybridization, a molecular technique that uses labeled probes to detect specific nucleic acid sequences within tissue sections, used for gene amplification testing (e.g., HER2 FISH)
"lung cancer"	a type of cancer that begins in the lungs, characterized by uncontrolled cell growth in lung tissues, often associated with risk factors such as smoking, exposure to radon gas, and environmental pollutants, and presenting with symptoms like persistent cough, chest pain, and shortness of breath
"MAD"	maximum administered dose, the highest dose of a drug or treatment that is administered to subjects in a clinical trial, used to evaluate safety, tolerability, and potential toxicity
"mDoR"	median duration of response, the length of time that a tumor continues to respond to treatment without the cancer growing or spreading
"MLFS" or "morphologic leukemia-free state"	a situation where a patient has no detectable leukemia cells based on microscopic examination of bone marrow or peripheral blood, which indicates the absence of detectable leukemia cells morphologically, although molecular or cytogenetic evidence of the disease may still be present
"mPFS"	median progression-free survival, a measure used in clinical trials to indicate the median length of time during and after treatment that a patient lives with the disease without it worsening
"MTD"	maximum tolerated dose, the highest dose of a drug or treatment that does not cause unacceptable side effects, established through clinical trials to determine the optimal balance between efficacy and toxicity
"NDA"	new drug application
"NE"	not evaluable, which indicates the response that cannot be assessed
"NEC"	neuroendocrine carcinoma, a high-grade malignant neoplasm arising from neuroendocrine cells, characterized by aggressive clinical behavior and poor prognosis

GLOSSARY OF TECHNICAL TERMS

"NEDL"	National Essential Drug List of China, an official list of selected medications deemed essential for addressing the primary healthcare needs of the population, which are prioritized for availability, affordability, and accessibility across the national healthcare system
"neoadjuvant"	a therapy administered before the main treatment to reduce the size of a tumor and increase the effectiveness of the subsequent primary treatment
"neuroendocrine tumor"	a neoplasm arising from neuroendocrine cells that can occur in various organs, typically well-differentiated and classified by grade based on proliferative activity
"NPC"	nasopharyngeal carcinoma, a type of cancer that originates in the nasopharynx, the upper part of the throat behind the nose, often associated with Epstein-Barr virus (EBV) infection, and presenting with symptoms such as nasal congestion, nosebleeds, and hearing loss
"NRDL"	National Reimbursement Drug List of China, a government-approved list of medications that are covered and reimbursed under the public health insurance system, ensuring affordable access to essential drugs for the population
"NSCLC"	non-small cell lung cancer, the most common type of lung cancer, characterized by slower growth and spread compared to small cell lung cancer, and includes subtypes such as adenocarcinoma, squamous cell carcinoma, and large cell carcinoma
"OC"	ovarian cancer, a type of cancer that originates in the ovaries, the female reproductive glands, often presenting with non-specific symptoms such as abdominal bloating, pelvic pain, and changes in bowel habits, and frequently diagnosed at an advanced stage
"oncology"	the branch of medicine that specializes in the diagnosis, treatment, and research of cancer
"oral infection"	an infection occurring in the mouth, caused by bacteria, viruses, fungi, or other pathogens, and manifesting symptoms such as pain, swelling, redness, and sometimes pus, commonly including conditions like gingivitis, periodontitis, and oral thrush
"ORR"	objective response rate, the percentage of patients in a clinical trial who experience a measurable reduction in tumor size or cancer symptoms, encompassing both complete and partial responses to treatment
"OS"	overall survival, the duration of time from the start of treatment or diagnosis that patients are still alive, regardless of the cause of death, serving as a key endpoint in clinical trials
"OTC"	over-the-counter, referring to medications and health products that can be purchased without a prescription from a healthcare provider, typically used for the treatment of common ailments and conditions
"paclitaxel"	a chemotherapy drug derived from the Pacific yew tree, used to treat various cancers, including breast, ovarian, and lung cancers, by inhibiting cell division through stabilization of microtubules, thereby preventing cancer cell replication
"PC"	prostate cancer, a type of cancer that develops in the prostate gland
"PD"	progressive disease, which refers to a at least 20% increase in the size of a tumor or in the extent of cancer in the body in response to treatment, according to RECIST
"PD-(L)1"	PD-1 and/or PD-L1

GLOSSARY OF TECHNICAL TERMS

"PD-1"	programmed death-1, an immune checkpoint receptor expressed on T cells, B-cells and macrophages. The normal function of PD-1 is to turn off the T cell mediated immune response as part of the process that stops a healthy immune system from attacking other pathogenic cells in the body. When PD-1 on the surface of a T cell attaches to certain proteins on the surface of a normal cell or a cancer cell, the T cell turns off its ability to kill the cell
"PD-L1"	program death ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"PFS"	progression-free survival, a measure in clinical trials that indicates the length of time during and after treatment that a patient lives with the disease without it worsening, used to evaluate the efficacy of a treatment
"PK" or "pharmacokinetics"	the study of how a drug is absorbed, distributed, metabolized, and excreted by the body over time, informing dosing regimens and drug design
"PI3K"	phosphoinositide 3-kinase, an enzyme involved in cellular functions such as growth, proliferation, differentiation, and survival, playing a crucial role in the PI3K/AKT/mTOR signaling pathway, which is often dysregulated in cancer
"pivotal trial"	a clinical trial designed to provide definitive evidence of a drug's efficacy and safety, often serving as the basis for regulatory approval
"PK/PD evaluation"	pharmacokinetic-pharmacodynamic evaluation, an alternative to conventional dose-effect analysis, relating drug effects to a measure of drug concentration in a body compartment rather than to drug dose
"PR"	partial response, which refers to an at least 30% but below 100% decrease in the size of a tumor or in the extent of cancer in the body in response to treatment, according to RECIST
"platinum-based chemotherapy"	chemotherapy containing platinum complexes, which is used to treat multiple types of cancers
"preclinical"	the stage of research that occurs before clinical trials, involving laboratory and animal studies to assess the safety, efficacy, and biological activity of a drug or treatment
"primary endpoint"	the main outcome measure used in a clinical trial to determine the effect of a treatment, reflecting the primary objective of the study, such as overall survival or disease progression
"Q3W"	every three weeks, a term indicating the frequency at which a treatment or medication is administered
"R&D"	research and development
"RAS"	a family of related proteins involved in transmitting signals within cells (cell signaling), playing a critical role in regulating cell growth, differentiation, and survival, with mutations in RAS genes frequently associated with various cancers
"RCC"	renal cell carcinoma, characterized by the uncontrolled growth of malignant cells in the renal cortex
"RDC"	radioligand drug conjugates, the innovative cancer therapeutics developed by conjugating radionuclides with targeting ligands
"RECIST v1.1"	response evaluation criteria in solid tumors version 1.1, a standardized set of guidelines used to assess the response of solid tumors to treatment in clinical trials, focusing on the measurement of tumor size and changes over time to evaluate the effectiveness of therapies
"RP2D"	recommended phase II dose, the dose of a drug determined during Phase I clinical trials to be the most appropriate for further testing in Phase II trials, based on safety, tolerability, and pharmacokinetic data

GLOSSARY OF TECHNICAL TERMS

"SCLC"	small cell lung cancer, a highly aggressive form of lung cancer characterized by small, round cells that multiply rapidly and often spread early to other parts of the body
"SEBA"	specificity enhanced bi-specific antibody
"second-line" or "2L"	with respect to any disease, the therapy or therapies that are given when initial treatments (1L therapy) do not work, or stop working
"secondary endpoint"	an additional outcome measure in a clinical trial used to evaluate the effects of a treatment, providing supplementary information on efficacy and safety, such as quality of life or biomarker changes
"SD"	stable disease. In oncology, it refers to cancer that is neither decreasing at least 30% nor increasing at least 20% in the size of a tumor or in the extent of cancer in the body in response to treatment, according to RECIST
"standard of care"	treatment that is accepted by medical experts as a proper treatment for a certain type of disease and that is widely used by healthcare professionals
"T cell"	a type of lymphocyte, a white blood cell that plays a central role in the immune response, particularly in identifying and destroying infected or cancerous cells and in coordinating other aspects of the immune system
"TEAE"	treatment-emergent adverse event, an adverse event that occurs after a patient starts receiving a treatment or medication and is either not present before the treatment or has worsened compared to the baseline condition
"third-line" or "3L"	with respect to any disease, the therapy or therapies that are given when both initial treatment (1L therapy) and subsequent treatment (2L therapy) do not work, or stop working
"TKI"	tyrosine kinase inhibitor, a type of targeted therapy that inhibit tyrosine kinases
"TNBC"	triple-negative breast cancer
"Topo1 inhibitor"	topoisomerase 1 inhibitor, a type of chemotherapeutic agent that interferes with topoisomerase 1 which is the enzyme essential for DNA replication and transcription, thereby inducing DNA damage and cell death, particularly in rapidly dividing cancer cells
"Treg"	regulatory t cells, a subset of T cells that play a critical role in maintaining immune tolerance and preventing autoimmune responses by suppressing the activity of other immune cells
"TRAE"	treatment related adverse event, which is an adverse event present after medical treatment
"TROP2"	a cell surface glycoprotein, also known as trophoblast cell surface antigen 2, involved in cell signaling and growth, often overexpressed in various cancers, making it a potential target for cancer therapy
"UC"	urothelial carcinoma, a type of cancer that originates in the urothelial cells lining the urinary tract, including the bladder, ureters, and renal pelvis, often associated with risk factors like smoking and chemical exposure, and presenting with symptoms such as blood in the urine and urinary irritation
"VBP"	volume-based procurement, a set of drug procurement regulations implemented in China with the goal of promoting generic substitutes and lowering the price of medications that have outlived their exclusivity periods
"XDC"	a broad class of targeted drug conjugates encompassing emerging conjugate modalities such as radionuclide-drug conjugates, peptide-drug conjugates, antibody-radionuclide conjugates and nucleotide-based conjugates

FORWARD-LOOKING STATEMENTS

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

This document contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements are contained principally in "Summary," "Risk Factors," "Industry Overview," "Business," "Financial Information" and "Future Plans and [**REDACTED**]." These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in "Risk Factors", which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. These forward-looking statements include, among other things, statements relating to: (i) the market opportunities of our products; (ii) our operations and business prospects; (iii) our business strategies and plans to achieve these strategies; (iv) industry trends and competition; (v) general economic, political and business conditions in the industries and markets in which we operate; (vi) relevant government policies and regulations relating to our industry, business and corporate structure; (vii) our ability to attract and retain senior management and key employees; (viii) our ability to maintain good relationships with business partners; (ix) our ability to control costs and expenses; (x) our ability to defend our intellectual rights and protect confidentiality; (xi) our dividend policy; (xii) changes or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; (xiii) capital market developments; (xiv) all other risks and uncertainties described in the section headed "Risk Factors" in this document; and (xv) other statements in this document that are not historical facts.

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

You should carefully consider all of the information set out in this document, including the risks and uncertainties described below, before making an [**REDACTED**] *in our H Shares. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The* [**REDACTED**] *of our H Shares could decline due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.*

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

Our business and prospects depend substantially on the success of our drug candidates. Development of innovative drugs involves a lengthy and expensive process with uncertain outcomes. If we are not able to develop and commercialize new products, including our Core Products, our business prospects could be adversely affected.

We have systematically built a pipeline of drug candidates across multiple modalities that target major tumor types. As of the Latest Practicable Date, iza-bren was being evaluated in 14 ongoing Phase III clinical trials in China and three global pivotal Phase II/III registrational trials across multiple tumor types, and T-Bren was in eight pivotal Phase III registrational trials. As of the same date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. See "Business — Our Portfolio Assets" for details. The success of our drug candidates, including iza-bren and T-Bren, will depend on several factors, including: (i) generating favorable safety and efficacy data, successful patient enrollment, and data integrity; (ii) the performance and capabilities of our CROs and collaborators; (iii) obtaining necessary regulatory approvals and managing protocol modifications; (iv) securing sufficient clinical supplies and commercial manufacturing capabilities; (v) successful commercial launch, reimbursement, and competitive positioning; and (vi) obtaining, maintaining, and defending our intellectual property rights. There can be no assurance that our R&D activities will deliver the expected results and we will be able to develop drug candidates that are potentially first-in-class or best-in-class on a global basis. Our ADC drug candidates and other pipeline assets, given their novelty and differentiated features, may carry inherent development risks that could result in delays and cost overruns in clinical development, regulatory approvals or commercialization. In addition, they may require additional preclinical and/or clinical development, regulatory approvals, and substantial investment and significant marketing efforts, before we are able to generate any revenue from product sales.

We may face intense competition, and our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

The biopharmaceutical industry in which we operate is highly competitive and rapidly changing. Our drug candidates, upon potential marketing approval, will face competition from existing ADCs directed against the same molecular targets and approved for the same target indications. Our competitors primarily include large domestic and international pharmaceutical companies. Smaller or early-stage biopharmaceutical companies may also compete with us, particularly through collaborative or licensing arrangements with large and established companies. Our competitors may succeed in developing competing drugs and obtaining regulatory approvals before us or achieve better market acceptance. They may render our drug candidates obsolete or non-competitive before we can recover expenses of developing and commercializing any of our drug candidates. To compete with an approved product, we will need to demonstrate compelling advantages in various aspects, including safety and efficacy, the timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price and patent status, in order to overcome price competition and to be commercially successful. Competition may further

intensify as a result of advances in technologies and capital availability. Many of our competitors have substantially greater financial, technology and other resources, such as better access to capital, more advanced commercial infrastructure, larger research and development team and more established manufacturing facilities. Disruptive technologies and medical breakthroughs could render our current drug candidates or underlying technologies obsolete or significantly less competitive. If we fail to effectively compete with our competitors or adjust to structural changes in the pharmaceutical industry, our revenue and financial performance may be materially and adversely affected.

We may be unable to identify, discover, in-license, acquire or develop new drug candidates, or to expand the therapeutic opportunities for our drug candidates.

Although a substantial amount of our effort will focus on the continued clinical testing, potential regulatory approval, and commercialization of our existing drug candidates, the success of our business depends in part upon our ability to continue to discover, develop, license, or commercialize additional drug candidates. There can be no assurance that we will be successful in identifying new drug candidates in the future. Some drug candidates may be technically challenging to develop and manufacture. Drug candidates that we identify may later show side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approvals. We may also enter into strategic collaborations, licensing arrangements, acquisitions or other transactions with third parties, but such arrangements may not achieve their intended objectives or generate the anticipated benefits. Research programs to discover and develop new drug candidates require substantial technical, financial, and human resources. We may focus our efforts and resources on potential programs or drug candidates that ultimately prove to be unsuccessful. Any of the foregoing events will have a material adverse effect on our business, results of operations and prospects.

If we encounter difficulties in recruiting clinical trial subjects, our clinical development activities may be delayed or otherwise adversely affected.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible subjects in a timely manner. Inadequate enrollment or delays in enrollment could result in significant delays in our clinical trials, prolonging timelines for data readouts or regulatory submissions, and increasing overall development costs. Participant enrollment may be affected by a variety of factors, including: (i) the size and nature of the patient population and disease severity; (ii) trial eligibility criteria and study design; (iii) the availability and competence of clinical sites and investigators; (iv) patient consent and perceptions of the drug versus other therapies; (v) physician referral practices; and (vi) external disruptions such as health epidemics or natural disasters. These factors significantly complicate participant recruitment and retention, which could potentially hinder the overall clinical trial progress and our ability to advance drug candidates.

Adverse events or undesirable side effects caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

Adverse events ("**AEs**") and undesirable side effects caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials, potentially resulting in narrowed scope of indications, restrictive labelling, protocol changes, or denial of approval. AEs related to our drug candidates may also affect subject recruitment or the ability of enrolled subjects to complete the trial, and could result in potential liability claims. Additionally, if we, our collaboration partners, or others identify undesirable side effects caused by our drug candidates after they receive regulatory approval, this may lead to potentially significant negative consequences, including (i) withdrawal of approvals, license revocation, or marketing suspension; (ii) additional label warnings, restrictions, or the imposition of risk mitigation strategies; (iii) stricter inspections, changes to administration methods, or mandatory post-marketing studies; (iv) litigation and liability for patient harm; and (v) reputational damage. Further, combination therapy

using our drug candidates together with third-party agents may involve AEs, which in some cases could be exacerbated compared with AEs from monotherapies. Any of these events could prevent us or our collaboration partners, as applicable, from achieving or maintaining market acceptance of any particular drug candidate that is approved and could significantly harm our business, financial condition, results of operations and prospects.

If safety, efficacy, manufacturing or supply issues arise with any drug product used in combination with or to facilitate the use of our drug candidates, we may be unable to market such drug candidates or may experience significant regulatory delays or supply shortages.

Our strategy to develop combination therapies depends on the safety and efficacy of each component drug within each combination therapy. For example, we are advancing iza-bren into earlier-line combination settings through immune-checkpoint-inhibitor-based ("**ICI**") and TKI-based regimens across over 20 trials. If the regulatory agency revokes or denies the approval of a component therapeutic, we will be forced to terminate or redesign the clinical trials, experience significant regulatory delays or stop our commercialization efforts. In the event that we encounter unstable supply of certain drugs that we use in trials for combination therapies, it could disrupt the clinical development of our drug candidates, delay regulatory approvals, and hinder our ability to meet market demand, thereby adversely affecting our business. In addition, it is common practice in the industry to use companion diagnostic tests to detect a predictive biomarker, such as PD-L1, EGFR and HER2, in patients to evaluate their likely response to certain treatment. In the U.S., the FDA generally requires pre-market approval for *in vitro* companion diagnostics intended to select patients for cancer treatment. In China, regulations governing companion diagnostics remain developing, which could impose additional restrictions on our drug development and commercialization.

Interim, top-line and preliminary data from our clinical trials that we announce or publish from time to time are subject to change.

The top-line or preliminary results may differ from the future results, or additional data and full evaluations may lead to different interpretations or modify earlier conclusions. Furthermore, top-line data also remain subject to audit and verification procedures that may result in material differences. Adverse discrepancies between preliminary or interim data and final data could significantly harm our business prospects. Moreover, the disclosure of interim data by us or our competitors could lead to [**REDACTED**] in the [**REDACTED**] of our Shares after the [**REDACTED**]. In addition, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses, or may interpret or weigh the importance of data differently, which could impact the perceived value, likelihood for approval, and commercial potential of our drug candidates.

Any failure to timely obtain relevant regulatory approvals could adversely affect our business prospects and profitability. Even after we obtain regulatory approval for the marketing of our drug candidates, they remain subject to ongoing or additional regulatory obligations and continued regulatory review, which may expose us to liabilities and result in significant additional expenses.

The regulatory approval process is time-consuming, inherently uncertain, and subject to discretion. We may fail to receive the regulatory approvals for our drug candidates due to a number of reasons, including: (i) disagreements over clinical trial design or implementation; (ii) failure to demonstrate safety, efficacy or statistical significance; (iii) insufficient data or procedural errors; (iv) failure to pass Good Clinical Practice ("**GCP**") inspections or data audits; (v) unexpected changes in regulations or approval policies; or (vi) manufacturing deficiencies, including failure to pass Good Manufacturing Practice ("**GMP**") inspections. Even if we do obtain regulatory approvals, the process may take longer than expected, or such approvals may be subject to limitations, thereby restricting the market size and adversely affecting our business, results of operations and growth prospects. In addition, clinical trials conducted in one jurisdiction may not

be accepted by regulatory authorities in other jurisdictions. Additional time, efforts and expenses may be required to bring our drug candidates, upon regulatory approval, to the international markets in compliance with different regulatory processes. Furthermore, even after we obtain regulatory approval for the marketing of our drug candidates, they remain subject to ongoing or additional regulatory requirements. If we are unable to maintain regulatory compliance, or if we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, we may lose any regulatory approval that we have obtained, and we may not achieve or sustain profitability.

If we fail to obtain facilitated regulatory pathways from the NMPA, the FDA or comparable regulatory authorities in other jurisdictions, we may be required to conduct additional clinical trials, which would result in additional costs and expenses and delay our receipt of relevant approvals.

The NMPA, the FDA and the comparable regulatory authorities have implemented expedited review programs. As of the Latest Practicable Date, iza-bren had received breakthrough therapy designations for a total of eight indications, comprising seven indications under the CDE's breakthrough therapy designation program and one indication under the FDA's breakthrough therapy designation. As of the same date, one T-Bren indication had been included by the CDE in the breakthrough therapy designation program. There can be no assurance that our drug candidates will qualify for these programs, or that we will pursue or submit any applications for them. In addition, approvals granted under expedited registration pathways may be subject to certain conditions related to use restrictions for certain patient populations, warnings, precautions or contraindications, or may be subject to burdensome post-approval study or risk management requirements. Any failure to obtain such approvals and/or any future changes to current policies and approvals with respect to the expedited registration pathways could delay our commercialization, increase development expenses and adversely affect our competitive position.

Compassionate use programs and off-label use of our products may expose us to liability and harm our business reputation, product brand and financial condition.

Currently, there is no unified regulatory approach to expanded access programs across different countries, leading to uneven patient entry criteria and protocols for compassionate use. In addition, as products in such programs are unapproved investigational drug candidates, patients with advanced disease or comorbidities face an increased risk of serious adverse events and adverse drug reactions. If we participate in compassionate use programs, these occurrences can potentially lead to clinical holds of our ongoing clinical trials or complicate the determination of the safety profile of a drug candidate under regulatory review for commercial marketing. Separately, any of our innovative drug candidates that will receive marketing approval in the future may be subject to off-label drug use. This risk may be heightened where we obtain approval of a drug candidate for one indication while continuing to investigate it for others, as physicians may prescribe the approved product for such unapproved indications. Off-label use could render our drug candidates less effective or entirely ineffective and cause unexpected adverse drug reactions or serious adverse events, creating negative publicity, exposing us to liability, delaying our clinical trials, and potentially resulting in failure to obtain regulatory approval.

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

We incurred research and development expenses of RMB1,442.8 million, RMB2,513.7 million, RMB494.9 million and RMB694.8 million for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively. We may not be able to successfully develop or commercialize new drug candidates or marketed products with expanded indications in a timely or cost-effective manner, or secure adequate intellectual property protection. We prioritize research programs and drug candidates targeting selected indications. We may in turn

forgo or delay other indications that may later prove to have greater commercial potential or a greater likelihood of success. If our current pipeline priorities do not yield the anticipated outcomes, we may need to adjust our strategy. Furthermore, if we inaccurately evaluate the commercial potential or target market for a particular drug candidate, we could relinquish valuable rights through collaboration or license arrangements where retaining sole development and commercialization rights would have been more advantageous. Conversely, we may allocate internal resources to a drug candidate where collaboration would have been preferable. Either scenario could adversely affect our future growth and prospects.

RISKS RELATING TO COMMERCIALIZATION AND MANUFACTURING

Before we start to generate revenue from the commercialization of our innovative drug candidates, we rely on the sales of commercialized products. If we are unable to maintain the sales volume, pricing levels and profit margins of our existing marketed products, our operations, revenue and profitability could be adversely affected.

In 2024 and 2025 and the three months ended March 31, 2025 and 2026, our revenue generated from the sale of pharmaceutical products was RMB486.8 million, RMB380.1 million, RMB60.5 million and RMB92.0 million, respectively. Before we generate revenue from the commercialization of our innovative drug candidates, we expect that our revenue will continue to be concentrated in a limited number of marketed products in the near future. We may be particularly susceptible to factors adversely affecting the sales volume, price levels, or profitability of these products, including: (i) exclusion from, or reduction in, government insurance coverage; (ii) pricing regulations; (iii) competition from substitute products or alternative therapies; (iv) interruptions in raw material supply or associated cost increases; (v) issues with product quality or side effects; (vi) intellectual property disputes; (vii) adverse distribution network changes; and (viii) unfavorable policy or regulatory changes. Many of these factors are outside of our control, and any resulting adverse impact could hinder our ability to invest in and develop new products, thereby affecting our long-term growth prospects.

Pricing regulations or other policies such as volume-based procurement (the "VBP") that are intended to reduce healthcare costs could adversely affect our operations, revenue and profitability.

The PRC government may reform the schemes of pricing control and statutory tender processes for pharmaceutical products or revise other policies affecting prices of pharmaceutical products over time. See "Regulatory Overview — Overview of Laws and Regulations in the PRC — Laws and Regulations in Relation to New Drugs — The Drug Centralized Procurement in Nationwide" for details. During the Track Record Period, a number of our products were subject to national or provincial VBP schemes. See "Business — Pricing — Centralized Tender Process and Volume-based Procurement" for details. The VBP schemes, while enabling larger sales volumes, exert downward pressure on our product pricing to win bids and influence the prices at which we sell our products to our customers, thus potentially affecting our revenue and profitability. In addition, the drug coverage of the VBP schemes may be updated from time to time, and there can be no assurance that any of our additional drugs will be included in such schemes in the future. If our competitors win the bid under such schemes while we fail to do so, demand for our products may decrease, which could adversely affect our procurement volumes through public hospitals and our market penetration. Moreover, even if our products win the bid, there may be discrepancies between the estimated procurement volumes set out in the tender documents and the actual procurement volumes.

If the products we sell are excluded, removed, or limited from government-sponsored or commercial medical insurance programs, or are included in any national or provincial negative catalogs in China or assigned with black box warnings issued by the FDA, our sales, profitability and business prospects could be adversely affected.

Insurance coverage is a critical factor in a patient's ability to afford treatments. As of March 31, 2026, certain of our approved products were included in the NRDL. See "Business — Centralized Tender Process and Volume-based Procurement" for details. The selection of pharmaceutical products for listing in medical insurance catalogs is based on a variety of factors, including efficacy, safety and price. If we fail to have our products included or maintained in the NRDL, our products may become less attractive due to reliance on patient self-payment, and patients may choose alternatives with lower price which have been included in the NRDL. Even if the government authorities were to accept our application for the inclusion of products in the catalog, our potential revenue from the sales of these products could still decline over time, as we may be required to significantly lower their prices to secure such inclusion. In addition, inclusion in any national or provincial negative catalogs in China represents considerable risk. Further, considering that we may in the future commercialize our drug candidates in the U.S., the assignment of a black box warning by the FDA for our drug candidates may impose significant risks, leading to decreased physician prescribing, heightened liability concerns, and ultimately, a substantial reduction in sales. Moreover, it can negatively affect the perception of our commitment to safety, potentially harming our reputation and long-term business prospects.

Our products and future approved products may fail to achieve or maintain the degree of market acceptance, and the actual market size of our drug candidates might be smaller than expected, which could render some drug candidates less profitable than expected even if commercialized.

The commercial success of our products, including existing or future products, is highly dependent on their continued market acceptance among patients, healthcare practitioners, and others in the medical community. The market acceptance of our products depends on many factors, including: (i) the perceived advantages of our products over competing products and the availability and success of competing products; (ii) the safety and efficacy of our products and the prevalence and severity of side effects, if any; (iii) the pricing and cost effectiveness of our products; (iv) the effectiveness of our sales and marketing efforts; (v) publicity concerning our products or competing products; (vi) our ability to respond to changes in needs and preferences of healthcare practitioners and patients; and (vii) the inclusion of our products in key insurance or reimbursement schemes. If our products fail to achieve or maintain widespread market acceptance, or if new products introduced by our competitors are more cost-effective or are received more favorably by physicians, medical institutions, pharmacies, patients, third-party payers and others in the medical community, they may be rendered obsolete, and the demand for our products may decline. Furthermore, the actual market size of our drug candidates may not be as large as we anticipate, influenced by various factors such as market acceptance, pricing, and patient availability. Any of the above unfavorable developments could adversely impact on our business, financial condition and results of operations.

If we fail to maintain and optimize an effective distribution network for our products or encounter problems with our distributors, our operations, revenue and profitability could be adversely affected.

In 2024, 2025 and the three months ended March 31, 2025 and 2026, our sales to distributors accounted for 99.4%, 98.8%, 98.1% and 99.3%, respectively, of our revenue from the sale of pharmaceutical products during the respective period. Our ability to grow our business is significantly affected by our ability to maintain and manage a distribution network and to expand our distribution network effectively. See "Business — Sales and Marketing" for details. While the engagement of sub-distributors is not allowed for sales to public medical institutions in accordance with the two-invoice system, we generally allow our regional distributors to engage sub-distributors

for products sold to pharmacies and private medical institutions. Our distributors and sub-distributors may fail to sell our products efficiently, manage inventory appropriately, comply with applicable laws and regulations, or adhere to our sales, pricing and marketing policies, and may engage in competition among themselves for market share of our products. Any of the foregoing could adversely affect our commercial operations and sales performance. In addition, in line with industry practice in China, we typically enter into distribution agreements for a prescribed term. Our distributors may elect not to renew their distribution agreements, cease or reduce their purchases of our products, or otherwise terminate their business relationships with us for various reasons. We may also not be able to establish business relationships with new distributors to support the continued growth of our business, which may adversely affect our business, financial condition and results of operations.

If we are unable to conduct effective promotion or maintain a qualified sales force, our business and results of operations could be adversely affected.

Successful sales and marketing efforts are crucial for us. Given the intense competition for experienced commercial talent in the pharmaceutical industry, any failure to maintain an effective sales force could limit our ability to achieve targeted sales volumes, expand hospital coverage, or grow market share as planned. Our sales and marketing efforts include raising awareness and knowledge of our marketed products and drug candidates among medical professionals, hospitals, other medical institutions and pharmacies. Therefore, our sales and marketing force must possess adequate technical knowledge, up-to-date understanding of industry trends, necessary expertise in the relevant therapeutic areas and products, as well as sufficient promotion and communication skills. If we are unable to effectively attract, motivate and retain a sufficient number of qualified sales professionals and develop our in-house sales force, our sales and marketing may be less successful than desired. See "Business — Sales and Marketing" for details.

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

We currently have five manufacturing facilities located in Sichuan Province and the Xizang Autonomous Region, China. See "Business — Manufacturing" for details. Manufacturing activities at these facilities may be substantially interrupted and adversely affected due to a number of factors, including natural disasters, operational disruptions, security threats, land-related issues, and regulatory compliance issues. In the event of a significant business disruption, we may not be able to locate alternatives to continue our production in a legal, timely and cost-effective manner, or at all. In addition, our insurance coverage may be insufficient to cover the resulting losses. We may also encounter other issues in manufacturing, due to a variety of reasons, including equipment malfunctions, deviations from established protocols and procedures, deficiencies in raw materials, among others.

If we fail to increase our production capacity in response to the increasing demand of our customers, our business prospects could be adversely affected.

We plan to expand our existing production facilities and production lines to meet the increasing demand for our products and prepare for the expected commercialization of our drug candidates following marketing approval. The financing and completion of such expansion of the production facilities and production lines involve regulatory approvals and reviews by various authorities in relevant jurisdictions, including, but not limited to, urban planning, construction and environmental protection authorities. For the expansion of production facilities and production lines, we cannot assure you that we will be able to obtain all of the required approvals, permits and licenses. Expansion of the production facilities also may not be completed on the anticipated timetable or within budget. We may also be unable to fully utilize the production capacity after the expansion of our production facilities. Any of the foregoing factors could materially and adversely affect our results of operations and prospects and result in loss of business opportunities.

If we fail to perform proper quality control or assurance, or our products are not produced to the necessary quality standards, our business and reputation could be harmed, and our revenue and profitability could be adversely affected.

Our products and manufacturing processes are required to meet certain quality standards. Despite our quality control system and procedures, we cannot eliminate the risk of errors, defects or failure. We may fail to detect or resolve quality defects as a result of a number of factors, many of which are outside our control, including: (i) manufacturing error or malfunction; (ii) human error or misconduct; (iii) mishandling by third parties; and (iv) quality issues with raw materials. In addition, when we expand our manufacturing capacity in the future, we may not be able to ensure consistent quality throughout the upgrade process, or may need to incur substantial costs for doing so. Furthermore, if we acquire other pharmaceutical companies, we may not be able to immediately ensure that their manufacturing facilities and processes will meet our own quality standards. Failure to detect quality defects in our pharmaceutical products or to prevent such defective products from being delivered to end-users could result in patient injury or death, product recalls or withdrawals, license revocation or regulatory fines, or other consequences that could seriously harm our reputation and business, expose us to liability, and adversely affect our revenue and profitability.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We had net losses during the Track Record Period except for the year of 2024. We may continue to incur net losses and may fail to achieve or maintain profitability in the future.

We recorded net profits of RMB3,707.5 million in 2024, mainly attributable to the license fee income we received in that year. However, we had net losses of RMB1,053.6 million, RMB531.4 million and RMB774.6 million in 2025 and the three months ended March 31, 2025 and 2026, respectively. Our net losses recorded during the Track Record Period were primarily in relation to: (i) our substantial investment in R&D activities, reflecting the continued advancement of our iza-bren and T-Bren clinical programs, (ii) a decrease in license fee income as the milestone payment revenue recognized in 2025 was smaller in scale than the upfront payment revenue recognized in 2024, and (iii) the reduction of revenue from the sale of pharmaceutical products, mainly because certain of our major marketed generic and traditional Chinese medicine products are generic drugs subject to the impact of the VBP schemes, which resulted in decreases in both prices and sales volumes of relevant products. Our revenue, expenses and operating results may vary from period to period due to a variety of factors beyond our control. Accordingly, there can be no assurance that our revenue will continue at similar levels or increase as it did or that we will continue to record profits as we did in 2024. [**REDACTED**] should not rely on our historical results as an indication of our future financial or operating performance.

We have net cash outflows used in our operating activities in 2025 and the three months ended March 31, 2025 and 2026, and we may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.

We had net cash used in operating activities of RMB977.1 million, RMB539.2 million and RMB778.4 million in 2025 and the three months ended March 31, 2025 and 2026, respectively. The reasons of our cash flows used in operating activities in the foregoing periods primarily include our loss for the year/period, which is in turn primarily attributable to our cost of sales, R&D expenses, distribution and selling expenses, and administrative expenses. Our drug candidates require substantial investments for the completion of clinical development, regulatory review, drug manufacturing, marketing and launch before they can generate product sales revenue. We cannot guarantee that we will not experience net operating cash outflows in the future, whether as a result of our business expansion, intensified market competition, unfavorable changes in the

macroeconomic environment or other factors beyond our control. If we are unable to generate sufficient operating cash inflows on a sustained basis, we may not have adequate working capital to fund our operations, which could adversely affect our business, financial condition, results of operations and prospects.

We are uncertain about the recoverability of our deferred tax assets, which may affect our financial position in the future.

As of December 31, 2024 and 2025 and March 31, 2026, our deferred tax assets amounted to RMB179.2 million, RMB38.2 million and RMB53.6 million, respectively. For details, see Note 20 to the Accountants' Report in Appendix I to this document. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. As such, this requires significant judgment on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial position in the future.

We have incurred indebtedness and may incur additional indebtedness in the future, which may materially and adversely affect our financial condition and results of operations.

During the Track Record Period, we have incurred indebtedness, including borrowings and lease liabilities. As of December 31, 2024 and 2025 and March 31, 2026, our indebtedness amounted to RMB2,068.5 million, RMB3,714.2 million and RMB4,318.3 million, respectively. See "Financial Information — Indebtedness" for details. Our ability to generate sufficient cash to satisfy our debt obligations depends on our operating performance, which will be affected by many factors beyond our control. We may not generate sufficient cash flow to pay our anticipated operating expenses and to service our debt, forcing us to consider reducing capital expenditures, disposing of our assets, restructuring or refinancing our indebtedness or seeking equity capital. If we fail to repay borrowings or breach loan covenants, we could default. In the event of default, the lenders may accelerate debt repayment or seize collateral. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay all of our indebtedness, or that we would be able to obtain alternative financing on terms that are favorable or acceptable to us. As a result, our cash flow, financial condition and results of operations may be materially and adversely affected.

We are exposed to credit risk in relation to our trade receivables.

Our trade receivables consisted of amounts due from our customers which include distributors who on-sell our products to hospitals and, to a lesser extent, pharmaceutical retail chains. We generally grant credit terms of 30 to 120 days to our customers. As of December 31, 2024 and 2025 and March 31, 2026, we had trade receivables of RMB106.7 million, RMB67.8 million and RMB62.0 million, respectively. In 2024 and 2025 and the three months ended March 31, 2026, trade receivables turnover days were 6.4 days, 12.6 days and 62.0 days, respectively. See "Financial Information — Discussion of Major Items of Consolidated Statements of Financial Position — Trade and Other Receivables." Our customers may not be able to make timely payment, due to their adverse operating conditions or financial conditions and their inability to pay as a result of the delays in payment from end customers. In addition, as our business continues to develop, our trade receivables may continue to grow and would increase our credit risk. If our customers delay or default on their payments to us, we may need to make impairment provisions and write off the relevant receivables. This would have a negative impact on our liquidity and financial condition.

Failure to manage our inventory effectively would materially and adversely affect our results of operations, financial condition and cash flows.

Our inventory consists of raw materials, consumables, work-in-progress, goods in transit and finished goods. As of December 31, 2024 and 2025 and March 31, 2026, we had inventories of RMB149.9 million, RMB146.3 million and RMB144.7 million, respectively. In 2024 and 2025 and the three months ended March 31, 2026, our inventory turnover days were 182.5 days, 202.7 days and 273.4 days, respectively. For details, see "Financial information — Discussion of Major Items of Consolidated Statements of Financial Position — Inventories." To operate our business successfully and meet our customers' demands and expectations, we must manage our inventory effectively to ensure immediate delivery when required. We cannot assure you that we will avoid overstocking or understocking. Further, demand for products could change significantly between order and delivery. Excess inventory levels may increase our inventory holding costs, obsolescence risks or potential impairment losses. Conversely, underestimating demand may cause stock shortages and we may lose sales and market share to our competitors.

The discontinuation of any of the financial incentives, such as preferential tax treatment or government grants, currently available to us could adversely affect our operations, revenue and profitability.

Our other income related to the government grants amounted to RMB44.7 million, RMB42.5 million and RMB8.8 million in 2024, 2025 and the three months ended March 31, 2026, respectively. We also enjoyed preferential tax treatment during the Track Record Period. See "Financial Information — Results of Operations — Other Income" and "— Income Tax (Expense)/Credit" for more details. The government grants and preferential tax treatments we receive are subject to the discretion of relevant government authorities, who may reduce or eliminate such incentives at any time, generally with prospective effect. Given this inherent uncertainty, our net income in a particular period may fluctuate relative to other periods beyond those attributable to our underlying business performance or operational factors. Consequently, the discontinuation or changes of such government grants, preferential tax treatments, and other related financial incentives currently available to us could have an adverse effect on our financial condition, results of operations, cash flows and prospects.

We may face exposure to fair value change for financial assets at FVTPL and valuation uncertainty due to the use of unobservable inputs.

During the Track Record Period, our financial assets at FVTPL primarily consisted of our investment in wealth management products and foreign currency forward contracts. Our financial assets at FVTPL amounted to nil, RMB2,170.0 million and RMB2,167.8 million as of December 31, 2024 and 2025 and March 31, 2026. We may continue to make such investment as part of our cash management and treasury measures and therefore may face exposure to fair value change for the financial assets at FVTPL. We cannot assure you that we will not recognize fair value losses, which would adversely affect our result of operations for future periods. In addition, the valuation of financial assets at FVTPL, which relies to a certain extent on subjective assumptions and unobservable inputs, is subject to estimation uncertainties, potentially leading to fluctuations in periodic profits or losses.

We may be affected by exchange rate fluctuations.

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in political and economic conditions and by foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the Hong Kong dollar or U.S. dollar in the future. The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of,

and any dividends payable on, our Shares in foreign currency. These factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders.

Since 2014, SystImmune, a wholly-owned subsidiary of our Company in the United States, entered into share option arrangements with certain eligible employees to recognize their contributions and to strive for the future development of the Group's overseas operations. For details, see Note 43 to the Accountants' Report in Appendix I to this document. Expenses incurred with respect to such share-based payment may increase our operating expenses and therefore have an adverse effect on our financial performance. Issuance of additional shares by SystImmune with respect to such share-based payment may also dilute the shareholding interest of our Company in SystImmune.

If we engage in future acquisitions or strategic partnerships, this may increase our capital requirements, dilute the value of your [REDACTED] in our H Shares, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic collaborations, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses, as we may deem appropriate to carry out our business plan. Any potential acquisition or strategic collaboration may entail numerous risks, including, but not limited to: (i) valuation risks associated with the acquired targets; (ii) increased operating expenses and cash requirements; (iii) assumption of indebtedness or liabilities; (iv) shareholder dilution; (v) diversion of management attention; (vi) loss of key personnel and business relationships; (vii) integration risks relating to acquired businesses, brands, operations, culture, intellectual property, and products; (viii) counterparty risks, including prospects of their products and regulatory approvals; (ix) inability to generate revenue sufficient to offset costs; (x) accounting principle impacts, such as significant future amortization expenses related to acquired intangible assets; and (xi) failure to achieve the anticipated synergies, cost savings or revenues, enhancing opportunities resulting from the acquisition of new businesses and operating those businesses at a level of profitability acceptable to us. Moreover, we may not be able to locate suitable acquisition opportunities, and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

Failure to adequately protect our intellectual property throughout the world, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, other pharmaceutical companies could compete against us directly or indirectly, which may have a material adverse impact on our business and results of operations.

Our success depends in large part on our ability to protect our proprietary technologies and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. We seek to protect our drug candidates and technologies that we consider commercially important by filing patent applications in China, the U.S. and other jurisdictions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. See "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Our Material Intellectual Property Rights" for details. The process of prosecution and maintenance is expensive and time-consuming, and we or our business partners may not be able to file and prosecute all necessary or desirable patent applications and secure other intellectual property protection in all jurisdictions in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover,

we or our business partners may fail to identify third-party infringement in a timely manner and take necessary actions to defend and enforce our rights. The patent position of biopharmaceutical companies generally involves complex legal and factual questions. Our current and future patent applications may be rejected or may otherwise fail to result in granted patents. Even if a patent is granted, its scope, validity or enforceability may still be challenged. Thus, we may not effectively prevent third parties from commercializing competitive technologies and drug candidates. Besides, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing drugs made using our inventions in and into certain jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to certain jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in certain other countries. These drugs may compete with our drugs and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance.

The China National Intellectual Property Administration (the "**CNIPA**"), the United States Patent and Trademark Office (the "**USPTO**") and other applicable patent authorities require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and, following grant, with applicable requirements to maintain patents in force. Although an inadvertent lapse in making payment of such fees or complying with such provisions can in many cases be cured, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents within prescribed time limits. In any such event, our competitors might be able to enter the market, which would have an adverse effect on our business.

Patent expirations and uncertainty of patent term extensions may expose us to premature competition.

Patents have a limited duration. Depending on the jurisdiction, various extensions may be available, but the life of a patent, and the protection it affords, are limited. For instance, in China, the statutory term of an invention patent is 20 years from the filing date, subject to any applicable patent term compensation. Even if patents covering our drug candidates, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive medications, including generic, biosimilar or other competing products, as applicable. Manufacturers of generic drug products may challenge the scope, validity, or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights. As a result, we may not be able to exclusively develop or market the relevant product, which would materially harm the potential sales of that product and, in turn, adversely affect our business and results of operations. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after commercialization, which may limit our ability to exclude others from commercializing technology and products similar or identical to ours. Although we may seek patent term extensions or other term adjustments, as applicable, there can be no assurance that such extensions will be granted, or that they will be granted for the full period requested, due to failure to satisfy applicable requirements or deadlines. If we are unable to obtain a patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business could be harmed.

If our trademarks and trade names are not adequately protected, we may not be able to build brand awareness in our target markets and our business may be adversely affected.

We own a number of trademarks in Chinese Mainland and Hong Kong. Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, and may not be registered in all the necessary or desirable jurisdictions and categories in which we intend to sell our future products or provide our future services. Competitors may adopt similar trade names or trademarks, which could cause market confusion and impair our ability to build brand recognition. Meanwhile, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. In addition, misuse of our trademarks and trade names by business partners or licensees could diminish the goodwill associated with our brands. As a result, these risks could undermine our ability to establish meaningful name recognition through our trademarks and trade names and our business could be materially adversely affected.

If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position would be harmed.

In addition to our issued patents and pending patent applications, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drugs and drug candidates. Despite non-disclosure, confidentiality and similar agreements with parties that have access to our trade secrets and confidential information, any of these parties may breach their obligations and we may not be able to obtain adequate remedies. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using such technology or information to compete against us. We may also be subject to claims that we or our employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of their former employer.

Changes in patent and other intellectual property laws of China, the United States or other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates and future drugs.

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

We may from time to time be involved in legal proceedings and disputes to protect or enforce our intellectual property rights, or defend against infringement and other claims alleged by third parties, which could be expensive, time consuming and unsuccessful.

Litigation relating to patents and other intellectual property rights in the pharmaceutical industry is common, and could be expensive and time-consuming. Third parties could assert claims of patent infringement against us. If we are found to be infringing, we may be forced to modify or cease business operations, seek a license which may not be available on acceptable terms, or pay substantial damages, including enhanced damages for willful infringement. We may also fail to identify relevant third-party patents that cover our products due to the lag in publication of the scientific or patent literature. Any FTO search or analysis commissioned by us is necessarily limited to patent information publicly available as of the relevant search date and the specific product

configurations provided to the relevant adviser, and does not constitute a guarantee of non-infringement. Such analysis may not identify unpublished or later-published patent applications, subsequent changes to patent claims or legal status, or matters outside its express scope, including manufacturing processes, formulations, therapeutic uses, dosage regimens, combination therapies, independent intermediates or other commercialization activities. Our intellectual property rights could be challenged or invalidated. To counter infringement, we may be required to file infringement claims, the outcomes of which are unpredictable and could provoke counterclaims that may invalidate our patents or interpret them narrowly. Even if we establish infringement, a court may decide not to grant an injunction against further infringing activity and instead award only monetary damages. Furthermore, disclosure of adverse litigation developments or even the perception of uncertainty could have a substantial adverse effect on the price of our Shares.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We rely on certain industry partners for part of our business, and any deterioration in our relationships with such partners could materially and adversely affect our business, financial condition and results of operations.

We collaborate with industry partners under various strategic collaboration, licensing, co-development and commercialization arrangements as part of our business strategy. The success of these arrangements depends in part on our partners' performance of their respective obligations and continued commitment of sufficient resources. Our partners may fail to perform their obligations in full or on a timely basis, change their strategic priorities, experience financial or operational difficulties, disagree with us regarding the relevant programs, or exercise contractual rights that delay, reduce or terminate the collaboration. If any collaboration is delayed or terminated, we may be unable to identify a suitable replacement partner on acceptable terms or at all, which could adversely affect the development, regulatory approval, manufacturing or commercialization of the relevant products. In addition, payments under certain collaboration arrangements may depend on the achievement of clinical, regulatory, sales or other milestones, many of which are outside our control. If the relevant milestones are not achieved or are delayed, we may not receive the related payments when expected or at all. Any deterioration in our relationships with industry partners, or any failure of such arrangements to achieve their intended objectives, could materially and adversely affect our business, financial condition, results of operations and prospects.

We engage with third parties for certain aspects of our business, and the inability of any of these parties to reliably, timely or cost-effectively provide us with their obligated services could materially harm the timing of bringing our products to market and accordingly adversely affect our business.

We rely on third parties, such as collaboration partners, medical institutions, clinical investigators, and contract laboratories, in the development of our drug candidates and in the conduct of clinical trials for our drug candidates. We are also dependent upon third parties for the commercialization or distribution of products or drug candidates. Our business will be harmed if business, economic conditions or future developments in laws and regulations in the PRC, the U.S. or other jurisdictions result in deteriorations in our service providers' operations and consequently a reduction in the services they provide to us. If these parties, which we do not fully control, do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, or if our collaboration partners do not have the ability or the resources to successfully complete their objectives, or choose not to continue their relationship with us, our development and commercialization efforts could be delayed, suspended or terminated. If the quality or accuracy of the data obtained by these third parties is compromised due to non-compliance with our clinical protocols, regulatory requirements or other factors, our preclinical or clinical activities could be delayed and we may not be able to obtain regulatory approval for our drug candidates.

We depend on a limited number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in sales to, one or more of our major customers would materially and adversely affect our business, result of operations and financial condition.

In 2024, 2025 and the three months ended March 31, 2026, revenue generated from our five largest customers for each period during the Track Record Period accounted for 95.1%, 91.5% and 50.7% of our total revenue, respectively, and revenue generated from our largest customer for each period during the Track Record Period accounted for 91.6%, 84.8% and 19.2% of our total revenue for the respective period. For more information about our top five customers, see "Business — Customers." We cannot assure you that we will be able to maintain or strengthen our relationships with our major customers, or that our major customers will continue to transact with us. If there is any significant reduction in spending on our products and services by our major customers due to industry consolidation, deterioration of their financial conditions, budget cuts, pending regulatory approvals or other reasons, and we are unable to obtain suitable contracts or purchase orders of a comparable size and terms in substitution, our business, financial condition and results of operations may be materially and adversely affected. In addition, any deterioration of our key customers' ability to settle their trade receivables in a timely manner will have a material adverse effect on our results of operations.

Our operations are dependent on the supply of certain raw materials. Any disruption in the supply of raw materials or significant increase in the prices of raw materials could materially and adversely affect our business, financial condition and results of operations.

Purchase of raw materials accounted for a significant portion of our total cost of sales during the Track Record Period. For details, see "Business — Quality Control and Assurance — Supply Chain Quality Control." We typically do not enter into long-term supply agreements with raw material suppliers, and as a result, we are vulnerable to supply shortages and fluctuations in market prices. We may be unable to renew existing agreements or secure new suppliers to support our growth, and overseas procurement is additionally subject to geopolitical and cross-border risks. If our suppliers fail to supply sufficient, acceptable-quality materials, we may be unable to identify suitable substitutes in a timely manner. Any resulting supply interruptions could delay our production and delivery, and we may be unable to pass increased costs on to customers, any of which could materially and adversely affect our business, financial condition, and results of operations.

Delivery delays and poor handling by third-party logistics service providers may adversely affect our business, financial condition and results of operations.

We have entered into logistic service agreements with third-party logistics service providers for the transportation of our products. Delivery delays may occur for various reasons beyond our control, including poor handling by our logistics service providers, labor disputes or strikes, acts of war or terrorism, health epidemics, earthquakes and other natural disasters, and could lead to delayed or lost deliveries. We cannot guarantee that our insurance coverage is sufficient to compensate for actual losses suffered or incurred. If products are not delivered on time or are delivered in a damaged state, our customers may refuse to accept products and claim refunds from us, and may have less confidence in our services. Poor handling of our products could also result in product contamination or damage, which may in turn lead to product recalls, product returns or exchanges, product liability, increased costs and reputation damage, thereby adversely affecting our business, financial condition and results of operations.

Our relationships with certain principal investigators, KOLs and leading hospitals may affect the clinical development and future marketing of our products.

Our relationships with principal investigators, KOLs, and leading hospitals play an important role in our R&D and marketing activities. These industry participants may leave their roles, change their business or practice focus, or choose to no longer cooperate with us and cooperate with our competitors instead. Should they continue to cooperate with us, their market insights and perceptions, which we factor into our research and development process, may be inaccurate and lead us to develop products with limited market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable products. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO GOVERNMENT REGULATIONS

The pharmaceutical and biopharmaceutical industries are subject to change of regulations, which may affect our operations, revenue and profitability or impose additional compliance burden on us.

We operate in the pharmaceutical and biopharmaceutical industries in China and the U.S. The industries we operate in are subject to comprehensive government regulation and supervision. See "Regulatory Overview" for details. Changes in government regulations or in practices, such as a relaxation in regulatory requirements or the introduction of simplified approval procedures which would lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements, may have a material adverse impact on our business and results of operations. In addition, we are subject to periodic inspections of our facilities to monitor our regulatory compliance. Failure to comply with the applicable regulatory requirements in any of the jurisdictions where we operate at any time during the drug development process or approval process, or after approval, may subject us to administrative or judicial sanctions. Any occurrence of the foregoing could therefore materially adversely affect our business, financial condition, results of operations and prospects.

Changes in the U.S. and international trade policies and political tensions may adversely impact our business and results of operations.

We are susceptible to constantly changing international economic, regulatory, social and political conditions. Tensions between China and other countries may adversely affect our business, financial condition, and results of operations. Changes to trade policies, treaties and tariffs — or the perception that such changes could occur — could adversely affect our operations, demand for our products, and trade, investment and technological exchange between China and other countries.

In February 2024, U.S. lawmakers called for investigations into, and possible economic sanctions against, certain Chinese biopharmaceutical companies over alleged ties to the Chinese military. The enacted BIOSECURE Act prohibits federal agencies from contracting with or funding companies that are designated "biopharmaceutical companies of concern." The BIOSECURE Act's final definition of "biopharmaceutical companies of concern" includes (i) entities on the Department of Defense's section 1260H list of Chinese military companies operating in the United States (known as the "**1260H List**"), and (ii) entities that will be named through a process headed by the Office of Management and Budget ("**OMB**"), who must supplement the list of biopharmaceutical companies of concern within one year of enactment. If our suppliers or business partners were to be listed as "biopharmaceutical companies of concern," our ability to engage in business with the U.S. government or with companies that engage in business with the U.S. government may be limited. Prohibitions in the BIOSECURE Act will not take effect until the OMB issues implementing guidance and relevant federal regulations are finalized. The timing and substance of such enabling regulations remain subject to uncertainty and may differ materially from current expectations. We are of the view that the BIOSECURE Act would not have a material and adverse impact on our business, primarily because we, or any of our subsidiaries, are not a recipient of any U.S. federal government contracts, loans, grants or funding and do not anticipate applying for such contracts, loans, grants or funding in the future.

Furthermore, any rising trade and political tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our drug products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development. We cannot predict how tariff policies may further evolve or anticipate any potential impacts of subsequent developments in such policies on our business. If any new tariffs, policies, legislation and/or regulations are announced or implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition, results of operations and prospects.

We face regulation and potential liability related to privacy, data protection and information security which may require significant resources and may adversely affect our business, operations and financial performance.

We receive, collect, generate, store, process, transmit, and retain medical data and treatment records of clinical trial subjects in accordance with applicable laws and regulations and the requirements of ethically approved clinical trial protocols. In recent years, the PRC authorities have promulgated certain laws and regulations in respect of information security, data collection and privacy protection, which impose stricter requirements on the protection of personal information. See "Regulatory Overview — Overview of Laws and Regulations in the PRC — Regulations in Relation to Information Security and Data Privacy" for details. We may also face new laws and regulations regarding personal information and privacy, which could potentially result in ever-increasing public scrutiny, enforcement and sanctions, and compliance costs. The personal information of patients or subjects involved in our clinical trials could be highly sensitive and subject to strict privacy regulations. Data leakage, abuse, and other misconduct may occur, due to hacking activities, human error, employee misconduct or negligence or system breakdown, among other reasons. We also cooperate with third parties including principal investigators, hospitals, CROs and other third-party contractors and consultants for our clinical trials and operations. Any security breach, failure, or perceived failure to comply with privacy obligations, whether by us or our partners, could result in unauthorized data release, legal claims, and a loss of customer trust.

We may be restricted from transferring data abroad or using human genetic resources collected in China.

We may be required to complete regulatory filings, obtain government approval or undergo security assessments to transfer data abroad, particularly if it involves personal information, state secrets or government-funded research. See "Regulatory Overview — Overview of Laws and Regulations in the PRC — Regulations in Relation to Information Security and Data Privacy" for details. Failure to comply with relevant requirements, such as obtaining authorization from subjects, completing regulatory procedures, and implementing safeguards to ensure data safety, may lead to restrictions on the cross-border transfer of our data. In addition, under the Regulations of the PRC on the Administration of Human Genetic Resources (《中華人民共和國人類遺傳資源管理條例》), the PRC Biosecurity Law (《中華人民共和國生物安全法》), and other relevant laws and regulations, entities are restricted from directly collecting human genetic resources and must cooperate with local institutions, subject to specific approvals or filings. For details, see "Regulatory Overview — Laws and Regulations in Relation to New Drugs — Gathering, Collection and Filing of Human Genetic Resources." Any non-compliance may expose us to fines and other administrative penalties and hinder the R&D of our drug candidates.

Dividends received by foreign holders of our H Shares and gains derived from the disposition of our H Shares by such holders may be subject to PRC taxation.

Dividends payable to non-PRC [**REDACTED**] and gains realized on the sale of our H Shares are subject to PRC tax obligations. Non-PRC individuals are generally subject to a tax rate of 20% on dividends or gains under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》). While we generally withhold 10% from dividends paid to H Share holders, this rate may vary based on applicable tax treaties or increase to 20% if no treaty applies where the holder's identity is known. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax. Non-PRC resident enterprises without establishments or premises in the PRC, or those whose income is unrelated to their establishments or premises, are subject to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) ("the **EIT**") at the rate of 10% on dividends and gains, unless reduced or eliminated under special arrangements or applicable treaties. Enterprises entitled to lower treaty rates will be required to apply for a refund subject to regulatory verification. The interpretation and application of the relevant PRC tax laws are subject to evolvement. If any such tax is collected, the value of our H Shares may be affected accordingly.

You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our management.

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

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. It may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts where we operate may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties in different jurisdictions may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us. Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear or not published. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

OTHER RISKS RELATING TO OUR OPERATIONS

Our future success depends in part on our ability to attract, retain and motivate senior management, key personnel, and other qualified professionals.

We are highly dependent on the expertise of our senior management, key personnel, and other qualified professionals. We believe that there is, and will continue to be, intense competition for skilled management, technical, sales and other personnel with experience in our industry. Recruiting, retaining and motivating qualified management, scientific, clinical and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Further, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions.

Increased labor costs could result in exceeding expenses, slow our growth and affect our profitability.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees. In recent years, the average labor cost in the global pharmaceutical market, particularly for highly skilled and experienced personnel, has been steadily increasing as the competition for qualified employees has become more intense. In addition, share-based compensation granted under our existing or future share-based incentive arrangements and scheme could adversely affect our costs and our results of operations. See also "— Risks Relating to Our Financial Position and Need for Additional Capital — Share-based payments may impact our financial performance and cause shareholding dilution to our existing Shareholders." We may also face labor shortages, higher employee turnover rates, or labor disputes, which could materially adversely affect our results of operations.

[**REDACTED**]

Our legal right to certain properties may be challenged.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branches of the Ministry of Housing and Urban Development. As of the Latest Practicable Date, eight lease agreements of our leased properties which are leased from third parties and used for production or office use had not been registered and filed with relevant land and real estate management departments in China. As advised by our PRC Legal Advisor, failure to register does not in itself invalidate the leases, but we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. We cannot assure you that we would not be subject to any penalties and/or requests from local authorities to fulfill the registration requirements, which may increase our costs in the future. If any of our leases is terminated or becomes unenforceable as a result of challenges from third parties, we would need to seek alternative properties and incur relocation costs. Any relocation could lead to disruptions to our operations and adversely affect our business, financial condition and results of operations. In addition, as of the Latest Practicable Date, we had not obtained the real estate ownership certificates for two properties occupied by us used for dormitories and warehouses, with an aggregate GFA of approximately 279.52 sq.m., representing around 0.2% of the total GFAs of our owned properties. These properties are primarily used for dormitories and warehouses and are not directly related to our production and operations. Our

Controlling Shareholder has committed to compensating us for any losses incurred in connection with these properties. Based on the above, we believe that the title defect will not have a material adverse impact on production and business operations.

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

We maintain insurance policies that are required under relevant laws and regulations and that we believe are in line with market practice and adequate for our business to safeguard against risks and unexpected events. See "Business — Insurance" for details. However, our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may negatively impact our drug development and overall operations.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in inspections, claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, privacy protection, environmental and safety matters, breach of contract, employment or labor disputes and intellectual property rights. Any inspections, claims, disputes or legal proceedings initiated by us or brought against us, our management or Directors, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, inspections, claims, disputes or legal proceedings against us, our management or Directors may be due to actions taken by our business partners, such as our suppliers, CROs, and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

If we or our brand names fail to maintain a positive reputation, many aspects of our business and our business prospects could be adversely affected.

We believe that market awareness and recognition of our brand image, and the maintenance of a positive brand image, are crucial to the success of our business. However, our reputation is vulnerable to potential threats that can be difficult or impossible to control, and costly or impossible to remediate. We may fail to promote our brands effectively to remain competitive. In addition, we may engage various third parties, such as distributors, to expand our sales and distribution network and increase market access for our drugs, which can make it increasingly difficult to effectively manage our brand reputation, as we have relatively limited control over these third parties. Any regulatory inquiries or investigations or other actions against our management, any perceived misconduct by us, our business partners or our affiliates, could harm our reputation and adversely affect our business. Regardless of the merits or final outcome of such regulatory inquiries, investigations or actions, our reputation may be substantially damaged, which may impede our ability to attract and retain talent and business partners and grow our business.

Our therapeutic biological products, like any other biological product, may involve risks of contamination.

The manufacturing of therapeutic biological products usually involves cultivation steps, including growth of the appropriate organism and the use of substances of animal origin, which increases the risk of introducing and amplifying contaminants. In addition, cross-contamination could result from manufacturing activities at shared equipment and facilities, or from linked diagnostic and research activities. Furthermore, improper actions during the long-distance transportation, storage and delivery services may also result in contamination. In the event of contamination or injury resulting from such contamination, we could be subject to liabilities for any

resulting damages to patients, product recalls, confiscation and/or destroy. We also could incur significant costs associated with civil or criminal fines and penalties for failure to comply with laws and regulations. In addition, contamination of our products could cause customers or other third parties with whom we conduct business to lose confidence in our products' quality and the reliability of our manufacturing procedures, which could adversely affect our sales and profits.

Our business could be adversely affected by natural disasters, public health crises, political relationships and crises, economic downturns or other unexpected events.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of: (i) natural disasters such as floods, earthquakes, or fires; (ii) widespread health epidemics; (iii) power, water, or fuel shortages; (iv) information system malfunctions or unexpected technical problems; and (v) wars or terrorist attacks. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in the regions where we operate could materially disrupt our business and operations, resulting in, among other things, adverse effects on the economy, potential delays to our ongoing and future clinical trials, and disruptions to the operations of our business partners.

RISKS RELATING TO THE [REDACTED]

Our A Shares were listed in China in January 2023, and the characteristics of the A share and H share markets may differ.

Our A Shares were listed on the SSE STAR Market in January 2023. Following the [**REDACTED**], our A Shares will continue to be traded on the SSE STAR Market and our H Shares will be [**REDACTED**] on the Stock Exchange. Under current PRC laws and regulations, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent [**REDACTED**], [**REDACTED**] and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. The fluctuations in the price of our A Shares may also affect our [**REDACTED**] in Hong Kong. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

There has been no prior [REDACTED] for our H Shares, and their [REDACTED] and [REDACTED] may be volatile, which could lead to substantial losses to [REDACTED].

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. The [**REDACTED**] for our H Shares to [**REDACTED**] will be the result of negotiations between us and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the post-[**REDACTED**]. We have applied to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate [**REDACTED**] and [**REDACTED**] will develop and be sustained, or that the [**REDACTED**] will not decline following the [**REDACTED**]. The [**REDACTED**] and [**REDACTED**] of our H Shares may be volatile due to a number of factors, including: (i) variations in our financial results; (ii) new investments, collaborations or acquisitions; (iii) unexpected business interruptions; (iv) changes in management and key personnel; (v) regulatory or competitive issues; (vi) political, economic and social developments; and (vii) fluctuations in market prices for our products or raw materials. Moreover, pharmaceutical stocks have experienced significant [**REDACTED**] volatility unrelated to corporate performance in the past, and our H Shares may be similarly affected.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The [**REDACTED**] of our H Shares may be highly volatile and could be subject to significant fluctuations. In addition, the [**REDACTED**] of our H Shares may fluctuate, which may cause significant [**REDACTED**] variations. Some of the factors that could negatively affect the [**REDACTED**] of our H Shares, or result in fluctuations in the [**REDACTED**] or [**REDACTED**] of our H Shares following the [**REDACTED**] include: (i) variations in our financial results or failure to execute our strategies; (ii) business interruptions or loss of key personnel; (iii) intellectual property disputes, litigation, or governmental investigations; (iv) adverse regulatory changes affecting our operations; and (v) broader macroeconomic conditions, market reactions to our financing activities, or fluctuations in peer valuations.

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

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, [**REDACTED**] of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible asset value. In order to expand our business, we may consider [**REDACTED**] and [**REDACTED**] additional Shares in the future. [**REDACTED**] of the [**REDACTED**] may experience dilution in the net tangible asset value per share of their Shares if we [**REDACTED**] additional Shares in the future at a [**REDACTED**] which is lower than the net tangible asset value per Share at that time. Furthermore, we may [**REDACTED**] Shares pursuant to the share incentive schemes, which would further dilute Shareholders' interests in our Company.

Future [REDACTED] or perceived [REDACTED] of significant amounts of our H Shares in the [REDACTED] following the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares.

The [**REDACTED**] of our H Shares could decline as a result of substantial future [**REDACTED**] of our H Shares or other securities relating to our Shares in the [**REDACTED**]. Such a decline could also occur with the [**REDACTED**] of new Shares or other securities relating to our Shares, or the perception that such [**REDACTED**] or [**REDACTED**] may occur. Future [**REDACTED**], or perceived [**REDACTED**], of substantial amounts of our Shares could materially and adversely affect the [**REDACTED**] of our H Shares.

Our Controlling Shareholder has significant influence over our Company and his interests may not be aligned with the interest of our other Shareholders.

Immediately following the completion of the [**REDACTED**], our Controlling Shareholder will directly hold approximately [**REDACTED**]% of our total [**REDACTED**] Shares. Through voting power and Board representation, they have significant influence over our business and affairs, including decisions on mergers or other business combinations, acquisition or disposition of assets, [**REDACTED**] of additional shares or other equity securities, timing and amount of dividend payments, and our management. Their interests may not align with minority Shareholders, and they could block beneficial transactions. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, potentially depriving Shareholders of a takeover premium and reducing our H Share [**REDACTED**].

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our H Shares for return on your [REDACTED].

During the Track Record Period, we did not distribute dividends. Our historical dividends may not be indicative of our future dividend policy. There can be no assurance that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors depending on, among other considerations, our business and financial

performance, cash requirements and availability, capital and regulatory requirements and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. Accordingly, the return on your [**REDACTED**] in our Shares will likely depend entirely upon any future price appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value after the [**REDACTED**] or even maintain the price at which you [**REDACTED**] the H Shares. You may not realize a return on your [**REDACTED**] in our H Shares and you may even lose your entire [**REDACTED**] in our H Shares.

Certain facts, forecasts and statistics in this document derived from third-party reports or publicly available sources may not be fully reliable.

Certain facts, forecasts, and other statistics in this document relating to the economy and the industry in which we operate our business are obtained from official government sources. The information from official government sources has not been prepared or independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], or any of our or their respective affiliates or advisors or any other parties involved in the [**REDACTED**], and, therefore, we cannot assure you as to the accuracy of such facts and statistics from official government sources. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other jurisdictions. You should consider carefully how much weight or importance you should attach to or place on such information or statistics from official government sources.

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

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

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the SSE STAR Market.

As our A Shares are listed on the SSE STAR Market, we publicly release information relating to us based on PRC requirements on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, these standards may differ from those applicable to the [**REDACTED**], and previously disclosed financial and operational information may not be directly comparable to this document. Therefore, prospective [**REDACTED**] in our H Shares should rely only on the financial, operating and other information included in this document. By applying to [**REDACTED**] our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "aim," "anticipate," "believe," "could," "predict," "going forward," "intend," "plan," "project," "seek," "expect," "may," "should," "would" or "will" and the negative of these terms as well as similar expressions. Reliance on any forward-looking statements involves risks and uncertainties and assumptions could prove inaccurate and as a result, the

forward-looking statements based on those assumptions could also be incorrect. These statements should not be regarded as representations or warranties by us that our plans will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the Listing Rules, we do not intend publicly to update or otherwise revise these forward-looking statements. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

We may be subject to press and media coverage prior to the completion of the [**REDACTED**]. This coverage may include certain financial information, industry comparisons, profit forecasts and other information about us that does not appear in this document. We do not accept any responsibility for the accuracy or completeness of such media reports, nor the fairness or appropriateness of any forecasts or views expressed. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information. Accordingly, prospective [**REDACTED**] should not rely on any such information, reports or publications in making their [**REDACTED**] decisions regarding the [**REDACTED**]. You should rely only on the financial, operational and other information included in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong. By applying to [**REDACTED**] our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong.

In preparation for the [**REDACTED**], we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules requires a new applicant to have sufficient management presence in Hong Kong and, normally, at least two executive directors ordinarily resident in Hong Kong. Rule 19A.15 permits the SEHK to waive this requirement for a PRC issuer, having regard to, among other things, the applicant's arrangements for regular communication with the SEHK.

The Company's operations and assets are mainly outside Hong Kong, and its executive Directors are based in the PRC, where the Group conducts most of its operations. Relocating executive Directors to Hong Kong or appointing two additional Hong Kong-based executive Directors would impose cost and administrative burdens without a corresponding business need. Accordingly, no executive Director is expected to be ordinarily resident in Hong Kong in the foreseeable future.

Accordingly, we have applied for, and the SEHK [has granted], a waiver from Rules 8.12 and 19A.15, subject to the Company implementing the following arrangements:

(i) the Company has appointed Ms. Zhang Suya and Ms. Ho Wing Nga (何詠雅) as its authorized representatives under Rule 3.05 of the Listing Rules. They will act as the Company's principal communication channel with the SEHK, remain contactable by phone, fax and email, and meet the SEHK on short notice when required. Their contact details have been provided to the SEHK.

(ii) each Director who is not ordinarily resident in Hong Kong holds or can apply for valid travel documents to visit Hong Kong and can meet the SEHK within a reasonable period. Each Director has provided contact details, including mobile, office and email contacts, to the Authorized Representatives and the SEHK. Each Director has also provided emergency contact details to the Authorized Representatives so that the Directors, including the independent non-executive Directors, can be contacted promptly if required by the SEHK.

(iii) the Company has appointed TFI Capital Limited as its Compliance Adviser from the [**REDACTED**] until the Company complies with Rule 13.46 of the Listing Rules for the first full financial year after [**REDACTED**]. The Compliance Adviser will serve as an additional communication channel with the SEHK and will be readily available to respond to SEHK enquiries.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

EXEMPTION IN RESPECT OF FINANCIAL INFORMATION OF OUR COMPANY

According to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this document shall include the matters specified in Part I of the Third Schedule thereto and the reports specified in Part II of the Third Schedule thereto.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this document a statement as to the gross trading income or sales turnover (as the case may be) of our Company

during each of the three financial years immediately preceding the issue of this document as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this document a report prepared by our Company's auditor with respect to the profits and losses and assets and liabilities of our Company for each of the three financial years immediately preceding the issue of this document.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in this document must include, among others, the results of the company in respect of each of the three financial years immediately preceding the issue of this document or such shorter period as may be acceptable to the SEHK.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04 of the Listing Rules modified so that references to "three financial years" or "three years" in that rule shall instead refer to "two financial years" or "two years," as the case may be.

Accordingly, we have applied to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the following grounds:

(i) we are a company that falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(ii) the Accountants' Report for the years ended December 31, 2024 and 2025 and [**REDACTED**] [has been] disclosed in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;

(iii) notwithstanding that the financial results set out in this document are only for the years ended December 31, 2024 and 2025 and [**REDACTED**] in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance [has been] adequately disclosed in this document pursuant to the relevant requirements;

(iv) Rule 18A.06 of the Listing Rules expressly modifies the financial track record requirements under Rule 4.04 of the Listing Rules so that an eligible biotech company is required to present financial information covering two financial years instead of three financial years. As the Accountants' Report covers the entirety of the Track Record Period applicable to our Company under the tailored [**REDACTED**] regime in Chapter 18A of the Listing Rules, requiring financial information for an additional financial year solely to comply with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be irrelevant for the purpose of assessing our Company's compliance with the applicable track record requirements and would, in any event, be unnecessary and inappropriate in the circumstances; and

(v) our Directors consider that the Accountants' Report for the years ended December 31, 2024 and 2025 and [**REDACTED**], together with the other disclosures in this document, provides [**REDACTED**] with sufficient and reasonably current information to assess the Company's track record. The Directors confirm that this document includes the information necessary for an informed assessment of the Company's business, assets and liabilities, financial position, trading position, management and prospects. The exemption would therefore not prejudice the interests of the [**REDACTED**] public.

The SFC [has granted] a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with section 342(1)(b) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that (i) particulars of the exemption are set out in this document, and (ii) this document will be issued on or before [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Zhu Yi (朱義)	No. 24, 8th Floor, Block 6 No. 6 Lidu Road Wuhou District Chengdu Sichuan Province PRC	Chinese
Ms. Zhang Suya (張蘇婭)	No. 8, 4th Floor, Unit 2 Building 2, No. 1 Shexue Lane Liucheng Wenjiang District Chengdu Sichuan Province PRC	Chinese
Mr. Zhuo Shi (卓識)	No. 403, 4/F, Unit 2, Building 14 No. 55 Jinlv San Road Wuhou District Chengdu Sichuan Province PRC	Chinese
Dr. Zhu Hai (朱海)	17476 NE 122ND ST REDMOND WA 98052-3093 United States	Chinese
Dr. Wan Weili (萬維李)	No. 21, Shuangxin South Road Qingyang District, Chengdu Sichuan Province PRC	Chinese
Non-executive Director		
Dr. David Guowei Wang	45 DOGWOOD DR #106 NASHUA NH 03062 United States	American
Independent Non-executive Directors		
Mr. Li Mingyuan (李明遠)	No. 1, Floor 17, New Building 6 No. 16 Section 3 of Renmin South Road Chengdu Sichuan Province PRC	Chinese

Name	Address	Nationality
Dr. Xiao Geng (肖耿)	Flat H, 21/F, Double Cove Starview Prime Tower 16 8 Wu Kai Sha Road Ma On Shan New Territories Hong Kong	Chinese (Hong Kong)
Dr. Dai Zewei (戴澤偉)	Yucai Dushi Jiayuan No. 108 Chenhui Road Jinjiang District Chengdu Sichuan Province PRC	Chinese

For more details in respect of our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

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

Jefferies Hong Kong Limited
26/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street, Central
Hong Kong

Deutsche Securities Asia Limited
60/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

[REDACTED]

[**REDACTED**]

Legal Advisors to our Company	*As to Hong Kong and United States laws:* **Kirkland & Ellis** 26th Floor, Gloucester Tower The Landmark, 15 Queen's Road Central Hong Kong *As to PRC law:* **JunHe LLP** 20/F, China Resources Building 8 Jianguomenbei Avenue Beijing PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and United States laws:* **O'Melveny & Myers** 31/F, AIA Central 1 Connaught Road Central Hong Kong *As to PRC law:* **Commerce & Finance Law Offices** 12-15th Floor China World Office 2 No. 1 Jianguomenwai Avenue Beijing 100004 PRC
Reporting Accountant and Auditor	*Certified Public Accountants and Registered Public Interest Entity Auditor* **Deloitte Touche Tohmatsu** 35/F One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10/F Block B, Jing'an International Centre 88 Puji Road, Jing'an District, Shanghai PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered Office, Headquarters and Principal Place of Business in the PRC	1#, Building 1 No. 161, Baili Road Cross-Strait Science and Technology Industrial Park Wenjiang District Chengdu City Sichuan Province PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Company's Website	**www.baili-pharm.com** (*The information contained in this website does not form part of this document*)
Company Secretary	Ms. Ho Wing Nga (何詠雅) (*An associate of The Hong Kong Chartered Governance Institute and fellow of The Chartered Governance Institute*) 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Authorized Representatives	Ms. Zhang Suya (張蘇婭) No. 8, 4th Floor, Unit 2 Building 2, No. 1 Shexue Lane Liucheng Wenjiang District Chengdu Sichuan Province PRC Ms. Ho Wing Nga (何詠雅) (*An associate of The Hong Kong Chartered Governance Institute and fellow of The Chartered Governance Institute*) 46/F, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Audit Committee	Dr. Dai Zewei (戴澤偉) (*Chairperson*) Mr. Li Mingyuan (李明遠) Dr. Xiao Geng (肖耿)

Remuneration and Appraisal Committee	Dr. Xiao Geng (肖耿) (*Chairperson*) Ms. Zhang Suya (張蘇婭) Dr. Dai Zewei (戴澤偉)
Nomination Committee	Mr. Li Mingyuan (李明遠) (*Chairperson*) Ms. Zhang Suya (張蘇婭) Dr. Dai Zewei (戴澤偉)
Strategy and Development Committee	Dr. Zhu Yi (朱義) (*Chairperson*) Mr. Li Mingyuan (李明遠) Dr. Xiao Geng (肖耿)
Compliance Adviser	**TFI Capital Limited** 16/F, Two Pacific Place 88 Queensway, Admiralty Hong Kong

[**REDACTED**]

Principal Banks	**China Construction Bank** **Chengdu Shenxian Tree South Road Sub-branch** No. 82 Zishan Road Chengdu Sichuan Province PRC **China Merchants Bank** **Chengdu Tongyuan Street Sub-branch** No. 168, Tongyuan Street Jinjiang District, Chengdu Sichuan Province PRC **Industrial and Commercial Bank of China** **Wenjiang Sub-branch** No. 27, East Street Wenjiang District, Chengdu Sichuan Province PRC

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

OVERVIEW OF THE CANCER TREATMENT LANDSCAPE

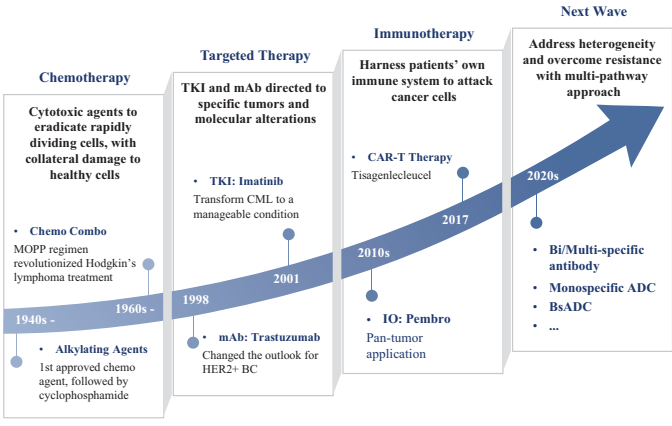
Overview

Cancer treatment has evolved from broadly cytotoxic chemotherapy towards increasingly targeted approaches, beginning with monoclonal antibodies and tyrosine kinase inhibitors ("**TKIs**") and extending to antibody-drug conjugates ("**ADCs**"). In parallel, immuno-oncology therapies have broadened treatment options. Despite these advances, many cancers continue to evade treatment through intratumoral heterogeneity, antigen or target loss, compensatory pathway activation, inefficient internalization and acquired resistance. These challenges can limit the durability of response to therapies that depend on a single target, pathway or mode of action.

The cancer treatment field is now advancing toward the next generation of targeted and immune-based modalities, including sophisticated monospecific and bispecific ADCs, bi- and multi-specific antibodies, T-cell engagers and ADC-based combination therapies. Monospecific ADCs enable the targeted delivery of cytotoxic payloads, while advances in payload technologies may further enhance antitumor potency, broaden the therapeutic window and help address payload-specific resistance. Bispecific ADCs simultaneously engage two antigens to enhance tumor selectivity and address antigen heterogeneity and loss. Multi-specific antibodies can block redundant or compensatory signaling pathways within a single molecule, while T-cell engagers redirect cytotoxic immune cells to tumors that respond poorly to checkpoint inhibition.

Among these emerging modalities, bispecific ADCs represent a compelling shift from single target oncology toward multi-dimensional precision therapeutics designed to deliver deeper, broader and more durable anti-tumor activity. As of the Latest Practicable Date, iza-bren was the world's first and only bispecific ADC approved for commercialization, following its marketing approvals in China for nasopharyngeal carcinoma ("**NPC**") in June 2026 and for esophageal squamous cell carcinoma ("**ESCC**") in July 2026. With one additional NDA filing accepted by the NMPA and a broad clinical development program across multiple tumor types, iza-bren is positioned to define the emerging bispecific ADC category.

The following diagram illustrates the evolution of cancer treatment to date.



Leading Approach	Improvement
Bi/multi-specific antibodies	• Block two/multiple signaling axes simultaneously • Improve selectivity • Shift from "biomarker-fragile" to "heterogeneity-tolerant therapies"
Multi-specific CD3 TCEs	• Reduced antigen-loss resistance • Broader eligible patient population
Monospecific ADC	• Direct cytotoxicity independent of signaling/immune pathways
BsADC	• Exploit avidity effects (tumor cells bind strongly and enable previously undruggable target e.g. EGFR) • Reduce off-tumor binding
Novel-payload	• Hedge against payload-specific resistance
IO+ADC	• Spatially restricted immune modulation • Reduced systemic immune toxicity

Source: CIC

Beyond ADCs, antibody-radionuclide conjugates ("**ARCs**"), a sub-category of radioligand drug conjugates ("**RDCs**"), represent a complementary modality that uses an antibody scaffold to deliver therapeutic radionuclides selectively to tumors. Unlike ADCs, RDCs exert anti-tumor activity through localized radiation and generally do not require cellular internalization or linker cleavage for activation. This makes ARCs well suited to targets with suboptimal internalization and to tumors with heterogeneous antigen expression, where radiation crossfire effects may help eliminate neighboring tumor cells with low or absent target expression. As of the Latest Practicable Date, BL-ARC001 and BL-ARC002 were the only two domestically developed ARCs in China that had entered clinical stage.

Market Size of the Oncology Drug Market

Cancer is a leading cause of death globally. The number of new cases has continued to rise, reaching 21.3 million worldwide, 5.3 million in China and 2.5 million in the U.S. in 2025, driving the continued growth of the oncology drug market. The global cancer drug market grew from US$167.0 billion in 2020 to US$304.1 billion in 2025 at a compound annual growth rate ("**CAGR**") of 12.7%, and is expected to increase to US$729.2 billion in 2035, representing a CAGR of 9.1% from 2025 to 2035. Over the same period, the cancer drug markets in China and the U.S. grew from US$25.8 billion and US$71.0 billion in 2020 to US$39.1 billion and US$134.4 billion in 2025, respectively, and are expected to reach US$131.2 billion and US$333.6 billion by 2035, representing CAGRs of 12.9% and 9.5%, respectively, from 2025 to 2035.

Next-Generation Oncology Therapeutics

ADCs

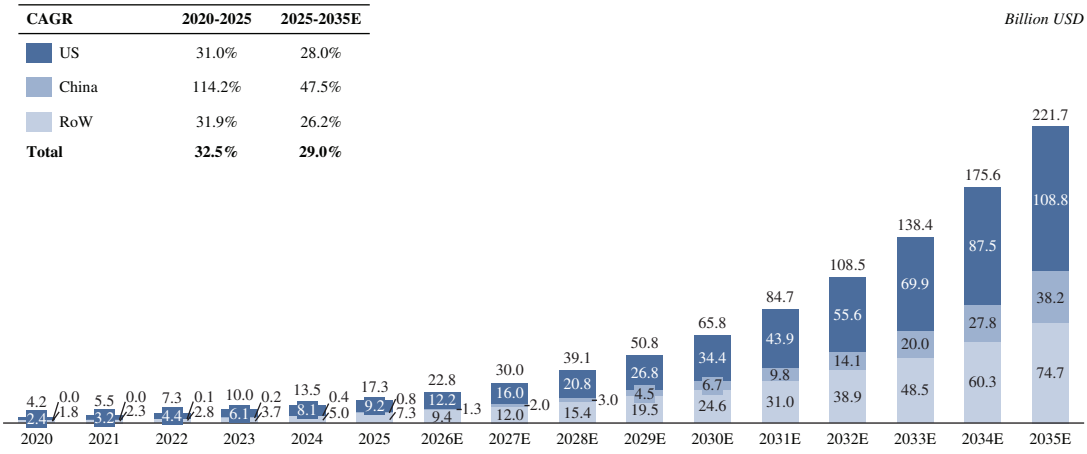
An ADC consists of an antibody connected through a chemical linker to a cytotoxic payload. The antibody binds to target antigen(s) expressed on tumor cells and is internalized, releasing the payload intracellularly to induce tumor cell death. By combining the target specificity of antibodies with potent cytotoxic payloads, ADCs enable selective delivery of cancer-killing agents to tumor cells while reducing the systemic exposure and off-target toxicity associated with conventional chemotherapy. ADCs have demonstrated anti-tumor activity in patients who are unresponsive to, or have progressed after, immune checkpoint inhibitors ("**ICIs**") or targeted therapies such as TKIs, while advances in drug-to-antibody ratio, linker stability and payload selection have further broadened the therapeutic window. Building on this foundation, bispecific and multi-specific antibody scaffolds can be incorporated into next-generation ADCs that address limitations of conventional monospecific ADCs, including heterogeneous antigen expression, antigen loss and single-pathway resistance, as exemplified by iza-bren. These advantages have established ADCs as a clinically validated and rapidly growing oncology modality across a broad range of solid tumors and hematologic malignancies.

ADCs have evolved from late-line therapies with relatively narrow indications into an increasingly important oncology modality, with expanding use across multiple tumor types and earlier lines of treatment, progressively being incorporated into frontline standards of care as monotherapy or in combination with established agents such as PD-1/PD-L1 inhibitors. To date, innovation has centered on the expansion to novel targets (such as B7-H3, human epidermal growth factor receptor 3 ("**HER3**"), TROP2 and Claudin 6), site-specific conjugation, cleavable linkers and differentiated payloads (including topoisomerase I inhibitors, microtubule inhibitors and immune modulators). As these approaches have become widely adopted and competition has intensified, development is increasingly shifting toward next-generation, multi-target and structurally complex designs intended to overcome tumor heterogeneity and drug resistance.

The ADC market has grown significantly. In 2025, the global ADC market reached US$17.3 billion and is expected to reach US$221.7 billion by 2035, and its share of the overall oncology market is expected to increase from 5.7% to 30.4% over the same period. The ADC markets in

China and U.S. reached US$0.8 billion and US$9.2 billion in 2025, respectively, and are expected to grow to reach US$38.2 billion and US$108.8 billion in 2035, respectively. The following diagram sets forth the size of the ADC market globally, in China, the U.S. and the rest of the world for the periods indicated:

Global ADC Market Size, 2020-2035E



Source: Annual reports, CIC

The significant potential of the ADC market has attracted substantial investments. In the past five years, total ADC deals reached approximately US$261.7 billion. In 2024 and 2025, the sector witnessed 147 collaboration transactions for ADC assets, cumulatively valued at over US$65.3 billion. Notably, our global strategic license and collaboration agreement for iza-bren with BMS carries a total deal value of up to US$8.4 billion.

Major ADC Transactions by Global Pharmaceutical Companies

Date	Transferor	Transferee	Transaction Details	Target	Initial upfront payment, Million US$	Transaction Amount, Million US$
2023/12/12	Our Group	BMS	iza-bren	EGFR/HER3	800	8,400
2023/10/19	Daiichi Sankyo	Merck	DS-7300a	B7H3	1,500*	7,500
2023/10/19	Daiichi Sankyo	Merck	U3-1402	HER3	750*	7,500
2023/10/19	Daiichi Sankyo	Merck	DS-6000	CDH6	750*	7,000
2019/03/28	Daiichi Sankyo	AstraZeneca	DS-8201	HER2	1,350	6,900
2020/07/27	Daiichi Sankyo	AstraZeneca	DS-1062	TROP2	1,000	6,000
2020/09/14	Seagen	Merck	SGN-LIV1A	LIV-1	600	3,200
2021/08/09	Remegen	Seagen	RC48	HER2	200	2,600
2017/02/10	Immunomedics	Seagen	IMMU-132	TROP2	250	2,000
2023/12/20	Hansoh	GSK	HS-20093	B7H3	185	1,710

* From the Daiichi Sankyo official website, not including payments due 12/24 months after contract execution.

Source: Public disclosure, CIC

Bispecific and Multi-specific Antibodies

Bispecific and multi-specific antibodies represent an important class of next-generation therapeutics that incorporate two or more binding specificities within a single molecule to coordinate multiple therapeutic mechanisms. By simultaneously engaging different targets, signaling pathways or cell populations, these molecules are designed to achieve effects that are difficult for monospecific antibodies to deliver, including dual pathway blockade, immune-cell redirection and more selective targeting of cells defined by specific antigen-expression profiles. By coordinating multiple mechanisms within a single molecule, these formats are designed to address key limitations of single-target therapies, such as tumor heterogeneity, pathway redundancy, compensatory signaling and acquired resistance.

CD3-mediated T-cell engagement is a key application of bispecific and multi-specific antibody design. By binding CD3 on T cells and one or more tumor-associated antigens on cancer cells, these antibodies are designed to redirect T cells toward tumor cells and promote targeted tumor-cell killing without relying on tumor antigen recognition through the native TCR-pMHC interaction. Multi-specific formats further incorporate additional binding domains to enhance tumor selectivity and coordinate immune-related mechanisms within a single molecule.

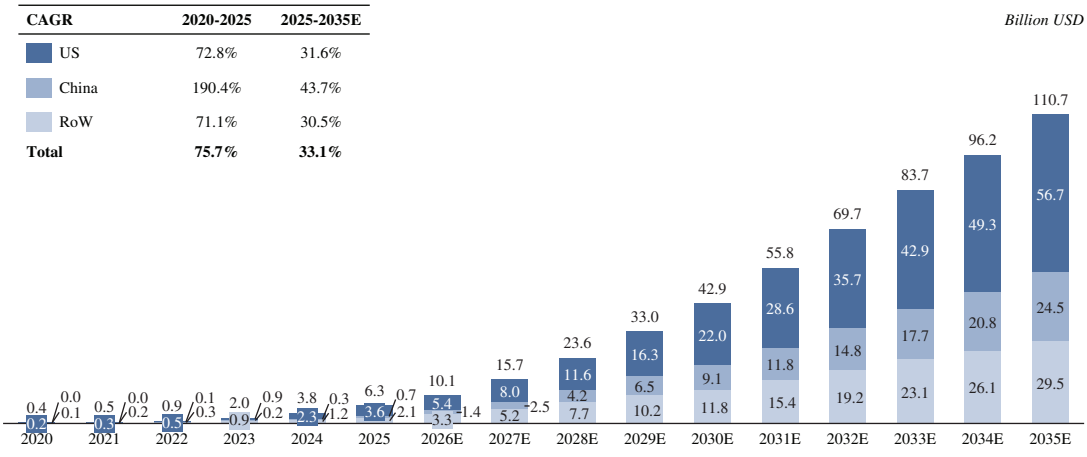
The integration of multiple mechanisms into one molecule carries both clinical and commercial significance. By engaging several disease-driving pathways concurrently, these agents are designed to mitigate the resistance that limits single-target therapies, while precise engineering of target combination, valency, affinity and binding geometry can sharpen selectivity for tumor cells carrying a defined antigen profile, thereby widening the therapeutic window. From a commercial perspective, a single agent delivering combination-like activity may broaden the eligible patient population, support use in earlier lines of therapy and extend duration of treatment. The engineering complexity and manufacturing expertise these formats demand also create meaningful barriers to entry that conventional antibodies and biosimilars do not face.

However, this complexity renders bispecific and multi-specific antibodies inherently difficult to design and manufacture. Developers must address challenges including correct chain pairing, molecular stability, aggregation, expression yield and pharmacokinetics ("**PK**"). For CD3- or other immune-cell-engaging formats, potency must also be carefully balanced against risks of off-tumor activity, systemic immune activation and cytokine release syndrome. The ability to integrate multiple binding domains while maintaining developability, manufacturability and an acceptable safety profile is therefore central to competitiveness in this field. Our proprietary GNC platform is designed to support the development of differentiated multi-specific antibody candidates.

The global bispecific and multi-specific antibody drug market grew rapidly from US$0.4 billion in 2020 to US$6.3 billion in 2025 at a CAGR of 75.7%, and is expected to increase to US$110.7 billion in 2035, representing a CAGR of 33.1% from 2025 to 2035. The following diagram sets forth the size of the bispecific and multi-specific antibody drug market.

Global Bispecific and Multi-Specific Antibody Drug Market Size, 2020-2035E

CAGR	2020-2025	2025-2035E
US	72.8%	31.6%
China	190.4%	43.7%
RoW	71.1%	30.5%
Total	**75.7%**	**33.1%**



Source: Annual reports, CIC

"X" drug conjugates

Beyond conventional antibody modifications, conjugate innovation is rapidly evolving across "X" drug conjugates ("**XDC**") platforms, with development focus shifting toward novel conjugate classes such as radionuclides, peptides, or nucleotides. RDCs represent the promising XDC subclass that delivers therapeutic radionuclides selectively to tumors. ARCs are a differentiated sub-category of RDCs. They use an antibody as the tumor-targeting scaffold and link it to a therapeutic radionuclide, typically an α- or β-emitting isotope. Compared with peptide-based radioligand therapies, ARCs generally have a larger molecular size, higher target-binding specificity and longer circulating half-life, which may support prolonged tumor exposure and greater tumor accumulation in tumors with clear antigen expression. Depending on the radionuclide selected, ARCs deliver localized radiation to tumor cells through different mechanisms: β-emitters such as Lu-177 can provide a longer tissue penetration range and potential cross-fire effect in tumors with heterogeneous target expression, while α-emitters such as Ac-225 can deliver high linear energy transfer over a short range and induce potent localized DNA damage. In addition, ARCs may enable theranostic approaches through pairing of diagnostic and therapeutic radionuclides

ADCs and ARCs represent complementary modalities suited to different target profiles and tumor biology. ADCs are well established in chemosensitive solid tumors with favorable internalization characteristics, such as breast, urothelial, ovarian and lung cancers. ARCs, by contrast, are particularly well suited to targets exhibiting high tumor expression, low normal-tissue background and imageability, with potential advantages in disease settings characterized by multiple systemic lesions. Three specific scenarios illustrate where ARCs provide differentiated treatment relative to ADCs: (i) targets with low internalization efficiency (e.g., SSTR in neuroendocrine tumors) — ARCs kill tumor cells through physical radiation without requiring intracellular payload release, overcoming a key ADC limitation; (ii) tumors with high intratumoral antigen heterogeneity — the physical crossfire effect of β-emitters (Lu-177, ~2mm tissue range) and α-emitters (Ac-225, ~50-80μm range) can eliminate neighboring tumor cells that do not express the target antigen, a coverage mechanism distinct from ADC bystander killing; and (iii) theranostic pairing — the same antibody scaffold can be paired with a diagnostic radionuclide (e.g., Ga-68 for PET imaging) to screen patients before switching to a therapeutic radionuclide, a closed-loop diagnostic-therapeutic approach that ADCs cannot replicate.

The landscape for ARCs has seen dynamic transaction activity in recent years. Approximately 25 ARC-related deals were recorded from 2020 to 2025. With a total disclosed value of US$1.03 billion across six major agreements, this strong market interest highlights ARCs as a critical area of development in radiopharmaceuticals. In 2025, the size of the global RDC market was US$2.8 billion and is expected to reach US$22.6 billion by 2035, representing a CAGR of 23.2% from 2025 to 2035. Within the RDC market, the size of the global ARC market is expected to increase from US$0.2 billion in 2029 to US$5.6 billion in 2035 at a CAGR of 82.7%. As of the Latest Practicable Date, there was no ARC approved for marketing and over 20 ARC candidates were under clinical development globally. Notably, our BL-ARC001 and BL-ARC002 were the only two domestically developed ARCs in China to enter clinical stage, targeting advanced solid tumors.

THE ONCOLOGY DRUG MARKET

Lung Cancer

Lung cancer represents the leading type among solid tumors, with more than 2.6 million new cases worldwide in 2025 — approximately 46% occurring in China, where incidence was approximately two-fold higher than the next most common cancer. The five-year overall survival ("**OS**") rates remain modest, at 20.5% in the U.S. and 19.7% in China. Lung cancer is primarily classified into two types: non-small cell lung cancer ("**NSCLC**") and small cell lung cancer ("**SCLC**"). As the most prevalent cancer indication globally, the size of the global lung cancer drug market was US$60.1 billion in 2025, including US$8.5 billion in China and US$24.7 billion in the U.S. It is expected to reach US$127.9 billion globally by 2035, including US$25.3 billion in China and US$43.5 billion in the U.S.

NSCLC

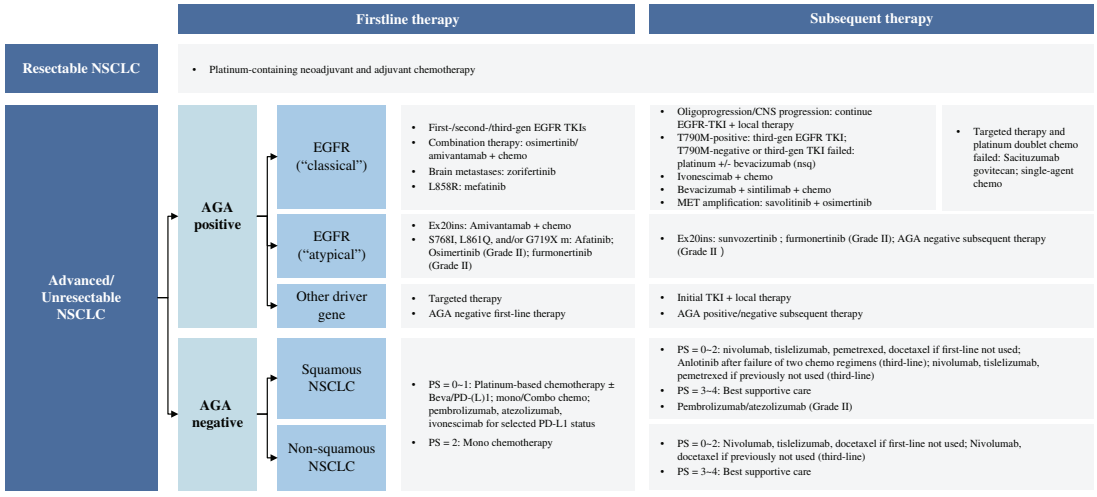
Overview

NSCLC accounts for approximately 85% of lung cancer cases globally. The incidence of NSCLC worldwide is expected to grow from approximately 1.9 million cases in 2020 to 3.0 million cases in 2035. China is expected to contribute substantially to such growth, with the incidence of NSCLC in China projected to increase from approximately 0.8 million cases in 2020 to 1.5 million cases in 2035. To guide treatment selection, NSCLC is increasingly stratified by the presence of actionable genomic alterations ("**AGAs**"), identifiable tumor alterations for which matched targeted therapies exist. AGA-positive NSCLC harbors targetable oncogenic drivers, whereas AGA-negative NSCLC lacks such alterations. Among the common AGAs in NSCLC, epidermal growth factor receptor ("**EGFR**") mutations are the most prevalent driver globally, with particularly high frequency in Asian patients (approximately 54.4% of cases), and meaningful prevalence in Western patients (approximately 25.0% of cases). Other clinically important AGAs in NSCLC include KRAS, anaplastic lymphoma kinase ("**ALK**"), ROS1, human epidermal growth factor receptor 2 ("**HER2**") and RET alterations. Independent of the broader AGA classification, tumors lacking activating EGFR mutations are specifically referred to as EGFR wild-type NSCLC.

Treatment Paradigm and Unmet Needs

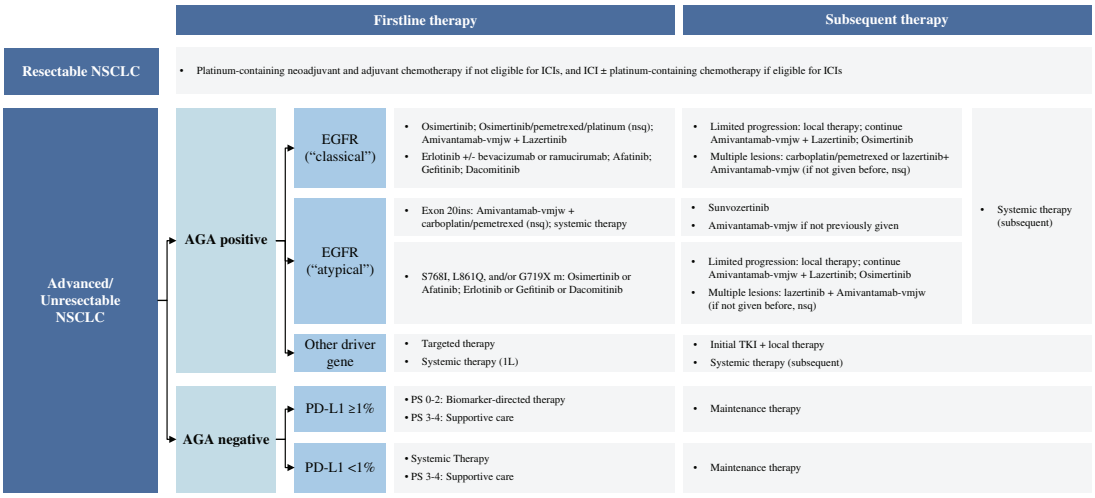
The treatment paradigm for NSCLC is determined by disease stage and molecular profile. For early-stage and resectable disease, surgical resection is the mainstay, increasingly combined with neoadjuvant or adjuvant chemotherapy, immunotherapy or, for patients harboring targetable drivers such as EGFR mutations, adjuvant targeted therapy. For advanced disease, treatment is guided by AGA status: AGA-positive patients receive molecularly matched targeted therapies as first-line treatment, whereas AGA-negative patients are treated based on histology and PD-L1 expression with platinum-based chemotherapy, immunotherapy, or a combination thereof. The following charts set forth the treatment paradigm for NSCLC recommended by CSCO and NCCN, respectively.

Treatment Paradigm for NSCLC, CSCO (China)



Source: CSCO 2025, CIC

Treatment Paradigm for NSCLC, NCCN (the U.S.)



Source: NCCN 2025, CIC

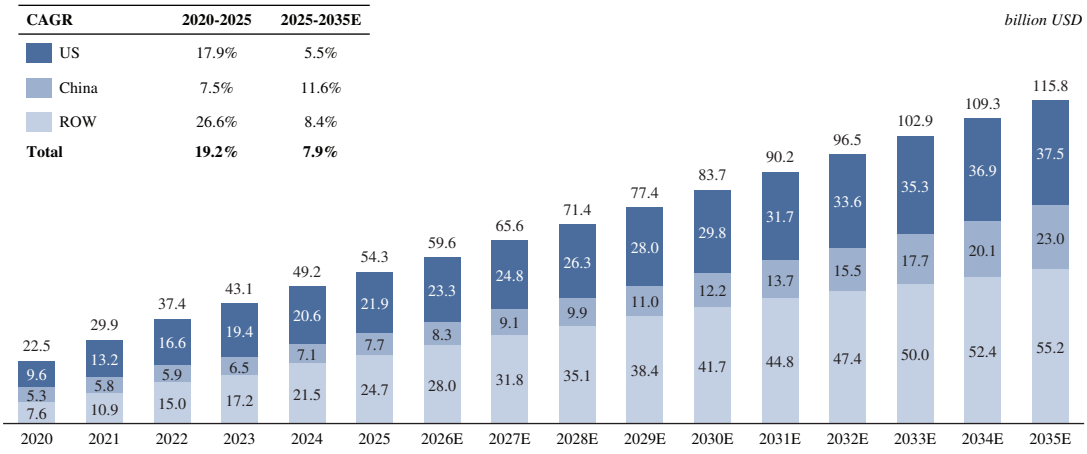
Despite significant advances in NSCLC treatment, substantial unmet medical needs currently concentrate in the advanced/metastatic setting across both AGA-positive and AGA-negative diseases. In AGA-positive NSCLC, particularly EGFR-mutant disease, acquired resistance to first-line EGFR-TKIs such as osimertinib is near-universal and molecularly heterogeneous, encompassing MET amplification, secondary EGFR mutations (e.g., C797S), bypass pathway activation and histologic transformation. As a result, most patients cannot be matched to a single resistance-directed therapy following TKI failure. In AGA-negative NSCLC, only approximately 27% to 46% of patients respond initially to first-line immunotherapy-based regimens, and approximately 80% do not achieve durable benefit from ICIs due to primary or acquired resistance. Second-line options remain largely limited to chemotherapy- or anti-angiogenic chemotherapy-based regimens with modest durability.

An increasing number of ADCs are being developed to address these unmet needs by leveraging broadly expressed tumor-associated antigens to deliver potent cytotoxic payloads independent of a single oncogenic driver or immune-response status, rendering them applicable across both AGA-positive and AGA-negative populations. ADC development in NSCLC is further evolving along two key dimensions. First, from monospecific toward bispecific ADCs that simultaneously recognize two antigens to broaden patient coverage, improve tumor selectivity and mitigate reliance on a single target. For instance, EGFR and HER3 are broadly co-expressed across NSCLC tumors irrespective of oncogenic driver mutation status, providing a target foundation that transcends individual molecular subtype and covers both AGA-positive and AGA-negative disease. Second, from late-line monotherapy toward earlier-line and combination settings. These converging trends position ADCs — and bispecific ADCs in particular — as potential core components of future NSCLC treatment paradigms, extending their role well beyond chemotherapy substitution in heavily pretreated patients.

Market Opportunity for NSCLC

The global NSCLC drug market grew rapidly from US$22.5 billion in 2020 to US$54.3 billion in 2025 at a CAGR of 19.2%, and is expected to increase to US$115.8 billion in 2035, representing a CAGR of 7.9% from 2025 to 2035. The following diagram sets forth the size of the NSCLC drug market.

Global NSCLC Drug Market Size, 2020-2035E



Source: GLOBOCAN, WHO, CIC

Competitive Landscape for NSCLC

Established pharmaceutical therapies for NSCLC primarily include targeted therapies directed at actionable driver alterations such as EGFR, ALK, ROS1, RET, MET, KRAS (G12C) and BRAF, together with PD-1/PD-L1 ICIs, platinum-based chemotherapy and anti-angiogenic agents. As of the Latest Practicable Date, there were over 80 targeted therapies approved and over 90 candidates in Phase III or beyond for NSCLC, of which EGFR-TKIs accounted for 19 approved agents and 11 candidates in Phase III or beyond. As of the same date, over 16 PD-1/PD-L1 inhibitors were approved and 24 candidates in Phase III or beyond were under development for NSCLC. More recently, ADCs have emerged as a rapidly growing modality, with five ADCs approved and 13 candidates in Phase III or beyond for NSCLC. Notably, iza-bren is the world's first and only bispecific ADC to have entered into Phase III clinical development for NSCLC. The following table sets forth a pipeline of ADC drug candidates targeting NSCLC in China and/or the U.S., in Phase III clinical development or beyond.

Competitive Landscape of ADCs for NSCLC

Drug name	Target	Company	EGFRmt NSCLC, 1L	EGFRmt NSCLC, post EGFR-TKI	Other AGA-positive NSCLC	AGA-negative NSCLC, 1L	AGA-negative NSCLC, 2L+
Iza-bren	EGFR HER3	Our Company	Regimen: Combo Ph III, PFD: 2025-02-17 Location: China	Mono Ph II/III, 2025-08-03 China, US, others			Mono Ph III, 2024-04-24 China
Trastuzumab deruxtecan	HER2	Daiichi Sankyo			Mono (For HER2mt NSCLC), 2L Approved, 2024-10-09, NMPA Approved, 2022-08-11, FDA		
Sacituzumab tirumotecan	TROP2	Sichuan Kelun-Biotech/Merck	Combo Trial phase: Ph III, FPD: 2024-10-28 Trial location: China	Regimen: Mono Approved, 2025-03-04 NMPA		Combo Ph II, 2022-04-28 China	Mono/Combo Ph II, 2023-03-17 China, others
Telisotuzumab Vedotin	c-Met	AbbVie			Mono (For c-Met overexpression NSCLC), 2L Approved, 2025-05-14, FDA		
trastuzumab rezetecan	HER2	Jiangsu Hengrui			Mono (For HER2mt NSCLC), 2L Approved, 2025-05-27, NMPA		
Datopotamab deruxtecan	TROP2	Daiichi Sankyo	Combo Ph III, 2024-04-05 China, US, others	Mono Approved, 2025-06-23 FDA		Combo Ph III, 2022-08-23 China, US, others	
Sacituzumab govitecan	TROP2	Gilead Sciences		Mono Ph III, 2021-10-22 US, others		Combo Ph II, 2022-01-11 US, others	
Patritumab deruxtecan	HER3	Daiichi Sankyo/ Merck		Mono Ph III, 2022-04-14 China, US, others		Combo Ph I/II, 2019-11-15 US, others	
CPO301	EGFR	CSPC PHARM/ Conjupro	Combo Ph III, 2024-08-26 China	Mono Ph III, 2025-03-18 China			Combo Ph I/II, 2024-09-08 China
ruzaltatug rezetecan	HER3	Jiangsu Hengrui	Combo Ph III, 2025-09-19 China	Mono Ph III, 2024-11-01 China			
Sigvotatug vedotin	ITGB6	Pfizer				Combo (For PD-L1 TPS ≥50% NSCLC) Ph III, 2025-01-03 China, US, others	
PF-08046054	PD-L1	Pfizer/Seagen				Combo Ph I/II, 2025-11-12 China, US, others	Mono (For PD-L1 expression ≥ 1% NSCLC)* Ph III, 2025-08-27 China, US, others
T-Bren	HER2	Our Company			Mono (For HER2mt NSCLC), 1L Ph III, 2025-09-11 China		
YL202	HER3	MediLink Therapeutics		Mono Ph III, 2026-02-18 China		Combo Ph I/II, 2025-08-08 China, US, others	Mono Ph II, 2023-10-20 China
Risvutatug rezetecan	B7-H3	Hansoh Pharma				Combo Ph I, 2024-03-18 China	Combo Ph III, 2026-03-09 China
AMT-116 ADC	CD44	Multitude Therapeutics					Mono (For EGFR wildtype NSCLC) Ph III, 2026-07-22 Others
telisotuzumab adizutecan	c-Met	AbbVie	Combo Ph II/III, 2025-06-05 China, US, others	Mono Ph II/III, 2025-09-04 China, US, others		Combo Ph I/II, 2025-01-13 China, US, others	
HLX43	PD-L1	MediLink Therapeutics					Mono/Combo (For Squamous NSCLC) Ph II/III, 2026-03-10 China, others

Approved | Phase III & Phase II/III | Phase II & Phase I/II | Phase I

* Participants who have NSCLC with known AGAs are permitted.

Notes:

1. Only active pipelines are included. Programs that have been completed, suspended, terminated, or withdrawn prior to recruitment are generally excluded, unless they represent the only or most advanced program available.
2. Indications are not exhaustively listed. For each indication, only the most advanced and earliest-disclosed pipeline is presented, with regional distinctions drawn where applicable (for example, between China and the U.S.).
3. Only approved drugs and drug candidates that have advanced to Phase III or beyond clinical development are included.

Source: ClinicalTrials.gov, CDE, CIC

SCLC

Small-cell lung cancer (**"SCLC"**) is a high-grade neuroendocrine carcinoma ("**NEC**") that arises predominantly in current or former smokers and is characterized by an exceptionally poor prognosis. SCLC is classified into limited-stage disease (**"LS-SCLC"**) and extensive-stage disease ("**ES-SCLC**"), with the latter accounting for approximately 70% of cases. While the median survival time for patients with LS-SCLC has reached up to 55.9 months, that for patients with ES-SCLC is only approximately 12 to 13 months, with approximately 60% of patients relapsing within three months. The global incidence of SCLC is expected to grow from approximately 316.6 thousand cases in 2020 to 560.9 thousand cases in 2035. The global SCLC drug market grew rapidly from US$3.1 billion in 2020 to US$5.8 billion in 2025 at a CAGR of 13.7%, and is expected to increase to US$12.1 billion in 2035, representing a CAGR of 7.6% from 2025 to 2035.

Established pharmaceutical therapies for SCLC primarily consist of platinum-based chemotherapy, commonly used in combination with PD-1/PD-L1 ICIs. As of the Latest Practicable Date, there were 10 approved PD-1/PD-L1 inhibitors and five candidates in Phase III or beyond for SCLC. Although no ADC had been approved for SCLC as of the Latest Practicable Date, there were nine candidates in Phase III or beyond as of the same date.

Breast Cancer

Breast cancer ("**BC**") is the second most common cancer type with an incidence of approximately 2.5 million cases globally in 2025, of which 0.4 million were recorded in China and 0.3 million in the U.S. BC is primarily classified based on hormone receptor ("**HR**") and HER2 status into three major clinical subtypes: HR-positive/HER2-negative (HR+/HER2-) BC, HER2-positive (HER2+) BC and triple-negative breast cancer ("**TNBC**"), which account for approximately 70%, 15% and 15% of BC cases, respectively. HER2 status is commonly determined by immunohistochemistry ("**IHC**"), with equivocal IHC 2+ results further assessed by in situ hybridization ("**ISH**"). Specifically, HER2-positive BC is defined as IHC 3+ or IHC 2+/ISH-positive, whereas HER2-negative BC includes IHC 0, IHC 1+ and IHC 2+/ISH-negative disease. Driven by recent therapeutic advancements, HER2-negative BC is now increasingly subclassified to identify HER2-low BC, defined as IHC 1+ or IHC 2+/ISH-negative, distinguishing it from tumors with no detectable expression (HER2 IHC 0).

Treatment Paradigm and Unmet Needs

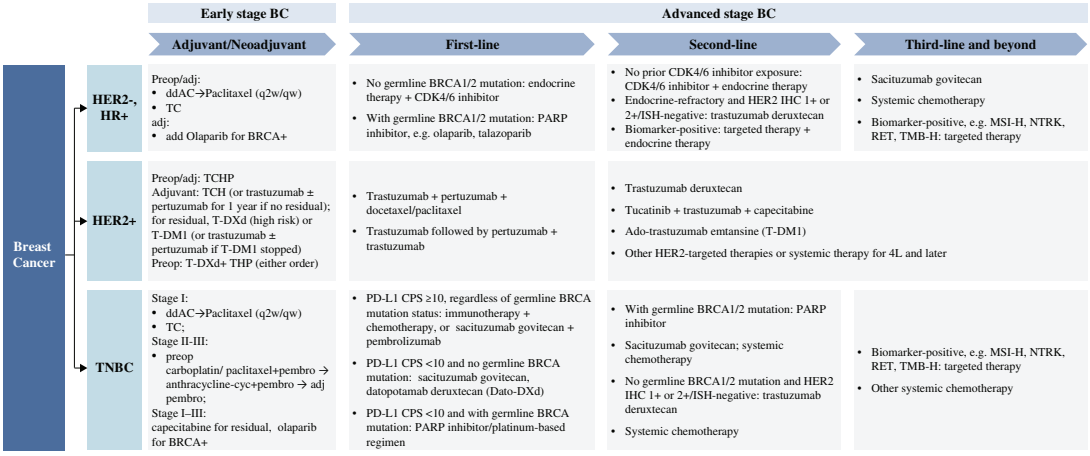
The treatment of BC is guided by molecular subtyping based on HR and HER2 expression status, and generally advances through successive lines of therapy upon disease progression. For early-stage disease, adjuvant or neoadjuvant regimens combining chemotherapy, endocrine therapy, anti-HER2 targeted agents and immune checkpoint inhibitors are administered preoperatively or postoperatively based on molecular subtypes. In HR+/HER2- disease, endocrine therapy combined with CDK4/6 inhibitors constitutes the preferred first-line regimen for advanced disease; upon progression, PI3K/AKT/mTOR pathway inhibitors and selective estrogen receptor degraders provide options for biomarker-defined patients, while those who exhaust endocrine-based therapies typically transition to single-agent chemotherapy in later lines. In HER2+ disease, first-line treatment is anchored by dual HER2 blockade with trastuzumab and pertuzumab in combination with taxane-based chemotherapy, followed upon progression by HER2-directed ADCs, HER2 TKIs and other HER2-targeted regimens. In TNBC, treatment remains primarily chemotherapy-based, augmented by PD-1 inhibitor-based chemoimmunotherapy for PD-L1-positive tumors and PARP inhibitors for patients with germline breast cancer susceptibility genes 1 and 2 ("**BRCA1/2**") mutations. The following tables set forth the treatment paradigm for BC recommended by CSCO and NCCN, respectively.

Treatment Paradigm for BC, CSCO (China)

		Early stage BC	Advanced stage BC		
		Adjuvant/Neoadjuvant	First-line	Second-line and beyond	
Breast Cancer	HER2-, HR+	Neoadjuvant therapy: • A+T • Neoadjuvant endocrine therapy Adjuvant chemotherapy/endocrine therapy	Endocrine therapy-naive (Grade I recommendation): • Aromatase inhibitor (AI) + CDK4/6 inhibitor Failure of tamoxifen (TAM) therapy (Grade I recommendation): • Aromatase inhibitor (AI) + CDK4/6 inhibitor • Palbociclib + fulvestrant	Failure of non-steroidal/steroidal aromatase inhibitor therapy (Grade I recommendation): • Fulvestrant + CDK4/6 inhibitor • Capivasertib + fulvestrant	Failure of CDK4/6 inhibitor therapy (Grade I recommendation): • Capivasertib + fulvestrant HER2-low expression, failure of CDK4/6 inhibitor therapy (Grade I recommendation): • Trastuzumab deruxtecan
	HER2+	Neoadjuvant therapy: • TCbHP • THP×6 Adjuvant therapy (node-positive): • AC-THP • TCbHP	Trastuzumab-sensitive (Grade I recommendation): • Taxane + anti-HER2 monoclonal antibody + pertuzumab • Taxane + anti-HER2 monoclonal antibody + pyrotinib	Failure of trastuzumab therapy (Grade I recommendation): • Trastuzumab deruxtecan	Failure of TKI therapy (Grade I recommendation): • Trastuzumab deruxtecan
	TNBC	Neoadjuvant: • PD-1+TP-AC/TP (no contraindication) • AT/AP adjuvant: • continue PD-1 • olaparib (BRCA+) or capecitabine for non-pCR; postoperative adjuvant： ddAC-TP/ddT (node-positive)	Taxane-sensitive (Grade I recommendation): • Nab-paclitaxel + PD-1 inhibitor • Taxane + capecitabine; taxane + gemcitabine; taxane + platinum	Failure of taxane therapy (Grade I recommendation): • Monotherapy: sacituzumab tirumotecan; sacituzumab govitecan • Combination therapy: • With BRCA mutation: fluzoparib + apatinib • GP + PD-1 inhibitor; vinorelbine + platinum; gemcitabine + platinum; capecitabine + utidelone; capecitabine + vinorelbine	

Source: CSCO 2025, CIC

Treatment Paradigm for BC, NCCN (the U.S.)



Source: NCCN 2025, CIC

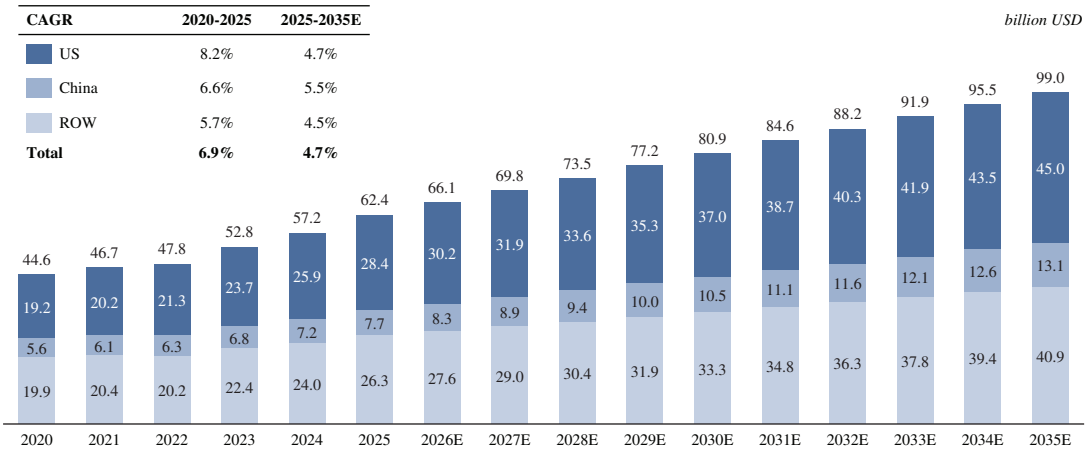
Notwithstanding this well-established biomarker-driven treatment paradigm, material unmet medical needs remain across major BC subtypes. In HR+/HER2- advanced or metastatic BC, most metastatic patients on endocrine therapy combined with CDK4/6 inhibitors eventually develop acquired resistance. In HER2+ BC, HER2-directed antibodies, ADCs and TKIs have materially improved patient outcomes, yet patients may still experience disease progression after sequential HER2-directed regimens, including progression involving the central nervous system ("**CNS**"), and optimal treatment sequencing remains complex. In TNBC, the lack of HR and HER2 expression limits the use of endocrine and HER2-directed therapies, while ICIs are applicable only to selected patients and many patients continue to rely on chemotherapy-based regimens. Across subtypes, later-line single-agent chemotherapy is generally associated with limited durability of disease control and cumulative toxicity, which may adversely affect patients' quality of life.

ADCs represent an important and evolving therapeutic modality in BC. ADCs provide a mechanism distinct from endocrine pathway suppression, HER2 receptor blockade and HER2 TKI inhibition, supporting activity after prior resistance, as reflected by the FDA approvals of sacituzumab govitecan in 2023 and datopotamab deruxtecan in 2025 in pretreated HR+/HER2- BC. Certain ADCs are also designed with cleavable linkers and membrane-permeable payloads, which may enable bystander killing and support activity in tumors with heterogeneous or lower antigen expression, including HER2-low and HER2-ultralow tumors. This momentum is now reaching the frontline: T-DXd plus pertuzumab was approved as first-line HER2+ therapy in December 2025, and datopotamab deruxtecan entered first-line TNBC in patients ineligible for PD-1/PD-L1 therapy in May 2026. Continued innovation in ADC targets, payloads and linker technologies, including bispecific ADCs, together with their movement into earlier lines of therapy, are expected to further expand treatment options for patients with BC.

Market Opportunity for BC

The global BC drug market grew rapidly from US$44.6 billion in 2020 to US$62.4 billion in 2025 at a CAGR of 6.9%, and is expected to increase to US$99.0 billion in 2035, representing a CAGR of 4.7% from 2025 to 2035. The following diagram sets forth the size of the BC drug market.

Global BC Drug Market Size, 2020-2035E



Source: CSCO, NCCN, CIC

Competitive Landscape for BC

The pharmaceutical treatment of BC is organized around its major molecular subtypes and comprises several therapeutic classes: endocrine therapy targeting hormone receptor signaling; targeted therapies against defined molecular dependencies, such as CDK4/6 inhibitors, PI3K/AKT/mTOR pathway inhibitors, PARP inhibitors for germline BRCA-mutated tumors, and HER2-directed monoclonal antibodies and TKIs; as well as platinum-based and other chemotherapy and ICIs. As of the Latest Practicable Date, there were over 50 targeted therapies approved and over 40 candidates in Phase III or beyond for BC, of which CDK4/6 inhibitors accounted for 10 approved agents and four candidates in Phase III or beyond, and HER2-directed therapies accounted for 17 approved agents and 16 candidates in Phase III or beyond. Among HER2-directed therapies, monoclonal antibodies accounted for six approved agents and three candidates in clinical development for BC. More recently, ADCs have emerged as a rapidly growing modality, with eight ADCs approved and 17 candidates in Phase III or beyond for BC. The following table sets forth a pipeline of ADC drug candidates targeting BC in China and/or the U.S.

Competitive Landscape of ADCs for BC

Drug name	Target	Company	HR+/HER2- 1L	HR+/HER2- 2L+	HER2+ 1L	HER2+ 2L+	TNBC 1L	TNBC 2L+
Iza-bren	EGFR HER3	Our Company	Regimen: Mono* Ph II/III, FPD: 2025-04-15 Location: China, US, Others	Mono Ph III, 2024-04-03 China			Mono Ph II/III, 2025-04-15 China, US, Others	Mono Ph III, 2024-04-24 China
Trastuzumab Emtansine	HER2	ImmunoGen/ Roche		Combo Ph I, 2015-11-16 US	Combo Ph III, 2010-03-23 US, others	Mono Approved, 2021-06-22, NMPA Approved, 2013-02-22, FDA		
Sacituzumab govitecan	TROP2	Gilead Sciences/ Immunomedics	Mono* Ph III, 2023-05-03 China, US, others,	Mono* Approved, 2025-03-18, NMPA Approved, 2023-02-03, FDA			Mono Ph III, 2022-02-16 China, US, others	Mono Approved, 2022-06-07 NMPA Approved, 2021-04-07 FDA
Trastuzumab deruxtecan	HER2	Daiichi Sankyo	Mono/Combo Ph I/II, 2020-11-25 China, US, others	Mono* Approved, 2023-07-11, NMPA Approved, 2022-08-05, FDA	Combo Approved, 2025-12-15 FDA	Mono Approved, 2023-02-21, NMPA Approved, 2022-05-04, FDA		
Trastuzumab botidotin	HER2	Sichuan Kelun Pharma		Mono* Ph I/II, 2018-07-26 US		Mono Approved, 2025-10-14 NMPA		
Disitamab vedotin	HER2	Remegen Co., Ltd.	Combo* Ph II, 2024-09-30 China	Mono* (Liver mets) Approved, 2026-03-17 NMPA		Mono (Liver mets) Approved, 2025-04-30 NMPA		
Sacituzumab tirumotecan	TROP2	Merck/Sichuan Kelun-Biotech	Mono/Combo Ph III, 2024-03-15 US, others	Mono Approved, 2026-02-02 NMPA			Mono Ph III, 2024-02-05 China	Mono Approved, 2024-11-22 NMPA
trastuzumab rezetecan	HER2	Jiangsu Hengrui		Mono* Ph III, 2023-04-12 China	Mono/Combo Ph III, 2023-09-15 China	Mono Approved, 2026-03-17 NMPA	Combo Ph III, 2025-08-05 China	Combo Ph I/II, 2023-12-05 China
Datopotamab deruxtecan	TROP2	Daiichi Sankyo	Mono Ph III, 2025-10-03 China, US, Others	Mono* Approved, 2025-01-17, FDA Approved, 2025-08-19, NMPA			Mono Approved, 2026-05-22 FDA	Mono/Combo Ph I/II, 2022-05-12 US, others
Trastuzumab pamirtecan	HER2	Duality Biologics Pharma	Mono* Ph III, 2023-08-30 China, US, others	Mono* Ph III, 2023-08-30 China, US, others	Mono Ph I/II, 2021-12-09 China, US, others	Mono NDA, 2026-04-09 NMPA		Combo Ph I/II, 2025-02-14 China, US, others
T-Bren	HER2	Our Company		Mono* Ph III, 2025-04-28 China	Combo Ph III, 2026-04-03 China	Mono Ph III, 2024-03-14 China		Mono Ph I, 2022-07-18 China
Caxmotabart Entudotin	HER2	LegoChem Biosciences		Mono* Ph I, 2023-05-24 US, others		Mono Ph III, 2023-02-27 China		
Anbenitamab repodatecan	HER2	Alphamab Oncology		Mono* Ph III, 2023-10-07 China	Mono Ph II, 2026-04-22 China	Mono Ph III, 2025-02-05 China		
DP303C	HER2	CSPC PHARMA		Combo* Ph I/II, 2024-08-22 China		Mono Ph III, 2024-01-25 China		
FDA018	TROP2	Shanghai Fudan-Zhangjiang Bio.						Mono Ph III, 2024-07-22 China
TQB2102	HER2	Chia Tai-tianqing Pharma	Mono* Ph III, 2024-08-19 China	Mono Ph II, 2024-03-25 China	Mono Ph III, 2025-05-30 China	Mono Ph III, 2025-05-15 China		Mono Ph II, 2024-03-25 China
GQ1005	HER2	Qide Medical Technology		Mono* Ph I, 2023-02-21 China	Combo Ph II/III China, 2025-12-10	Mono Ph III, 2024-12-24 China		
Patritumab deruxtecan	HER3	Daiichi Sankyo		Mono Ph III, 2025-07-11 China, US, others		Combo Ph I/II, 2024-11-13 US, others		Mono Ph II, 2021-01-07 US
IBI354	HER2	Innovent		Mono Ph I/II, 2022-12-05 China, others	Combo Ph III, 2026-01-26 China	Mono Ph I/II, 2022-12-05 China, others		
CPO301	EGFR	CSPC PHARMA		Mono Ph III, 2026-02-12 China		Combo Ph I/II, 2025-10-24 China		Mono Ph III, 2026-02-12 China
YL202	HER3	MediLink Therapeutics		Mono* Ph III, 2026-02-28 China				Mono Ph II, 2024-04-15 China
JSKN-016	HER3 TROP2	Alphamab Oncology/Jiangsu Alphamab Bio		Combo Ph I/II, 2025-04-24 China			Combo Ph I/II, 2025-04-24 China	Mono Ph III, 2026-03-09 China
Bulumtatug Fuvedotin	Nectin-4	Mabwell/Jiangsu Maiweikang					Combo Ph II, 2025-06-26 China	Mono Ph III, 2026-04-22 China
Trastuzumab vedotin	HER2	Lepu Biopharma/Shanghai Miracogen		Mono* Ph II, 2021-02-05 China		Mono Ph II/III, 2021-05-31 China		
Anvatabart opadotin	HER2	J&J/Ambrx Biopharma		Mono Ph I, 2017-08-21 US, others		Mono Ph II/III, 2020-06-30 China		

Approved | Phase III & Phase II/III | Phase II & Phase I/II | Phase I

* HER2-low status specified where applicable.

Notes:

1. Only active pipelines are included. Programs that have been completed, suspended, terminated, or withdrawn prior to recruitment are generally excluded, unless they represent the only or most advanced program available.

2. Indications are not exhaustively listed. For each indication, only the most advanced and earliest-disclosed pipeline is presented, with regional distinctions drawn where applicable (for example, between China and the U.S.).

3. Only approved drugs and drug candidates that have advanced to Phase III or beyond clinical development are included.

Source: ClinicalTrials.gov, CDE, CIC

NPC

NPC is a type of epithelial tumor originating from the nasopharyngeal epithelial cells in the upper throat. Due to the limitations of specific early diagnostic tools and a lack of widespread screening, less than 20% of NPC cases are diagnosed at an early stage, with the vast majority detected only at mid-to-late stages. The incidence of NPC is notably higher in Asia than in Western countries. In 2024, the global crude incidence rate of NPC was 1.48 per 100,000 person-years, whereas it exceeded 3.51 per 100,000 person-years in China.

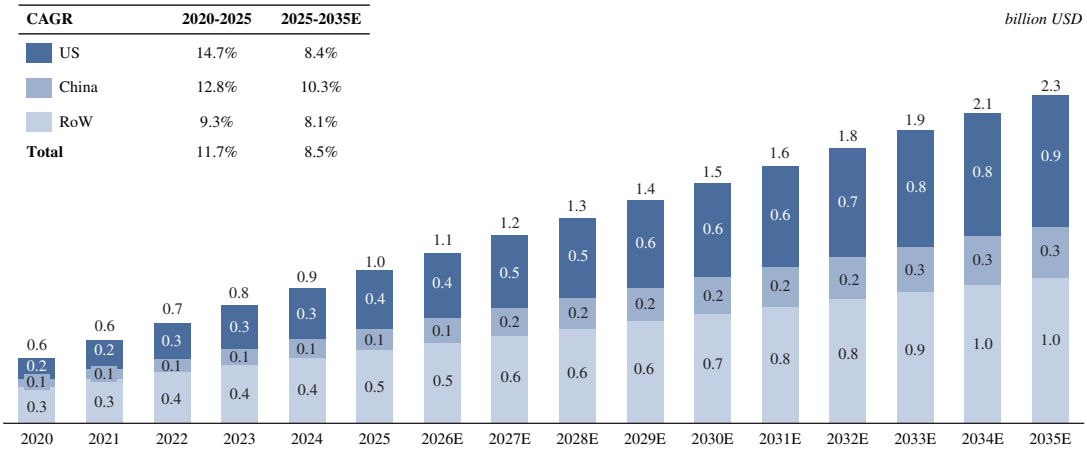
Treatment Paradigm and Unmet Needs

For early-stage and locoregionally advanced NPC, definitive intensity-modulated radiotherapy, with or without concurrent platinum-based chemoradiotherapy and induction chemotherapy, constitutes the standard curative-intent treatment. For recurrent or metastatic (R/M) NPC, first-line treatment consists of gemcitabine plus cisplatin in combination with a PD-1 inhibitor. Upon first-line progression, second-line options are largely limited to single-agent chemotherapy, while third-line and beyond options include PD-1 monotherapy (for patients without prior checkpoint inhibitor exposure) and, more recently, ADCs. The current standard of care for late-line R/M NPC offers only modest therapeutic benefit, with PD-1 monotherapy achieving response rates of only approximately 20% to 30%. This represents a significant unmet medical need, as patients with R/M NPC who have progressed after platinum-based chemotherapy and immunotherapy have a five-year survival rate of only 25% and face few effective treatment options. ADCs offer a differentiated mechanism that may address this gap by delivering potent cytotoxic payloads through antigen-directed targeting, independent of PD-L1-mediated immune activation, thereby providing clinical benefit in patients who are unresponsive to or have progressed after ICI therapy. Notably, CSCO guidelines have incorporated iza-bren as a recommended treatment option for late stage R/M NPC.

Market Opportunity for NPC

The global NPC drug market grew rapidly from US$0.6 billion in 2020 to US$1.0 billion in 2025 at a CAGR of 11.7%, and is expected to increase to US$2.3 billion in 2035, representing a CAGR of 8.5% from 2025 to 2035. The following diagram sets forth the size of the NPC drug market.

Global NPC Drug Market Size, 2020-2035E



Source: CSCO, NCCN, CIC

Competitive Landscape for NPC

The pharmaceutical treatment of R/M NPC comprises PD-1/PD-L1 ICIs, which form the backbone of first-line therapy in combination with chemotherapy and are also used as monotherapy in later lines; conventional cytotoxic chemotherapy administered across treatment lines; and, more recently, ADCs. As of the Latest Practicable Date, there were 12 drugs approved for NPC, including five PD-1/PD-L1 inhibitors. As of the same date, there were two ADCs approved for NPC in China and/or the U.S., as set forth below. Notably, iza-bren was the world's only approved EGFR × HER3 bispecific ADC.

Approved ADC Drugs for NPC

INN[1]	Brand name	Drug type	Company	Indication	NMPA approval	NRDL status	Target	Dosage	Efficacy[2]
Izalontamab brengitecan	宜泽康	Bispecific ADC	Our Company	R/M NPC after ≥ 2L systemic chemotherapy and PD-1/PD-L1 inhibitors	2026-06	Not included	EGFR, HER3	IV infusion Q3W	• ORR: 54.6% vs. 27.0% • mPFS: 8.38 m vs. 4.34 m
Becotatug vedotin	美佑恒	ADC	Lepu Biopharma	R/M NPC after ≥ 2L systemic chemotherapy and PD-1/PD-L1 inhibitors	2025-10	Not included	EGFR	IV infusion Q3W	• ORR: 42.0% • mPFS: 5.8 m

Notes:

1 International Nonproprietary Name;

2 Efficacy data for iza-bren are from a randomized phase III study versus treatment of physician's choice (TPC) (NCT06118333); efficacy data for MRG003 are from a single-arm phase IIa study (NCT05126719);

Source: NMPA, Drug labels, The Lancet, Med, CIC

Esophageal Squamous Cell Carcinoma

Esophageal squamous cell carcinoma ("**ESCC**") is the predominant histological subtype of esophageal cancer ("**EC**"), accounting for approximately 90% of cases in China. ESCC is often asymptomatic at an early stage, and approximately 70% of patients are estimated to experience advanced disease over the course of their disease. The incidence of ESCC is notably higher in Asia than in Western countries. In 2025, the global crude incidence rate of ESCC was over 5 per 100,000 person-years, whereas it exceeded 11 per 100,000 person-years in China.

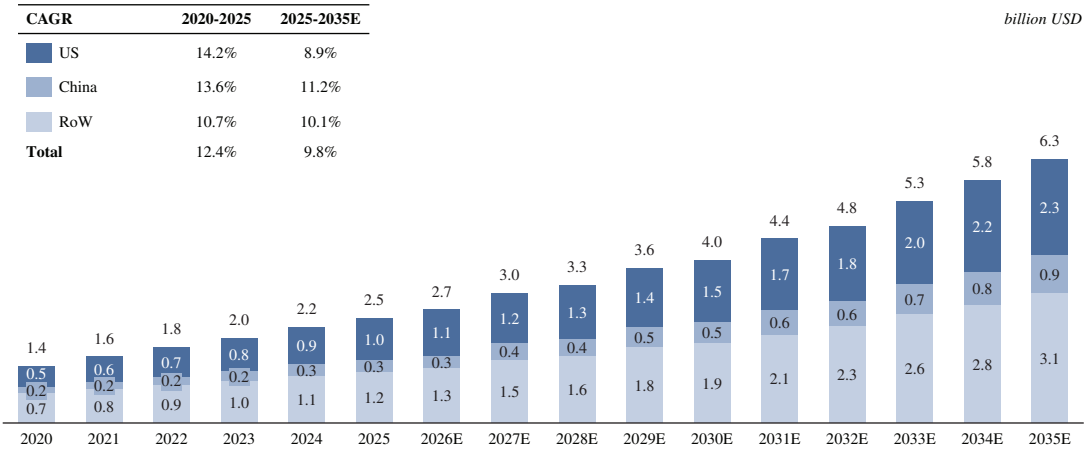
Treatment Paradigm and Unmet Needs

For early-stage and locoregionally advanced ESCC, local and curative-intent modalities — including endoscopic resection, ablation therapy, and esophagectomy, as well as preoperative or definitive concurrent chemoradiation — constitute the standard treatment. For unresectable, recurrent, or metastatic ESCC, first-line treatment consists of platinum-based chemotherapy in combination with a PD-1/PD-L1 inhibitor. Upon first-line progression, second-line and beyond options are largely limited to single-agent chemotherapy and PD-1/PD-L1 monotherapy for patients without prior checkpoint inhibitor exposure. This represents a significant unmet medical need, as patients with ESCC who have progressed after platinum-based chemotherapy and immunotherapy have a five-year survival rate of less than 8% and face few effective treatment options. ADCs offer a differentiated mechanism that may address this gap, providing clinical benefit in patients who are unresponsive to or have progressed after ICI therapy.

Market Opportunity for ESCC

The global ESCC drug market grew rapidly from US$1.4 billion in 2020 to US$2.5 billion in 2025 at a CAGR of 12.4%, and is expected to increase to US$6.3 billion in 2035, representing a CAGR of 9.8% from 2025 to 2035. The following diagram sets forth the size of the ESCC drug market.

Global ESCC Drug Market Size, 2020-2035E



Source: CSCO, NCCN, CIC

Competitive Landscape for ESCC

The pharmaceutical treatment of ESCC comprises PD-1/PD-L1 ICIs, which form the backbone of first-line therapy in combination with chemotherapy and are also used as monotherapy in later lines; conventional cytotoxic chemotherapy administered across treatment lines; and, more recently, ADCs. As of the Latest Practicable Date, there were 12 drugs approved for ESCC, including 10 PD-1/PD-L1 inhibitors. As of the same date, iza-bren was the only ADC approved for ESCC in China and/or the U.S.

Other Cancer Types

Unlike targeted therapies that require specific oncogenic drivers, certain next-generation ADCs, including EGFR×HER3 bispecific ADCs, target antigen pairs that are broadly co-expressed across multiple solid tumor types. EGFR and HER3 are co-expressed in a range of epithelial cancers beyond NSCLC and BC, including gastric cancer ("**GC**"), head and neck squamous cell carcinoma ("**HNSCC**"), colorectal cancer ("**CRC**") and biliary tract cancers ("**BTCs**"), creating a pan-tumor opportunity. This pan-tumor activity profile is further supported by the bystander killing mechanism of modern ADC payloads, which enables anti-tumor activity even in cells with heterogeneous or lower antigen expression. These innovative modalities are expected to become promising cancer therapies, potentially replacing conventional chemotherapy as the pan-tumor standard of care. The following chart summarizes the incidence of major cancer indications addressed by these anti-tumor therapies.

Epidemiology of the Selected Cancers

Cancer type	Global			The U.S.			China		
	2025	2030E	2035E	2025	2030E	2035E	2025	2030E	2035E
Solid tumor	**Incidence (thousand people)**								
CRC	2,064	2,361	2,674	170	183	195	584	689	784
Prostate Cancer	1,570	1,830	2,098	245	263	275	179	246	298
GC	1,037	1,190	1,351	27	30	32	335	309	290
HNSCC	907	1,011	1,114	60	64	68	134	142	150
Liver cancer	917	1,007	1,100	46	50	52	355	359	363
CC	703	760	815	14	15	15	146	152	157
Urothelial Carcinoma	638	743	856	84	96	106	101	115	127
Esophageal Cancer	547	623	702	20	22	23	193	166	147
RCC	394	443	493	64	69	73	69	75	80
OC	347	382	416	22	24	25	62	65	67
BTC	315	352	391	14	16	17	104	101	99
NPC	122	133	143	2	2	2	50	53	55
Blood cancer	**Incidence (thousand people)**								
NHL	590	664	740	83	91	98	84	89	93
ALL	111	123	136	5	5	6	40	42	43
AML	155	172	190	23	26	28	19	19	20

Source: GLOBOCAN; NCC; IARC; GHDx; CIC

MNC CAPABILITY STANDARDS FOR GLOBAL BIOPHARMA

To successfully develop and commercialize innovative therapies and compete effectively on a global scale, leading multinational pharmaceutical corporations ("**MNCs**") are evaluated against a comprehensive capability framework encompassing several core dimensions: (i) global innovation capability, driven by proprietary discovery platforms and deep-rooted scientific expertise, generating first-/best-in-class assets across multiple modalities; (ii) cross-continental integrated R&D capability, often facilitated by integrated R&D hubs across different regions to optimize global development; (iii) multi-regional clinical execution, accelerated by direct engagement with major regulators such as the FDA; (iv) multi-jurisdictional Good Manufacturing Practice ("**GMP**")-compliant manufacturing to support global commercialization; and (v) global commercialization capability, encompassing cross-border launch of innovative products and global market-access ability. As China's innovative drug industry transitions from a "fast-follower" strategy to "first-in-class" innovation, platform-driven companies with global execution capabilities are uniquely positioned to lead the charge and evolve into globally competitive MNCs. The chart below sets forth the capability framework and key benchmarks for MNCs.

MNC Capability Framework

Capability Dimensions	Global Biopharma Benchmark	Representative Evidence	Biokin Evidence
Global Innovation Capability	Ability to continuously generate first-/best-in-class assets across multiple modalities through proprietary technology platforms and leverage scientific expertise to drive global innovation	• Multiple internally originated clinical-stage assets • Strategic collaborations and out-licensing of internally generated assets • Identification and integration of external innovation opportunities	• Proprietary ADC, BsAb and ARC platforms • >10 clinical-stage assets • Iza-bren achieved a global strategic licensing transaction valued at up to US$8.4 billion • Multiple internally discovered assets advanced into clinical development
Cross-Continental Integrated R&D	Integrated R&D organizations spanning major innovation hubs and enabling efficient global development	• Global research footprint • Cross-regional project teams • Coordinated regulatory strategy	• U.S.–China dual-center R&D model • Integrated discovery, translational and clinical development teams supporting global programs
Multi-Regional Clinical Execution	Capability to conduct MRCTs and engage directly with major regulators	• FDA/EMA/NMPA interactions • Global trial execution • Multi-country enrollment	• Clinical trials conducted across China, U.S. and other regions • Direct FDA engagement • Global development strategy for Iza-bren and other key assets
Multi-Jurisdictional Manufacturing	GMP-compliant manufacturing capable of supporting clinical and commercial supply across jurisdictions	• Commercial-scale biologics/ADC manufacturing • Quality systems aligned with global standards	• ADC manufacturing facilities and capacity expansion under build-out • Manufacturing systems designed to support global development and commercialization
Global Commercialization Capability	Ability to establish commercial infrastructure and successfully launch innovative products across global markets	• Product launches across major markets • Global market access and commercialization capabilities	• Established oncology commercialization capabilities in China • Commercial launch of iza-bren in China and preparation for overseas commercialization

Source: FDA, NMPA, Annual reports, Official Websites, CIC

GENERICS AND TRADITIONAL CHINESE MEDICINES

Generic Medicines

Anesthesia

Anesthesia drugs induce a temporary loss of sensation or awareness, and are essential in medical practice. According to CIC, the number of inpatient surgeries in China is expected to increase from 104.3 million in 2024 to 156.1 million in 2035. In addition, the number of diagnostic endoscopic procedures under general anesthesia in China is expected to grow from 19.0 million in 2025 to 30.7 million in 2035, with anesthesia drugs playing a crucial role in stabilizing patients to enhance diagnostic accuracy. The anesthesia drug market in China grew from RMB16.0 billion in 2020 to RMB20.2 billion in 2025 at a CAGR of 4.8%, and is projected to reach RMB34.0 billion in 2035, representing a CAGR of 5.2% from 2025 to 2035. Such growth is primarily driven by the rising prevalence of chronic diseases requiring surgical intervention and continuous R&D investments yielding safer, more effective drugs.

As of the Latest Practicable Date, there were over 40 propofol emulsion injection, over 60 propofol medium and long chain fat emulsion injection products, over 30 dexmedetomidine hydrochloride injection products, and over 15 sevoflurane for inhalation products in China. According to CIC, Leweijing 乐维静® (propofol emulsion injection) ranked fourth with a market share of 12.4%; Leweitai 乐维泰® (propofol medium and long chain fat emulsion injection) ranked second with a market share of 17.3%; and Shuweijing 舒维静® (sevoflurane for inhalation) ranked sixth with a market share of 1.6% in each product's respective market in China in 2025.

Parenteral Nutrition

Parenteral nutrition is a life-sustaining therapy that offers nutritional support to patients who are unable to meet their nutritional needs through oral or enteral routes, with medium and long chain fat emulsion injections serving as a critical component. The market size for medium and long chain fat emulsion in China was RMB1.0 billion in 2025, according to CIC. The parenteral nutrition drug market in China grew from RMB14.4 billion in 2020 to RMB16.9 billion in 2025 at a CAGR of 3.1%, and is projected to reach RMB24.0 billion in 2035, representing a CAGR of 3.6% from 2025 to 2035. Such growth is primarily driven by continuous formulation advancements, diversified product specifications, and the adoption of user-friendly multi-chamber bag products. As of the Latest Practicable Date, there were over 50 medium and long chain fat emulsion injection products in China. According to CIC, Tianze 天泽® (medium and long chain fat emulsion injection) ranked ninth in China's medium and long chain fat emulsion injection market, with a market share of 3.3%, and Bailineng （百利能®, structural fat emulsion injection) ranked second with a market share of 3.1% in each product's respective market in China in 2025.

Pediatric Drugs

Pediatric drugs, including racecadotril and glucose electrolyte solutions, play a vital role in managing common childhood conditions such as acute diarrhea and dehydration. As an enkephalinase inhibitor, racecadotril effectively reduces intestinal fluid secretion without altering gut motility. Similarly, glucose electrolyte solutions serve as a fundamental therapy for treating dehydration caused by diarrhea or vomiting and promote efficient intestinal absorption of sodium and water. In 2025, the market size for racecadotril granule in China was RMB29.4 million and the market size for glucose electrolyte effervescent tablet in China was RMB25.4 million.

The pediatric drug market in China rose from RMB83.5 billion in 2020 to RMB125.3 billion in 2025 at a CAGR of 8.5% and is projected to reach RMB234.7 billion in 2035, representing a CAGR of 6.3% from 2025 to 2035. Such growth is primarily driven by the widespread prevalence of pediatric diarrhea and dehydration globally, as well as supportive domestic policies for pediatric medicine R&D in China. As of the Latest Practicable Date, we were the only manufacturer of glucose electrolyte products in China.

Challenges of the Generic Drug Market

The generic drug market faces several significant challenges. A primary concern is the price pressure from the VBP policy. As of the Latest Practicable Date, a number of anesthetic and parenteral nutrition drugs had already been included in VBP schemes, experiencing deep price cuts, according to CIC. A broader range of drugs may be affected in the future, leading to market volatility as prices drop. Additionally, the regulatory framework for anesthetics and other drugs is becoming increasingly stringent, covering aspects from manufacturing to distribution and consumption, complicating market entry for new drugs. Furthermore, the strict supervision of anti-infective drug use in hospitals, driven by concerns over drug abuse, poses a challenge to market growth. In the pediatric sector, high requirements for flavor and drug form are necessary to address poor compliance in children, necessitating additional R&D efforts and significant investment in capital and talent.

Traditional Chinese Medicine

Overview of Astragalus and Chaihuang

Huangqi (黄芪), also known as astragalus, and chaihuang (柴黄), a formulation combining Bupleurum (Chaihu) and astragalus, are integral components of traditional Chinese medicine with a long history of use. Astragalus is renowned for its immunomodulatory and anti-inflammatory properties, and is traditionally used to enhance immune function. It is prescribed for chronic fatigue, respiratory infections, and as an adjunct therapy in cancer treatment. Meanwhile, chaihuang

is valued for its heat-clearing and detoxifying properties, and is effective in treating fever, inflammation, and liver disorders. It is commonly used for upper respiratory tract infections, hepatitis, and digestive issues, working by modulating the immune response and exerting anti-inflammatory effects.

Market Size and Competitive Landscape of Traditional Chinese Medicine in China

The traditional Chinese medicine market in China grew from RMB355.1 billion in 2020 to RMB435.3 billion in 2025 at a CAGR of 4.2%, and is projected to reach RMB545.7 billion in 2035, representing a CAGR of 2.2% from 2025 to 2035. Such growth is primarily driven by (i) robust government policy support, such as the *State Council General Office Notice on Improving the Quality of TCM and Promoting High-Quality Development of the TCM Industry (*國務院辦公廳關於提升中藥質量促進中醫藥產業高質量發展的意見) and the *Special Provisions on the Management of TCM Standards* (《中藥標準管理專門規定》); (ii) increasing consumer demand for natural, holistic health solutions integrated with modern healthcare; and (iii) the growing acceptance of astragalus and chaihuang, backed by modern pharmacological studies and a long history of safe usage.

As of the Latest Practicable Date, there were over 60 approved medicines containing astragalus and over 30 approved medicines containing chaihuang in China. According to CIC, our astragalus granule (黃芪顆粒) ranked first in China's astragalus market, with a market share of approximately 36.8% in 2025, and our chaihuang granule (柴黃顆粒) also ranked first in China's chaihuang market, with a market share of approximately 75.7% in 2025.

Challenges of Traditional Chinese Medicine Market

The traditional Chinese medicine market is also characterized by several entry barriers such as brand loyalty. Additionally, new entrants to the traditional Chinese medicine must also establish a reliable supply chain to be able to source the required raw medicinal materials. The market also faces significant challenges, primarily due to difficulties in quality control and standardization. Since traditional Chinese medicines are made from herbs and are not standardized products, maintaining consistent quality requires considerable effort. This lack of standardization can hinder the ability to meet market demand reliably. Additionally, there is a shortage of valid clinical evidence supporting the efficacy of some traditional Chinese medicines, as many do not have sufficient data from well-designed clinical trials. Conducting such trials demands substantial capital and talent, which can impact market growth.

SOURCE OF INFORMATION

In connection with the [**REDACTED**], we have engaged CIC to conduct a detailed analysis and prepare an industry report on the major markets for which our drug candidates are positioned. CIC is an independent global market research and consulting company that provides market research on a variety of industries including biotechnology. We have agreed to pay CIC a total fee of RMB0.7 million for the preparation of the CIC Report, and we believe that such fees are consistent with the market rate. The payment of such amount was not contingent upon our successful [**REDACTED**] or on the results of the CIC Report. Except for the CIC Report, we did not commission any other industry report in connection with the [**REDACTED**]. The market projections in the CIC Report were based on the following key assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the global and China's economic and industrial development is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the CIC Report may be affected by the accuracy of the foregoing key assumptions.

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

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

Regulatory Authorities

The regulatory authorities of the drug industry in the PRC include: the National Medical Products Administration (國家藥品監督管理局) (the "NMPA"), the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會) (the "NHC") and the National Healthcare Security Administration (國家醫療保障局) (the "NHSA").

Laws and Regulations in Relation to Drug Manufacturer

Drug Manufacturing Permit

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "Drug Administration Law") promulgated by the Standing Committee of the National People's Congress (the "SCNPC") in September 1984 and lastly amended in August 2019 and came into effect in December 2019, the state adopts an industry entry permit system for drug manufacturers. The conduct of drug manufacturing activities shall be approved and granted with a Drug Manufacturing License (《藥品生產許可證》) by the drug regulatory authority of the people's government at provincial, autonomous regional or municipal level. The Drug Manufacturing License shall indicate the validity period and the scope of production, and shall be reviewed for renewing upon expiration.

Good Manufacturing Practices

Pursuant to the Announcement on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施<中華人民共和國藥品管理法>有關事項的公告》), promulgated by the NMPA on November 29, 2019, and the Drug Administration Law, the GMP and Good Supply Practice (GSP) certifications have been cancelled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. When engaging in drug manufacturing activities, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing maintain to meet the statutory requirements, and meet the GMP requirements enacted by the drug regulatory authority under the State Council in accordance with the law. The legal representative of and principal person in charge of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

Laws and Regulations in Relation to New Drugs

Application for New Drug Registration

Drug registration refers to an approval process where the NMPA conducts review of the safety, efficacy and quality controllability of the drugs intended for marketing according to the application for drug registration made by an applicant, and decides whether to approve the application. Pursuant to the provisions of the Measures for the Administration of Drug Registration (2020) (《藥品註冊管理辦法》(2020)), promulgated by the SAMR on January 22, 2020 and came into effect on July 1, 2020, the Measures for the Administration of Drug Registration (2020) shall apply to the development, registration, supervision and management activities carried out in the territory of the PRC for marketing of drugs.

Non-clinical Research and Animal Testing

The non-clinical safety assessment of drugs for marketing approval shall be conducted in accordance with the Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) promulgated by the State Food and Drug Administration (the "SFDA") in August 2003 and latest amended by the China Food and Drug Administration (the "CFDA") in July

2017 and came into effect on September 1, 2017. The SFDA promulgated the Administrative Measures for the Certification of Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》) in April 2007, which specifies the requirements for institutions applying for Good Laboratory Practices (GLP) certification of non-clinical laboratory studies. On January 19, 2023, the NMPA amended the Administrative Measures for the Certification of Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), which came into effect on July 1, 2023.

According to the Regulations for the Administration of Affairs Concerning Experimental Animals (《實驗動物管理條例》) promulgated by the State Science and Technology Commission in November 1988 and lastly amended in March 2017 by the State Council, the Administration Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》) jointly promulgated by the State Science and Technology Commission and the State Bureau of Quality and Technical Supervision in December 1997, and the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) promulgated by the Ministry of Science and Technology and other regulatory authorities in December 2001 and came into effect in January 2002, using experimental animals and related products requires a Certificate for Utilization of Laboratory Animals. A Certificate for Utilization of Laboratory Animals shall be valid for five years, and the holder shall apply for renewal six months prior to the expiry of the validity period. A Certificate for Utilization of Laboratory Animals shall be inspected annually by the local Science and Technology Bureau.

Application for Clinical Trial

After completing the preclinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of new clinical drug trials. Pursuant to the Drug Administration Law, the dossier on a new drug research and development, including the manufacturing method, quality specifications, results of pharmacological and toxicological tests and the relevant data, files and samples, shall, in accordance with the regulations of the drug regulatory authority under the State Council be truthfully submitted to the said department for approval before clinical drug trial is conducted.

Before conducting the clinical trial, the applicant shall file a series of detailed documents with the NMPA. According to the Announcement on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect in September 2013, and the Standard for the Management of Drug Clinical Trial Registration and Information Disclosure (Trial) (《藥物臨床試驗登記與信息公示管理規範(試行)》), which came into effect in July 2020, all clinical trials approved by the CFDA and conducted in the PRC shall complete the clinical trial registration and information disclosure on the Drug Clinical Trial Information Platform.

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

Clinical Trial

In compliance with the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), clinical trials are divided into Phase I, Phase II, Phase III, Phase IV and bioequivalence trial:

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

Clinical trials shall be conducted for the application of new drug registration and shall be implemented in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》), promulgated by the NMPA and NHC, lastly amended on May 21, 2026 and will come into effect on September 1, 2026.

According to the Announcement of the National Medical Products Administration on Adjusting the Review and Approval Procedures for Drug Clinical Trials (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》), if a new drug clinical trial has been approved to be carried out, after the completion of Phase I and Phase II clinical trials and before the implementation of Phase III clinical trials, the applicant shall submit an application for a communication meeting to the CDE to discuss with the CDE on key technical issues including the design of the Phase III clinical trial design. The applicant can also apply for communication on key technical issues at different stages of clinical research and development.

New Drug Application

Pursuant to the Measures for the Administration of Drug Registration (《藥品註冊管理辦法》), after completing the pharmaceutical research, pharmacological and toxicological research, clinical drug trial, and other researches supporting the marketing registration of a drug, determining the quality standards, completing the verification of commercial large-scale production process, and making sound preparation for the acceptance of drug registration inspection and examination, an applicant shall file an application for drug marketing authorization, and submit relevant research materials in accordance with the requirements of the application materials. After the formal examination of the application materials, an application that satisfies the requirements shall be accepted. Where a generic drug, *in vitro* diagnostic reagent managed as a drug, or any other eligible circumstance assessed by an applicant to be unnecessary or impossible for conducting clinical drug trial and meeting the conditions for exempting clinical drug trial, the applicant may directly file an application for drug marketing authorization. The technical guiding principles and relevant specific requirements for exempting clinical drug trial shall be developed and announced by the CDE.

Reform of Evaluation and Approval System for Drugs

In August 2015, the State Council promulgated the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment (《關於改革藥品醫療器械審評審批制度的意見》) (the "Reform Opinions"), which provides a framework for reforming the evaluation and approval system for drugs and indicates enhancing the standard of approval for drug registration and accelerating the evaluation and approval process for innovative drugs.

In November 2015, the CFDA promulgated the Announcement on Certain Policies for Drug Registration, Evaluation and Approval (《關於藥品註冊審評審批若干政策的公告》) (the "Certain Policies Announcement"), which further clarifies the measures and policies on simplifying and accelerating the approval process on the basis of the Reform Opinions.

Pursuant to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA in March 2017 and came into effect in May 2017, the clinical trial approval decisions on drugs (including domestic and imported) can be directly made by the CDE in the name of the CFDA; decisions on approval of drug supplementary applications (including domestic and imported); decisions on approval of re-registration of imported drugs.

The Evaluation and Approval Procedures for Breakthrough Therapeutic Drugs (Trial) (《突破性治療藥物審評工作程序(試行)》), the Evaluation and Approval Procedures for Conditionally Approved Drugs (Trial) (《藥品附條件批准上市申請審評審批工作程序(試行)》) and The Preferential Evaluation and Approval Procedures for Drug Marketing Authorization (Trial) (《藥品上市許可優先審評審批工作程序(試行)》) promulgated by the NMPA in July 2020 and came into effect in July 2020, replace the Opinions on Implementing Priority Review and Approval to Encourage Drug Innovation (《關於鼓勵藥品創新實行優先審評審批的意見》) promulgated by the CFDA in December 2017 and came into effect in December 2017, which further clarified the Accelerating Registration Procedures for Drugs.

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

According to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》), ("the Multi-Center Clinical Trial Guidelines"), promulgated by the NMPA on January 30, 2015 and came into effect from March 1, 2015, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol.

According to the Opinions on Deepening the Reform of the Evaluation and Approval System and Inspiring Innovation of Drugs and Medical Devices, clinical trial data obtained in an international multi-center that conforms to China's requirements for registration of drugs and medical devices can be used for the application for registration in China.

According to the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) promulgated by the NMPA on July 6, 2018, the basic principles for accepting overseas clinical trial data include: (i) applicants shall ensure the authenticity, integrity, accuracy and trace-ability of overseas clinical trial data; (ii) the process of generating overseas clinical trial data shall comply with the relevant requirements of the ICH-GCP; (iii) applicants shall ensure the scientific design of overseas clinical trials, the compliance of clinical trial quality management system with the requirements, and the accuracy and integrity of statistical analysis of data; and (iv) to ensure that the clinical trial design and statistical analysis of the data are scientific and reasonable, for the drugs with simultaneous R&D at home and abroad and forthcoming clinical trials in China, the applicants may, prior to implementing registrational clinical trials, contact the CDE to ensure the compliance of registrational clinical trial's design with the essential technical requirements for drug registration in China.

Marketing Authorization Holder System

Pursuant to the Drug Administration Law and the Administrative Measures for Drug Registration, the state implements the drug marketing authorization holder system for drug management. After obtaining a drug registration certificate, an applicant shall be the drug marketing authorization holder. The marketing authorization holder shall apply for re-registration six months prior to the expiry of the validity period of the drug registration certificate. Marketing authorization holder is separated from manufacturing license. The entity named in the Drug Registration Certificate serves as the Marketing Authorization Holder, who may opt for self-manufacturing or entrust manufacturing to third parties.

Transfer of Drug Marketing Authorization

Pursuant to the Drug Administration Law (《中華人民共和國藥品管理法》), upon approval by the drug administrative department of the State Council, a drug marketing authorization holder may transfer its drug marketing authorization. The transferee shall possess the quality management, risk control and liability compensation competence to ensure drug safety, effectiveness and quality controllability, and perform the obligations of the drug marketing permit holder.

According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), transfer of drug marketing authorization by the holder shall declare by way of supplementary application, and implement upon approval.

Pursuant to the Administrative Measures for Drug Post-marketing Changes (for Trial Implementation) (《藥品上市後變更管理辦法(試行)》), drug post-marketing changes shall not have any adverse impact on the safety, effectiveness and quality controllability of drugs.

The CDE shall make a decision on whether to approve the change within the prescribed time limit. If the change is approved, the CDE shall issue a supplementary drug application notice with the drug approval number and the valid period of the certificate remains unchanged. The CDE shall also send a copy thereof to the provincial drug regulatory authority at the place where the transferor, the transferee and the manufacturer are located.

NRDL

The NRDL for Basic Medical Insurance, Work Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》) sets out the standards for payment of medicines by the basic medical insurance, work injury insurance and maternity insurance funds. The National Healthcare Security Administration of the PRC and other governmental organizations have the authority to determine the drugs to be included in the NRDL.

On November 27, 2024, the NHSA and the Ministry of Human Resources and Social Security of the PRC released the latest NRDL (effective from January 1, 2025), which has been expanded to cover a total of 3,159 drugs. Inclusion in the NRDL will generally result in increased sales volume and lower drug prices (which are determined on a case-by-case basis and negotiated based on factors such as the initial drug price).

On July 30, 2020, the NHSA issued the Provisional Measures for the Administration of Medicines for Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) ("Measures for the Administration of the NRDL"), which came into effect on September 1, 2020. The Measures for the Administration of the NRDL provides guidance on the inclusion and adjustment of the NRDL and the payment, management and supervision of basic medical insurance.

NEDL

On August 18, 2009, the MOH and eight other ministries and commissions in the PRC issued the Provisional Measures on the Administration of the NEDL (《國家基本藥物目錄管理辦法(暫行)》), which was revised on January 27, 2026 by the Notice on Issuing the Measures on the Administration of the NEDL (《關於印發國家基本藥物目錄管理辦法的通知》), and the Guidelines on the Implementation of the NEDL System (《關於建立國家基本藥物制度的實施意見》), which aims to promote essential medicines sold to consumers at fair prices in the PRC and ensure that the general public in the PRC has equal access to the drugs contained in the NEDL. On September 13, 2018, the General Office of the State Council issued the Opinions of the General Office of the State Council on Improving the National Essential Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》). The NHC, the National Administration of Traditional Chinese Medicine and the National Disease Control and Prevention Administration promulgated the NEDL (2026 version) (《國家基本藥物目錄 (2026年版)》) on May 21, 2026, which came into effect on September 1, 2026, replacing the NEDL (2018 version) (《國家基本藥物目錄(2018年版)》) which was promulgated on September 30, 2018.

The Drug Centralized Procurement in Nationwide

According to the Implementing Opinions on Expanding the Pilot Program for Conducting Centralised Procurement and Use of Drugs by the State to Wider Areas (《關於國家組織藥品集中採購和使用試點擴大區域範圍的實施意見》) promulgated and came into effect on September 25, 2019, together with the Documents on National Centralised Drug Procurement (GY-YD2025-1) (《全國藥品集中採購文件(GY-YD2025-1)》) issued by the Joint Procurement Office on September 20, 2025, the centralised procurement program of drugs has been extended to nationwide. The centralised VBP program of drugs will be implemented on a nationwide basis. Eligible participants include all pharmaceutical manufacturers, sole agents of imported drugs and holders of marketing authorisations for drugs, provided that they own the drugs covered by the centralised purchasing program.

The NHSA, the NHC, the NMPA, the MIIT and the Ministry of Logistics and Security of the Central Military Commission jointly issued the Circular on Conducting the Second Batch of Centralised Procurement and Use of Drugs Organised by the State (《關於開展第二批國家組織藥品集中採購和使用工作的通知》) (the "Circular"), which became effective on January 13, 2020, and stipulated a number of principles for the implementation of the centralised procurement of drugs by the State in order to comprehensively deepen the reforms and to establish a standardised and regularized centralised purchasing program of drugs nationwide. The Joint Purchasing Office issued the Documents on National Centralised Drug Procurement (GY-YD2020-1) (《全國藥品集中採購文件(GY-YD2020-1)》) on July 29, 2020 to launch a new batch of centralized procurement of drugs that meet the conditions for centralised procurement.

On January 22, 2021, the General Office of the State Council issued the Opinions on Promoting the Normalisation and Institutionalisation of the Centralised VBP of Drugs (《關於推動藥品集中帶量採購工作常態化制度化開展的意見》), stating that various measures will be taken to promote the normalisation and institutionalization of the centralised VBP of drugs nationwide. All public medical institutions are required to participate in the centralised drug procurement program.

The Joint Purchasing Office issued the Documents on National Centralised Drug Procurement (GY-YD2021-2) (《全國藥品集中採購文件(GY-YD2021-2)》) on June 2, 2021, the Documents on National Centralised Drug Procurement (Insulin Specific) (GY-YD2021-3) (《全國藥品集中採購文件(胰島素專項)(GY-YD2021-3)》) on November 5, 2021, the Documents on National Centralised Drug Procurement (GY-YD2022-1) (《全國藥品集中採購文件(GY-YD2022-1)》) on June 20, 2022, the Documents on National Centralised Drug Procurement (GY-YD2023-1) (《全國藥品集中採購文件(GY-YD2023-1)》) on March 2, 2023, the Documents on National Centralised Drug Procurement (GY-YD2023-2) (《全國藥品集中採購文件(GY-YD2023-2)》) on October 13, 2023, the Documents on National Centralised Drug Procurement (Insulin Specific Continuation) (GY-YD2024-1) (《全國藥品集中採購文件(胰島素專項接續)(GY-YD2024-1)》) on March 29, 2024, and the documents on National Centralised Drug Procurement (GY-YD2025-1) (《全國藥品集中採購文件(GY-YD2025-1)》) on September 20, 2025, to launch multiple batches of centralised drug procurement.

Drug Distribution and Two-Invoice System

According to the Implementing Opinions on Promoting the "Two-Invoice System" for Drug Procurement By Public Medical Institutions (For Trial Implementation) (《關於在公立醫療機構藥品採購中推行「兩票制」的實施意見(試行)》) which was issued on December 26, 2016, the Two-Invoice System is a system under which invoices are issued by drug manufacturers to drug distributors on a once-off basis while invoices are issued by drug distributors to medical institutions on a once-off basis.

According to the Several Opinions of the General Office of the State Council on Further Reform and Improvement in Policies of Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》), which was issued on January 24, 2017, on a priority basis, Pharmaceutical companies must comply with the Two-Invoice System in order to engage in procurement processes with public hospitals.

Drug Recall

According to the Measures on Drug Recall (《藥品召回管理辦法》) promulgated on December 10, 2007, latest amended in October 2022 and came into effect on November 1, 2022, a drug manufacturer should establish and improve its recall system by collecting relevant information about drug safety and making an investigation and evaluation with respect to any drugs with potential safety hazards. If there are any potential safety hazards that endanger human health and life safety in respect of any drugs sold in the PRC, such manufacturer must start the drug recall procedures.

Gathering, Collection and Filing of Human Genetic Resources

The Interim Measures for the Management of Human Genetic Resources (《人類遺傳資源管理暫行辦法》) set out rules for the protection and use of human genetic resources in China. Pursuant to the Service Guide for Administrative Licensing of Gathering, Collection, Deal, Export and Exit Approval of Human Genetic Resources of Human genetic resources (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) promulgated by the Ministry of Science and Technology in July 2015 and the Notice on the Implementation of the Administrative License for the Gathering, Collection, Deal, Export and Exit of Human Genetic Resources (《關於實施人類遺傳資源採集、收集、買賣、出口、出境審批行政許可的通知》) promulgated by the Ministry of Science and Technology in August 2015, foreign investment sponsors who gather and

collect human genetic resources through clinical trials should file a record with the China Human Genetic Resources Management Office through an online system. The Ministry of Science and Technology promulgated the Notice on Updating the Scope and Procedures for Administrative Licensing, Filing, and Prior Reporting of Human Genetic Resource Services Guidelines (《關於更新人類遺傳資源行政許可事項服務指南、備案以及事先報告範圍和程序的通知》) on July 14, 2023 and came into effect since July 1, 2023, which has further refined the approval process for the gathering and collection of human genetic resources for the listing of drugs in the PRC.

Pursuant to the Regulations on the Management of Human Genetic Resources of the People's Republic of China (《中華人民共和國人類遺傳資源管理條例》) (the "HGR Regulations") promulgated by the State Council in May 2019, newly amended in March 2024 and came into effect on May 1, 2024, the state supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China's ability to guarantee biosafety and improvement of the level of people's health. In addition, the gathering, preservation, utilization and external provision of Chinese genetic resources shall (i) conform to ethical principles and conduct ethical review in accordance with relevant regulations; (ii) respect the privacy of the human genetic resource providers, obtain their prior consents, and protect their lawful rights and interests; (iii) comply with technical specification promulgated by the healthcare department of the State Council.

On October 17, 2020, SCNPC promulgated Biosecurity Law of the PRC (《中華人民共和國生物安全法》), and latest amended and came into effect on April 26, 2024. The Biosecurity Law establishes a comprehensive legislative framework for the pre-existing regulations in such areas including security management of human genetic resources and biological resources. The Ministry of Science and Technology promulgated the Implementation Rules for the Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》) (the "Implementation Rules") on May 26, 2023 and came into effect on July 1, 2023. The Implementation Rules has further provided detailed implementation regulations for the administration of human genetic resources of the PRC.

Good Clinical Practice Certification and Compliance with the Good Clinical Practice (GCP)

To improve the quality of clinical trials, the NMPA and NHC promulgated the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) (the "GCP") in April 2020, lastly amended on May 21, 2026 and will came into effect on September 1, 2026, which aims to ensure that the clinical trials of drugs are standardized and the results are scientific and reliable, protecting the rights and safety of human subjects. Pursuant to the Opinions on Deepening the Reform of the Evaluation and Approval Systems and Encouraging Innovation of Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) promulgated by the general offices of the Chinese Communist Party Central Committee and the State Council in October 2017, the qualification of clinical trial institutions shall be subject to record management. Clinical trials should follow GCP and protocols approved by the ethics committee of each research center.

Other Laws and Regulations in Relation to Medical Industry

Basic Medical Insurance Policy

Pursuant to the Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) promulgated by the State Council on January 3, 2016, a unified basic medical insurance system for urban and rural residents was established, including the existing urban residents' medical insurance and all the insured personnel of New Rural Cooperative Medical System, covering all urban and rural residents except those who should be covered by the employee's basic medical insurance.

Medical Insurance Catalogue

Pursuant to the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》), the scope of medical insurance coverage for pharmaceutical products needs to be managed through the formulation of the Medical Insurance Catalogue. The currently effective one is the National Insurance Drug List for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (2024) (《國家基本醫療保險、工傷保險和生育保險藥品目錄(2024年)》) came into effect since January 1, 2025.

Drug Price

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

Pricing Regulations and Policies relating to Traditional Chinese Medicine

According to the Notice on Issuing Opinions on Current Drug Price Management Work (《關於印發<關於做好當前藥品價格管理工作的意見>的通知》) promulgated by the NHSA on November 26, 2019, the scope of drugs managed by the department of healthcare security includes traditional Chinese medicine, chemical medicines, biochemical drugs, and hospital preparations, among which narcotic drugs and first-class psychotropic drugs implement government-guided prices, while other drugs implement market-adjusted prices. Pursuant to the Opinions on Promoting the Normalization and Institutionalization of the Centralized Volume-based Procurement of Drugs (《關於推動藥品集中帶量採購工作常態化制度化開展的意見》) issued by the General Office of the State Council on January 22, 2021, the highest effective declared price for purchasing drugs and other shortlisting conditions are determined based on the existing market prices. The number of eligible enterprises is determined according to the market competition pattern and supply capacity. In May 2026, the National Joint Purchasing Office of Traditional Chinese Medicine issued the National Joint Purchasing Office of Traditional Chinese Medicine Centralized Procurement Document (ZYYPLM-2026-1) (《全國中藥飲片採購聯盟集中採購文件(ZYYPLM-2026-1)》) to launch the centralized procurement of 41 species of traditional Chinese medicines that meet the conditions for centralized procurement.

Advertising of Pharmaceutical Products

Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which promulgated by SAMR in December 2019 and came into effect on March 1, 2020, advertisements for drugs, medical devices, health food and formula food for special medical purposes shall be true and legitimate, and shall not contain any false or misleading contents.

Insert Sheet, Labels and Packaging of Pharmaceutical Products

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

Drug Technology Transfer

Drug technology transfer refers to the transfer of drug production technology by the owner to a drug manufacturer as the transferee and the application for drug registration by the drug manufacturer as the transferee pursuant to the laws and regulations in relation to drug technology transfer. The registration process of drug technology transfer, which includes application for, evaluation, review, approval and supervision of drug technology transfer registration, is regulated by the Administrative Measures for Drug Registration and the Administrative Regulation for Technology Transfer Registration of Drugs (《藥品技術轉讓註冊管理規定》) promulgated by the SFDA on August 19, 2009. According to the above regulations, drug technology transfer includes new drug technology transfer and drug production technology transfer. An application for drug technology transfer must be submitted to the provincial drug regulatory authority, and the SFDA will ultimately make an approval decision based on the comprehensive opinions of the drug review center. Eligible applications will receive a letter of approval and a drug approval number for the supplementary application.

Administration of Pathogenic Microorganism Laboratories

According to the Regulations on the Bio-safety Management of Pathogenic Microbe Laboratories (《病原微生物實驗室生物安全管理條例》) promulgated by State Council and latest amended in December 2024, the pathogenic microorganism laboratories are classified into Level 1, Level 2, Level 3 and Level 4 in accordance with its biosafety level for pathogenic microorganisms and the national standards for the bio-safety.

Laws and Regulations in Relation to Intellectual Property

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the "Patent Law"), which was promulgated by the SCNPC on March 12, 1984 and latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "Implementation Rules"), promulgated by the State Council on June 15, 2001 and latest amended on December 11, 2023 and came into effect on January 20, 2024. The Patent Law and the Implementation Rules provide for three types of patents, namely "invention," "utility model" and "design." The duration of a patent right for "invention" is twenty (20) years; the duration of a patent right for "utility model" is ten (10) years; and the duration of a patent right for "design" is fifteen (15) years, all of which duration are from the date of application.

Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982 and latest amended on June 26, 2026 and will come into effect on January 1, 2027, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which were

promulgated by the State Council on August 3, 2002 and latest amended on April 29, 2014 and came into effect on May 1, 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks.

Domain Names

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

Trade Secret

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

Regulations in Relation to Foreign Direct Investment

Since January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "Foreign Investment Law") promulgated by the National People's Congress (the "NPC") has come into effect. Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors. While the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law of the PRC and other laws. Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the PRC. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Revision) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024, which lists the special management measures for foreign investment access for industries regulated by the Negative List, such as equity requirements and senior management requirements. While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM.

Regulations in Relation to Overseas Direct Investment

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) (Order No. 3 [2014] of the MOFCOM, effective on October 6, 2014) promulgated by the MOFCOM, the MOFCOM and provincial competent commerce departments shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls under any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) (Order No. 11 of the NDRC, effective on March 1, 2018), a domestic enterprise (the "investor") making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects (the "Projects"), reporting relevant information, and cooperating with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing. The aforementioned "sensitive project" means a project involving a sensitive country or region or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on March 1, 2018 to list the current sensitive industries in detail. As of the Latest Practicable Date, we do not have any "sensitive Project" involving a sensitive country or region or a sensitive industry.

The Provisions of the State Council on Outbound Investment (《國務院關於對外投資的規定》) were issued by the State Council on May 5, 2026 and effective on July 1, 2026. The Provisions strengthen the regulation of outbound investment, and guide and supervise investors to conduct standardized investment and business activities. The Provisions also prohibit any illegal cross-border transfer of goods, technologies, services and data subject to export prohibitions or restrictions, and specify compliance obligations governing outbound investment activities, including record-filing, information reporting and cross-border capital management.

Pursuant to the Regulations on the Administration of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and last amended and effective on August 5, 2008, any domestic organization or individual that seeks to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas shall make the appropriate registrations in accordance with State Council foreign exchange administrative department provisions.

The Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies on Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (hereinafter referred to as the "Circular 59"), which was promulgated by the State Administration of Foreign Exchange (the "SAFE") on November 19, 2012, and last amended on October 10, 2018, part of which was abolished on December 30, 2019, substantially amends and simplifies the foreign exchange procedures. In February 2015, the SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policies on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), part of which was abolished in December 2019. It stipulates that banks shall, on behalf of the SAFE, directly examine and handle foreign exchange registration under domestic direct investment and overseas direct investment, and the SAFE and its branches shall exercise indirect supervision over foreign exchange registration of direct investment through banks. On April 3, 2024, the SAFE promulgated the Guidelines of Capital Account Foreign Exchange Business (2024 Version) (《資本項目外匯業務指引(2024年版)》), which came into effective on May 6, 2024, and stipulates guidelines for the capital account foreign exchange business.

Regulations in Relation to Product Liability

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993 and latest amended on December 29, 2018 (the "Product Quality Law"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them.

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

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and latest amended on October 25, 2013 and came into effect on March 15, 2014 to protect consumers' rights when they purchase or use goods and accept services.

Regulations in Relation to Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021 and came into effect on September 1, 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities.

Regulations in Relation to Environmental Protection and Fire Safety

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), promulgated by the SCNPC on December 26, 1989 and latest amended on April 24, 2014 and came into effect on January 1, 2015, the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002 and latest amended on December 29, 2018, and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998 and latest amended and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects.

According to the Administrative Measures on Pollutant Discharge Permit issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants.

According to the Fire Safety Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC in April 1998, last amended and effective on April 29, 2021, and the Interim Provisions on Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the "Interim Provisions") promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, and last amended on August 21, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction and construction projects shall undergo the fire protection design review and acceptance system. The special construction projects as defined

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

Regulations in Relation to Prevention and Control of Occupational Diseases

The Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001 and latest amended on December 29, 2018 (the "Prevention and Control of Occupational Diseases Law"), is the basic law for the prevention and control of occupational diseases. According to the Prevention and Control of Occupational Diseases Law, budget for facilities for the prevention and control of occupational diseases of a construction project shall be included in the budget of the project and those facilities shall be designed, constructed and put into operation simultaneously with the main body of the project. The entity that takes charge of the project should carry out the assessment of the effectiveness of measures for the prevention and control of occupational diseases before the final acceptance of the construction project. In addition, employers shall take required administrative measures to prevent and control occupational diseases in work.

Regulations in Relation to Employment and Social Securities

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012 and came into effect on July 1, 2013, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards.

According to Social Security Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010 and amended on December 29, 2018, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance.

According to the Notice on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《關於穩妥有序做好社會保險費徵管有關工作的通知》) promulgated by the General Office of the State Administration of Taxation on September 13, 2018 and the Urgent Notice on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated by the General Office of the Ministry of Human Resources and Social Security on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. The Notice on Implementing Measures to Further Support and Serve the Development of Private Economy (《關於實施進一步支持和服務民營經濟發展若干措施的通知》), promulgated by the State Taxation Administration on November 16, 2018, repeats that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises from the previous years. The Notice of General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》), promulgated on April 1, 2019, requires steady advancement of the reform of the system of social security collection.

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

Regulations in Relation to Information Security and Data Privacy

Data Security and Export

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

According to the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China on July 7, 2022 and came into effect on September 1, 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (i) a data processor provides important data abroad; (ii) the critical information infrastructure operator or the data processor that has processed the personal information of more than 1 million people provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 people or the sensitive personal information of over 10,000 people cumulatively since January 1 of the previous year provides personal information abroad.; and (iv) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

According to the Measures for Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) issued by the Cyberspace Administration of China on February 22, 2023 and effective from June 1, 2023, to provide personal information to an overseas recipient through the conclusion of the standard contract, a personal information processor shall meet all of the following circumstances: (i) it is not a critical information infrastructure operator; (ii) it has processed the personal information of less than one million individuals; (iii) it has cumulatively provided the personal information of less than 100,000 individuals to overseas recipients since January 1 of the previous year; and (iv) it has cumulatively provided the sensitive personal information of less than 10,000 individuals since January 1 of the previous year.

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

Personal Information Protection

According to the Civil Code (《民法典》), personal information of natural persons is protected by law. If any organization or individual needs to obtain other people's personal information, they should obtain it in accordance with the law and ensure the security of the information. The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) promulgated by the NPCSC on August 20, 2021 and implemented on November 1, 2021, further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) promulgated by the NPCSC on November 7, 2016, lastly amended on October 28, 2025 and came into effect on January 1, 2026, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide. Network operators are not allowed to leak, tamper with, or damage the personal information they collect; they are not allowed to provide personal information to others without the consent of the person whose data is being collected. However, this does not apply to cases where a specific individual cannot be identified and the identity cannot be recovered after processing. Network operators should take technical measures and other necessary measures to ensure the security of the personal information they collect and prevent leakage, damage and loss of information.

Laws and Regulations in Relation to Anti-Bribery

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, lastly amended on June 27, 2025 and came into effect on October 15, 2025, and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the SAIC on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

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

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

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) issued by the China Securities Regulatory Commission (the "CSRC") on February 17, 2023 and effective from March 31, 2023 (hereinafter referred to as the "Trial Measures"), where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measures. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly issued by the CSRC and other departments on

February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People's Republic of China and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public.

OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

U.S. Government Regulation of Drug and Biological Products

In the United States, the FDA regulates drugs under the Federal Food Drug and Cosmetic Act (the "FDCA"), its implementing regulations, and biologics implemented under the FDCA and the Public Health Service Act (the "PHSA") and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations, such as those related to competition.

Once a product candidate is identified for development, it enters preclinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Preclinical testing is conducted in accordance with FDA's Good Laboratory Practice regulations. A sponsor of an IND must submit the results of the preclinical tests, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an Institutional Review Board (the "IRB"), must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and re-approve the study at least annually. Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the investigators 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor's initial receipt of the information. Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at **www.clinicaltrials.gov**.

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with current Good Manufacturing Practice ("cGMP") requirements. The process of obtaining

regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of a biologics license application ("**BLA**"). Unless deferred or waived, BLAs, or supplements must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The submission of a BLA is subject to the payment of a substantial user fee and an annual prescription drug program fee.

Within 60 days of its receipt, the FDA reviews the BLA to ensure that it is sufficiently complete for substantive review before it accepts the BLA for filing. After accepting the BLA filing, the FDA begins an in-depth substantive review to determine, among other things, whether a product is safe and effective for its intended use. The FDA also evaluates whether the product's manufacturing is cGMP-compliant to assure the product's identity, strength, quality and purity. Before approving the BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the BLA to an advisory committee, a panel of experts, for review whether the application should be approved and under what conditions and considers such recommendations when making decisions.

The FDA may refuse to approve the BLA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. The FDA will issue a complete response letter describing all of the specific deficiencies that the FDA identified in the BLA that must be satisfactorily addressed before it can be approved. The regulatory approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including phase IV clinical trials, to further assess a product's safety and effectiveness after BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Expedited Development and Review Programs

The FDA has various programs that are intended to expedite or streamline the process for the development and FDA review of drugs that are intended for the treatment of serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs.

Fast-track Designation

To be eligible for a fast-track designation, the FDA must determine, based on the request of a sponsor, that a drug is intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrates the potential to address an unmet medical need for the disease or condition. Under the fast-track program, the sponsor of a drug candidate may request FDA to designate the product for a specific indication as a fast-track product concurrent with or after the filing of the IND for the drug candidate. The FDA must make a fast-track designation determination within 60 days after receipt of the sponsor's request. In addition to other benefits, such as the ability to use surrogate endpoints and have greater interactions with FDA, FDA may initiate review of sections of a fast-track product's NDA before the application is complete. This rolling review is available if the applicant provides, and FDA approves, a schedule for the

submission of the remaining information and the applicant pays applicable user fees. However, FDA's time period goal for reviewing a fast-track application does not begin until the last section of the NDA is submitted. In addition, the fast-track designation may be withdrawn by FDA if FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Priority Review

The FDA may give a priority review designation to drugs that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months, rather than the standard review of ten months under the Prescription Drug User Fee Act (the "PDUFA") guidelines. These six- and ten-month review periods are measured from the "filing" date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review and decision from the date of submission. Most products that are eligible for fast-track designation are also likely to be considered appropriate to receive a priority review.

Accelerated Approval

Under FDA's accelerated approval regulations, the FDA may approve a drug or biologic candidate for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments and demonstrates an effect on either a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality ("IMM"), that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the disease or condition and the availability or lack of alternative treatments. A product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trial to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Breakthrough Designation

Another program available for sponsors is the breakthrough therapy designation. A drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A sponsor may request that a product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of an IND, and the FDA must determine if the candidate qualifies for such designation within 60 days of receipt of the request. If so designated, the FDA shall act to expedite the development and review of the product's marketing application, including by meeting with the sponsor throughout the product's development, providing timely advice to the sponsor to ensure that the development program to gather preclinical and clinical data is as efficient as practicable.

Orphan Drugs

Under The Orphan Drug Act of 1983, the FDA may grant orphan drug designation to drugs or biologic candidates intended to treat a rare disease or condition generally affecting fewer than 200,000 individuals in the U.S. or for which a manufacturer has no reasonable expectation of recovering drug treatment research and development costs. The first applicant to receive FDA

approval for the disease or indication for which it has orphan drug designation is entitled to a seven-year exclusive marketing period. During the exclusivity period, the FDA may not approve any other applications to market the same product for the same disease or condition except in limited circumstance.

Post-Marketing Requirements

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations, known as "off-label use," and limitations on industry-sponsored scientific and educational activities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new BLA or BLA supplement, which may require the development of additional data or preclinical studies and clinical trials.

The FDA may also place other conditions on approvals including the requirement for a risk evaluation and mitigation strategy (the "REMS"), to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the BLA must submit a proposed REMS. The FDA will not approve the BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Product approvals may be withdrawn for noncompliance with regulatory standards or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP. Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved BLA, including recall.

Patient Protection and Affordable Health Care Act

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the "ACA"), became law in the United States in March 2010, and have driven healthcare reform in the United States by extending health insurance coverage and substantially changing the way healthcare financed by both governmental and private insurers in the United States. With regard to pharmaceutical products specifically, the ACA expanded and increased industry rebates for drugs covered under Medicaid programs and made changes to the coverage requirements under the Medicare prescription drug benefit. Among other things, the ACA contains provisions that may reduce the profitability of drug products through increased rebates for drugs reimbursed by Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, and mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs. Since its enactment, there have been judicial and congressional challenges to certain aspects of the ACA, and there may be additional challenges and amendments to the ACA in the future.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product's testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended, and the patent holder must apply for restoration within 60 days of approval. The United States Patent and Trademark Office (the "USPTO"), in consultation with the FDA, reviews and approves the application for patent term restoration. For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and the patent owner may apply for no more than four subsequent interim extensions. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which a BLA has not been submitted.

OVERVIEW

Our history can be traced back to 1996, when Dr. Zhu Yi, our chairperson of the Board, general manager and Chief Scientific Officer, established Baili Pharmaceutical, a predecessor of our Company and now a major subsidiary. Our other predecessor, Tianheng Pharmaceutical, was established in August 2006. In November 2011, our Company was converted into a joint stock company named Sichuan Biokin Pharmaceutical Co., Ltd. (四川百利天恒藥業股份有限公司). In January 2023, we were listed on the SSE STAR Market (stock code: 688506). For details, see "— Major Shareholding Changes of Our Company."

Building on our expertise in complex generics and traditional Chinese medicine, we have developed into an integrated pharmaceutical group with capabilities spanning early-stage research, clinical development, manufacturing and commercialization.

We entered the innovative drug business in 2010 and have since reinvested most of the revenue generated from our generic drug and traditional Chinese medicine businesses in innovative drug R&D. In 2014, we established SystImmune in Seattle, the U.S., to advance early-stage innovation and global clinical development, and commenced the development of iza-bren, an EGFR × HER3 bispecific antibody-drug conjugate. Iza-bren subsequently became the first EGFR × HER3 bispecific ADC globally to enter Phase III clinical development and, following its approval in China in June 2026, the world's first and, as of the Latest Practicable Date, only approved EGFR × HER3 bispecific ADC. Over the past decade, we have established a science-based and data-driven R&D system focused on oncology, with technology platforms covering ADCs, ARCs and multi-specific T-cell engagers (GNCs), supporting the discovery and development of our innovative drug pipeline.

OUR KEY MILESTONES

The following table summarizes our key corporate and business milestones:

Year	Milestone
1996	We established Baili Pharmaceutical to produce traditional Chinese medicine and other drugs.
2005	We established Guorui Pharmaceutical to produce anesthesia drugs.
2010	We expanded into the innovative drug business.
2011	Our Company was converted into a joint stock limited company.
2014	We established Jingxi Pharmaceutical to produce active pharmaceutical ingredients.
	We established Hiatt Technology to produce pharmaceutical intermediates.
	We established SystImmune, a wholly-owned subsidiary, in Seattle, the U.S. to lead our innovation of therapeutics modalities and discovery of novel drug pipelines.
	We established the HIRE-ADC platform and bispecific antibody SEBA platform.
2015	We established the multi-specific antibody GNC platform.
2017	We established Baili-Bio to produce antibody drugs.

Year	Milestone
2021	We received NMPA IND approval for iza-bren, our Core Product, an EGFR × HER3 bispecific ADC, and initiated its first-in-human Phase I trial in China.
2022	We expanded the Phase I clinical development of iza-bren into gastrointestinal cancers and breast cancer. We received NMPA IND approval for T-Bren, our Core Product, a HER2-targeted ADC with a Topo1 inhibitor payload, and initiated its first-in-human Phase I trial in China.
2023	We listed on the SSE STAR Market under stock code 688506. We received FDA IND approval for iza-bren and initiated its first Phase I trial in the U.S. We initiated a Phase III registrational trial of iza-bren for recurrent or metastatic NPC in China. We entered into a global strategic license and collaboration agreement with BMS for iza-bren.
2024	We initiated six Phase III trials of iza-bren in China, covering ESCC, HR+/HER2-breast cancer, EGFR wild-type and EGFR-mutant NSCLC, TNBC and recurrent SCLC. We initiated the first Phase I trial of T-Bren in the U.S. and its first Phase III trial, for second-line or later HER2-positive breast cancer, in China.
2025	We achieved the primary endpoints in the Phase III trial of iza-bren for recurrent or metastatic NPC in China, submitted an NDA to the NMPA and obtained admission into the CDE Priority Review Program. We achieved the primary endpoints in the Phase III trial of iza-bren for recurrent or metastatic ESCC in China and submitted an NDA that was accepted for filing by the NMPA. We initiated Phase III trials of T-Bren in China for HER2-low breast cancer, adjuvant HER2-positive breast cancer, HER2-mutant NSCLC and HER2-positive advanced gastric or gastroesophageal junction adenocarcinoma.
2026	We achieved the primary endpoints in the Phase III trial of iza-bren for unresectable locally advanced or metastatic TNBC in China and submitted an NDA that was accepted for filing by the NMPA. We received NDA approvals from the NMPA for iza-bren for later-line treatment of NPC and for the second-line treatment of ESCC. We initiated additional pivotal trials of iza-bren in China for SCLC, ESCC, biliary tract cancer and EGFR-mutant NSCLC. We initiated Phase III trials of T-Bren in China for first-line HER2-positive breast cancer, HER2-expressing platinum-resistant ovarian cancer and HER2-expressing advanced biliary tract cancer. We initiated a Phase III multi-regional clinical trial of BL-M14D1, a DLL3-directed ADC, in combination with atezolizumab for extensive-stage SCLC.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

1. Incorporation and Early Development

On August 17, 2006, our predecessor, Tianheng Pharmaceutical, was established in the PRC with registered capital of RMB1,000,000. Baili Pharmaceutical and Chengdu Xinbo Technology Co., Ltd.* (成都新博科技有限責任公司) ("**Chengdu Xinbo**"), each of which was controlled by Dr. Zhu, contributed RMB950,000 and RMB50,000, representing 95% and 5% of the registered capital, respectively.

On October 22, 2007, Chengdu Xinbo transferred its 5% equity interest in Tianheng Pharmaceutical to Baili Pharmaceutical for RMB50,000, equal to the registered capital value of such interest. Upon completion of such transfer, Tianheng Pharmaceutical became wholly owned by Baili Pharmaceutical.

On December 24, 2010, Baili Pharmaceutical transferred 96.81%, 3.00% and 0.19% equity interests in Tianheng Pharmaceutical to Dr. Zhu, Ms. Zhang Suya and Ms. Zhu Ying (Dr. Zhu's sister) for RMB968,100, RMB30,000 and RMB1,900, respectively, determined by reference to Tianheng Pharmaceutical's registered capital. Upon completion of the transfer, Dr. Zhu, Ms. Zhang Suya and Ms. Zhu Ying held approximately 96.81%, 3.00% and 0.19% of Tianheng Pharmaceutical, respectively.

On July 15, 2011, Xinjiang Xinxi Equity Investment Limited Partnership* (新疆新璽股權投資有限合夥企業) ("**Xinjiang Xinxi**") and Hangzhou Ronggao Equity Investment Co., Ltd.* (杭州融高股權投資有限公司) ("**Hangzhou Ronggao**"), each an Independent Third Party, subscribed for approximately 2.75% and 1.93% equity interests in Tianheng Pharmaceutical for RMB1,599,828 and RMB1,122,686, respectively. The consideration was determined after arm's length negotiation based on the Company's development at the time. Upon completion of the capital injection, Dr. Zhu, Ms. Zhang Suya, Xinjiang Xinxi, Hangzhou Ronggao and Ms. Zhu Ying held approximately 92.28%, 2.86%, 2.75%, 1.93% and 0.18% of Tianheng Pharmaceutical, respectively.

2. Conversion into a joint-stock company in November 2011

On November 29, 2011, Tianheng Pharmaceutical was converted into a joint stock company with registered capital of RMB103,720,000 under the name Sichuan Biokin Pharmaceutical Co., Ltd. Upon completion of the conversion, Dr. Zhu, Ms. Zhang Suya, Xinjiang Xinxi, Hangzhou Ronggao and Ms. Zhu Ying continued to hold approximately 92.28%, 2.86%, 2.75%, 1.93% and 0.18% of our Company, respectively.

3. Capital injection in December 2011

On December 19, 2011, Ms. Zhang Suya and 45 other individuals subscribed for additional Shares for total consideration of RMB3,328,000. The consideration was determined by reference to the Company's net asset value of approximately RMB269.4 million as of July 31, 2011 under a third-party valuation report. Except for Ms. Zhang Suya (an executive Director, the executive deputy general manager and the chief financial officer), Mr. Zhu Xi (the brother of Dr. Zhu), Mr. Kang Jian (a former Director), Ms. Wang Xiaoxiao (a deputy general manager), Mr. Zhang Yong (a supervisor of Lhasa Xinbo and the brother of Ms. Zhang Suya) and Mr. Wang Gang (a supervisor of Tianze Pharmaceutical), the other 40 investors are Independent Third Parties. Upon completion of the capital injection, our share capital increased to RMB105,000,000.

4. Capital injection by OAP III in September 2017

On August 16, 2017, OAP III (HK) Limited ("**OAP III**") subscribed for approximately 9.43% of the then-enlarged share capital of our Company for USD38,226,300, equivalent to RMB250,000,000. The consideration was determined after arm's length negotiation and was settled on September 15, 2017. Upon completion of the capital injection, our share capital increased to RMB115,937,500.

5. Share transfer in March 2018

On January 25, 2018, Guangzhou Defu Phase II Equity Investment Fund (Limited Partnership) (廣州德福二期股權投資基金(有限合夥)) ("**Guangzhou Defu**") entered into a share transfer agreement with Xinjiang Xinxi and Hangzhou Ronggao, pursuant to which Xinjiang Xinxi and Hangzhou Ronggao transferred approximately 2.46% and 1.73% of the then-share capital in our Company to Guangzhou Defu for RMB65,142,300 and RMB45,715,200, respectively. The considerations were determined after arm's length negotiation and were settled on February 11, 2018.

6. A Shares offering and listing on the SSE STAR Market in January 2023

Following approval by the SSE and registration with the CSRC, on January 6, 2023, our A Shares were listed on the SSE STAR Market under stock code 688506 (the "**A Share Offering**"). In connection with the A Share Offering, we issued 40,100,000 A Shares at an offer price of RMB24.70 per A Share. Upon completion of the A Share Offering, our total issued share capital increased to 401,000,000 A Shares. The net proceeds from the A Share Offering amounted to approximately RMB0.88 billion and were intended to be used to fund the construction of antibody drug industrialization facilities and clinical research and development of antibody drugs.

7. Non-public share transfer in March 2024

On March 27, 2024, OAP III transferred 5,520,000 A Shares to 21 institutional investors, all of whom are Independent Third Parties, through a non-public transfer at RMB109.25 per A Share for total consideration of RMB603.1 million. The considerations were settled on March 26, 2024.

8. Placement of A Shares in September 2025

In September 2025, our Company completed a placement of 11,873,817 A Shares to 18 investors, each of whom was an Independent Third Party, at RMB317.00 per A Share (the "**2025 A Share Placement**"). Upon completion of the 2025 A Share Placement, our total issued share capital increased to 412,873,817 A Shares. The net proceeds from the A Share Placement amounted to approximately RMB3.73 billion and are intended to be used to fund R&D projects of innovative drugs, advancing its innovative drug development process and further enhancing its core competitiveness.

SOPHISTICATED INVESTOR

We have identified OAP III as the Sophisticated Investor for purposes of Chapter 18A of the Listing Rules. OAP III (a dedicated healthcare fund) has made a significant investment in our Company more than six months before the [**REDACTED**] and will hold approximately [**REDACTED**]% of the total issued Shares immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the issued A Shares between the Latest Practicable Date and the [**REDACTED**]).

OAP III is wholly owned by OrbiMed Asia Partners III, L.P. ("**OAP Asia III**"). OAP Asia III is an exempted limited partnership established under the laws of the Cayman Islands. OAP Asia III's general partner is OrbiMed Asia GP III, L.P. ("**OAP III GP**"), and OAP III GP's general partner is OrbiMed Advisors III Limited ("**Advisors III**"). OrbiMed Advisors LLC ("**OrbiMed Advisors**") is

the advisory company of OAP Asia III. OrbiMed Advisors exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild, to our best knowledge, each of whom is an Independent Third Party. OAP Asia III has 102 limited partners and none of such limited partners individually hold more than 20% partnership interest in OAP Asia III.

OrbiMed Advisors is a global healthcare investment firm with assets under management of approximately US$20 billion as of December 31, 2025. OrbiMed Advisors invests globally in the healthcare sector with investment ranging from early-stage private companies to large multinational corporations.

[**REDACTED**]

MAJOR ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisition, disposal or merger that we considered material.

OUR SUBSIDIARIES

The following table sets out information on our subsidiaries as of the Latest Practicable Date:

Name of subsidiaries	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Principal activities
Baili Pharmaceutical	PRC	August 23, 1996	100%	Production, research and development of pharmaceutical products
Guorui Pharmaceutical	PRC	December 7, 2005	100%	Production, research and development of pharmaceutical products
Lhasa Xinbo	PRC	August 22, 2013	100%	Sales and distribution of pharmaceutical products
Panku Capital	BVI	April 16, 2014	100%	Investment holding
SystImmune	US	April 21, 2014	100%	Research and development of pharmaceutical products
Hiatt Technology	PRC	September 29, 2014	100%	Production, research and development of pharmaceutical products
Jingxi Pharmaceutical	PRC	September 29, 2014	100%	Production, research and development of pharmaceutical products
Baili-Bio	PRC	February 21, 2017	100%	Production, research and development of pharmaceutical products
Tianze Pharmaceutical	PRC	November 26, 2020	100%	Production of pharmaceutical products
Nuoxin Bio	PRC	March 4, 2025	100%	Provision of research and development services
Chengdu Yuyanqi	PRC	December 15, 2025	100%	No substantial business operations
Biokin Shanghai	PRC	December 22, 2025	100%	No substantial business operations
Chengdu Jinghe	PRC	April 2, 2026	100%	No substantial business operations

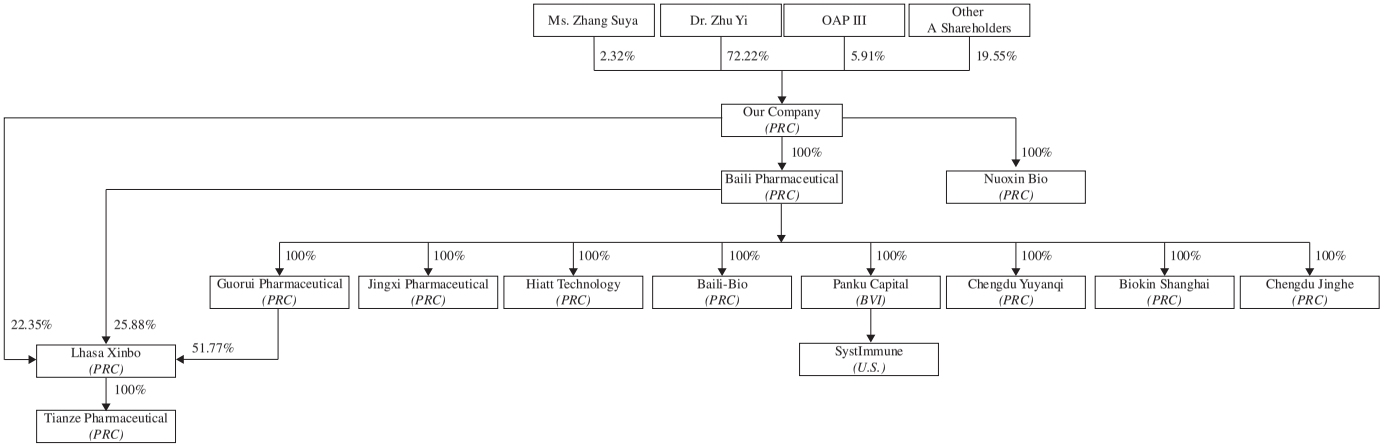
OUR LISTING ON THE SSE STAR MARKET AND THE REASONS FOR THE [REDACTED] ON THE SEHK

From the Company's listing on the SSE STAR Market to the Latest Practicable Date, neither our Company nor its subsidiaries received any notice from the SSE alleging non-compliance with the SSE STAR Market Listing Rules. The Directors confirm, after making reasonable enquiries, that our Group complied with those rules in all material respects and that no matter relating to its SSE STAR Market compliance record should be brought to the attention of [**REDACTED**] or the SEHK. Our PRC Legal Advisor is of the view that our Directors' confirmation above with regard to our compliance records is accurate. Based on their independent due diligence, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation above with regard to our compliance records on the SSE STAR Market.

Our Company is seeking to [**REDACTED**] its H Shares on the SEHK to raise capital for global clinical development, strengthen working capital and support the development of its operations outside the PRC. The [**REDACTED**] will also provide our Company with access to both PRC and international capital markets. See "Future Plans and [**REDACTED**]."

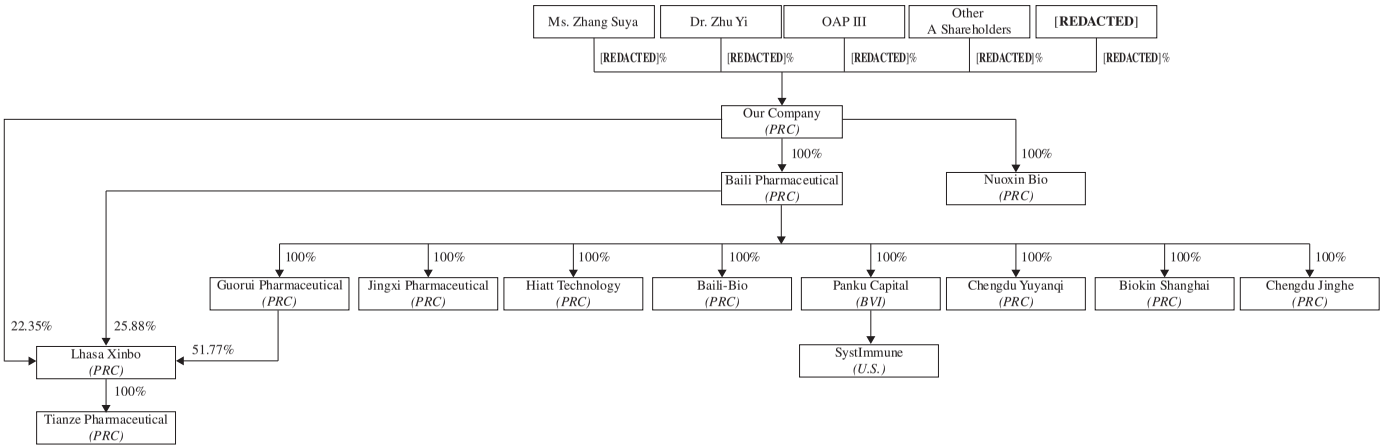
CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets out our corporate and shareholding structure immediately prior to the [**REDACTED**]:



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

The following chart sets out our corporate and shareholding structure immediately following completion of the [**REDACTED**]:



OVERVIEW

Becoming a Multinational Corporation ("MNC")

We are committed to advancing breakthrough innovation to develop oncology therapeutics with breakthrough efficacy and bringing them to patients worldwide. In 2014, we established SystImmune, Inc. ("**SystImmune**") in Seattle, the United States, to expand our presence in the global biotechnology ecosystem and spearhead "0-to-1" innovation. Iza-bren, our first-in-class epidermal growth factor receptor ("**EGFR**") × human epidermal growth factor receptor 3 ("**HER3**") bispecific antibody-drug conjugate ("**ADC**"), is a flagship achievement arising from these efforts. In December 2023, we entered into a global strategic license and collaboration agreement for iza-bren with Bristol-Myers Squibb Company ("**BMS**") valued at up to US$8.4 billion, including an US$800 million upfront payment. We believe iza-bren has the potential to become a super-blockbuster drug. Pioneering the bispecific ADC field, it is the world's first and, to date, only approved bispecific ADC, ushering in a new era of bispecific ADC therapies. Iza-bren is also the only EGFR × HER3 bispecific ADC to have entered registrational stage globally. Since its clinical progress was first reported, bispecific ADCs have attracted increasing industry attention and development activity globally, reinforcing our position at the forefront of this field.

The development of iza-bren reflects the systematic capabilities underlying our broader innovative drug pipeline, rather than an isolated product success. Guided by our longstanding "science-based, frontier-transcending, data-driven" philosophy of R&D innovation, we have, through more than a decade of rigorous scientific research, established a comprehensive R&D structure and technology platform capable of continuously identifying and developing globally disruptive innovative drugs. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China as of the same date. We are focused on the oncology therapeutic area and have strategically deployed three cutting-edge technology tracks — ADCs, antibody-radionuclide conjugates ("**ARCs**") and multi-specific T-cell engagers ("**TCEs**"). ADCs and ARCs enable precise tumor targeting and large-scale tumor cell killing, while TCEs induce T-cell activation, proliferation and differentiation to achieve systemic tumor identification and elimination. We believe our therapeutic philosophy of "large-scale tumor killing + precision targeting" has the potential to reshape the future landscape of cancer treatment. Through the synergistic interplay of ADC, ARC and TCE therapies, we aim to progressively transform malignant tumors into chronic, manageable diseases, thereby extending patients' life expectancy and improving quality of life and, ultimately, enabling long-term survival with cancer through patients' natural lifespan.

Our strategic goal is to become a fully-fledged, globally competitive MNC, thereby enabling us to bring a growing portfolio of innovative therapeutics with the potential to deliver breakthrough efficacy to patients worldwide. We already hold an "entry ticket" to achieve this goal — the super-blockbuster drug, iza-bren — and have largely assembled the core capabilities required to operate as an MNC (namely research and discovery, clinical development, manufacturing and supply, and commercialization, all on a global scale).

Global innovation. We pursue a strategy that combines internally generated "0-to-1" innovation with the integration of externally sourced "0-to-1" innovation. With respect to internal innovation, we operate R&D centers in both the United States and China, namely the SystImmune R&D center in Seattle, and the Baili Pharm R&D center and Baili-Bio R&D center in Chengdu, Sichuan. Through close, efficient collaboration across these centers, we drive the entire innovation continuum — from "0-to-1" breakthroughs that generate novel therapeutic concepts to "1-to-N" acceleration of clinical translation and development — enabling us to sustain our leadership in both innovation and efficiency in global drug development. Our internal innovation capabilities and accumulated scientific know-how and industry insights also enable us to identify, acquire or in-license complementary external assets and integrate them into our technology platforms and pipeline, further strengthening our overall R&D capabilities and innovation potential.

Global clinical development. We have assembled a clinical development team of over 1,000 professionals in China and overseas, including more than 100 members outside China, and are capable of independently operationalizing clinical studies from Phase I to Phase III. We are currently advancing more than 100 clinical trials globally, including three global pivotal registrational trials conducted jointly with BMS for iza-bren and our first independently initiated global Phase III trial evaluating BL-M14D1, our proprietary delta-like ligand 3 ("**DLL3**")-targeted ADC. The initiation of BL-M14D1's global Phase III trial represents a landmark achievement demonstrating our global clinical development capability. We expect to have initiated a total of eight global Phase III trials by the first quarter of 2027. According to CIC, we are one of the few Chinese pharmaceutical companies with the capability to independently sponsor and conduct global Phase III clinical trials.

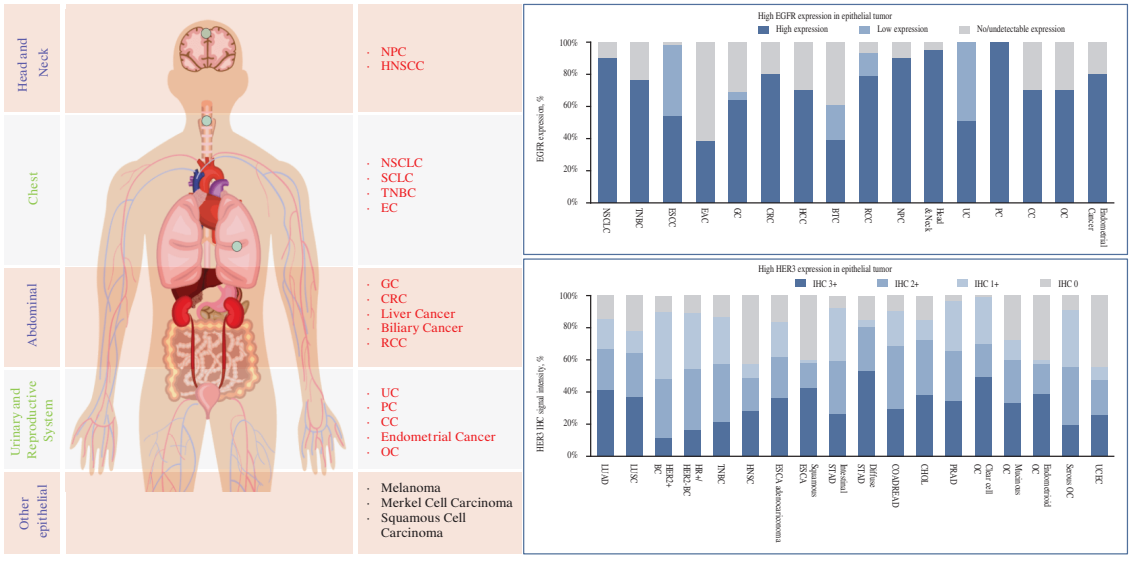
Global manufacturing and supply. We have established a fully integrated manufacturing system spanning the entire value chain. Supported by advanced manufacturing infrastructure and capabilities, this system can meet the supply requirements of global clinical programs while ensuring scalable commercial production of our marketed products. We will continue to expand our manufacturing and supply capabilities to further support the clinical development and subsequent large-scale commercialization of our innovative pipeline products.

Global commercialization. The year 2026 marks our entry into innovative-drug commercialization, with a Core Product, iza-bren, approved for marketing in June 2026. Leveraging our long-standing presence and experience in China's pharmaceutical market, we have established a commercialization team with deep expertise in oncology to support rapid market access and effective market penetration following product launch. With iza-bren expected to receive approvals in overseas markets in the coming years, we will round out our global commercialization capabilities, supporting the commercialization of iza-bren and laying a foundation for the global launch of additional assets from our pipeline.

Our Core Product: Iza-bren, a First-in-Class, New Concept EGFR × HER3 Bispecific ADC

Iza-bren (izalontamab brengitecan, 宜泽康®) is a first-in-class, new-concept and, to date, the only approved bispecific ADC drug globally. It is also the only EGFR × HER3 bispecific ADC to have entered registrational stage globally, underscoring its substantial global clinical value and market potential. As of the Latest Practicable Date, iza-bren had received approvals from the NMPA through the Priority Review Programs for the treatment of adult patients with recurrent or metastatic nasopharyngeal carcinoma ("**NPC**") who had failed at least two prior lines of systemic chemotherapy and treatment with PD-1/PD-L1 inhibitor therapy and for the treatment of adult patients with recurrent or metastatic esophageal squamous cell carcinoma ("**ESCC**") who had failed at least two prior lines of systemic therapy. These approvals provide new treatment options and may reshape the standard of care for the relevant patient population and mark the entry of bispecific ADC therapy into the later-line treatment paradigm for NPC and second-line treatment for ESCC. In addition, iza-bren's new drug application ("**NDA**") for locally advanced or metastatic triple-negative breast cancer ("**TNBC**") had been accepted by the NMPA as of the Latest Practicable Date. These regulatory milestones mark iza-bren's transition from clinical development to commercialization and demonstrate continued progress in realizing its potential value across multiple indications.

EGFR and HER3 are broadly and highly expressed across a wide range of epithelial tumors. Leveraging its bispecific structure, iza-bren is designed to broadly target multiple solid tumors and achieve greater enrichment within tumor tissues, thereby enhancing tumor-killing activity while reducing on-target off-tumor toxicity. Its differentiated design provides the biological foundation for the broad clinical development of iza-bren across multiple tumor types, patient populations and treatment settings. The figures below illustrate major tumor types studied in clinical trials with iza-bren (highlighted in red in the left panel), and various epithelial tumors that exhibit high expression of EGFR and HER3 (shown in the right panel):



Sources: Company data, CIC, PLoS One, Frontiers in Oncology, Expert Review of Anticancer Therapy, British Journal of Cancer, Cancer Res Clinic, Radiation Oncology, Oncology Letters, OncoTargets and Therapy, Nature Cell Biology, World Journal of Gastroenterology, Journal of Pathology, Microbiology and Immunology

Since the initiation of its first-in-human Phase I clinical trial in November 2021, iza-bren has been evaluated in more than 45 clinical trials in China and overseas, with cumulative enrollment exceeding 8,500 patients across over 10 tumor types. Iza-bren has demonstrated encouraging efficacy signals and an overall manageable safety profile across these tumor types, supporting its potential to become a pan-tumor backbone therapy. For example, iza-bren has generated one of the most promising clinical data reported to date in both first-line and later-line settings for non-small cell lung cancer ("**NSCLC**") and small cell lung cancer ("**SCLC**"), according to CIC. Its high response rates, prolonged progression-free survival ("**PFS**"), and encouraging overall survival ("**OS**") signals indicate that iza-bren has the potential to become an important ADC therapy offering both broad applicability and meaningful clinical differentiation.

Durable core patent protection supporting long-term commercialization. The core patent portfolio covering iza-bren is expected to provide protection through November 2042, potentially offering a substantial period of patent exclusivity to support its long-term commercialization in global markets and sustained value realization through indication expansion, global registration, commercial ramp-up and lifecycle management.

Expansive global clinical program. As of the Latest Practicable Date, iza-bren was being evaluated in over 45 clinical trials in China and overseas, comprising (i) 14 Phase III trials in China three of which supported advanced regulatory milestones — the NMPA's conditional approval for NPC, approval for ESCC and acceptance for filing of the NDA for TNBC; (ii) three global pivotal Phase II/III registrational trials; (iii) two additional Phase II/III registrational trials in China; (iv) 21 Phase II trials; and (v) six early-stage trials. In addition, a global Phase III clinical trial for EGFRmut NSCLC is expected to be initiated in September 2026. These trials span first-line, later-line, maintenance and perioperative settings, covering more than 10 major solid tumor types — including lung, breast, gastrointestinal, head and neck, gynecologic and genitourinary cancers — both as monotherapy and in combination regimens.

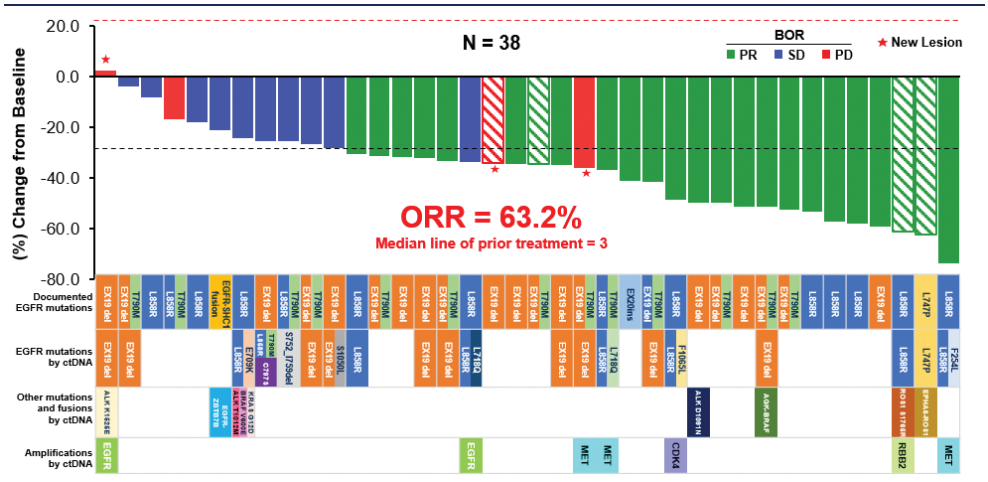
In later-line monotherapy settings, iza-bren has achieved meaningful regulatory progress: two NDAs have been approved for the treatment of NPC and ESCC, and one additional NDA has been accepted for TNBC. We are also advancing iza-bren into earlier-line combination settings through immune-checkpoint-inhibitor-based ("**ICI**") and tyrosine kinase inhibitor ("**TKI**")-based regimens

across over 20 trials. As of the Latest Practicable Date, iza-bren had received breakthrough therapy designations for a total of eight indications, comprising seven indications under the CDE's breakthrough therapy designation program and one indication under the FDA's breakthrough therapy designation.

Next-generation backbone cancer therapy and super-blockbuster potential. Iza-bren's broad clinical validation across treatment settings and tumor types positions it to potentially become the next backbone cancer therapy. In tumors where PD-(L)1 plus chemotherapy is currently first-line standard of care, iza-bren may replace or reduce reliance on the chemotherapy component, offering a potentially better-tolerated regimen. In tumors where first-line treatment is primarily TKI-based, iza-bren is being evaluated in combination with TKIs to explore new treatment paradigms. Its development also extends into earlier-stage disease, including perioperative settings, which represent significant additional market opportunities. If successfully validated across these indications, iza-bren could achieve the broad applicability required to become a super-blockbuster drug — a transformative therapy with global revenue potential of tens of billion.

Clinical results presented at global oncology congresses. As a first-in-class therapy, iza-bren's clinical data have been showcased at leading international oncology congresses — including the American Society of Clinical Oncology ("**ASCO**"), the European Society for Medical Oncology ("**ESMO**"), the World Conference on Lung Cancer ("**WCLC**"), the European Lung Cancer Congress ("**ELCC**") and the San Antonio Breast Cancer Symposium ("**SABCS**") — and published in top-tier peer-reviewed journals such as *The Lancet Oncology* and *Nature Medicine*, demonstrating promising efficacy signals and a favorable safety profile across multiple tumor types.

2023 ASCO — EGFRmut NSCLC (Phase I): At the 2023 ASCO annual meeting, we were invited to give an oral presentation at the session of *Developmental Therapeutics-Molecularly Targeted Agents and Tumor Biology*. The presentation, delivered to over 6,000 attendees including oncology clinical experts and pharmaceutical research scientists, announced first-in-human Phase I data showing an objective response rate ("**ORR**") of 63.2% and disease control rate ("**DCR**") of 89.5% in EGFRmut NSCLC patients. Following this presentation, several top global pharmaceutical companies approached us for partnership discussions, ultimately leading to the BMS collaboration. The chart below shows iza-bren's clinical data in EGFRmut NSCLC we presented at the 2023 ASCO annual meeting. The updated data was published in July 2024 in the globally renowned academic journal, *The Lancet Oncology*.



Source: Our Company's presentation at the oral abstract session during the 2023 ASCO annual meeting, data cut-off date as of March 13, 2023

2025 WCLC — EGFRmut NSCLC (first-line and second-line): At the 2025 WCLC, two iza-bren studies for the treatment of NSCLC were selected for the official press program and presented as oral presentations. The presentations featured breakthrough data from both first-line and later-line settings:

- *First-line:* Iza-bren plus osimertinib achieved a 100% ORR and 100% DCR — the first and only cancer therapy worldwide to achieve 100% ORR in solid tumors. At 12.5 months median follow-up, the 12-month PFS rate was 92.1% and OS rate was 94.8%, the highest ever reported for first-line NSCLC therapy. These results highlight the potential of iza-bren in combination with osimertinib to redefine the first-line treatment standard for EGFRmut NSCLC.

- *Second-line:* Iza-bren monotherapy in post-TKI, chemotherapy-naïve patients achieved median progression-free survival ("**mPFS**") of 12.5 months and 18-month OS rate of 69.2% — the longest mPFS reported for a monotherapy in second-line EGFRmut NSCLC. These results indicate that earlier use of iza-bren following EGFR-TKI therapy may deliver meaningful survival benefit and offer a potential new approach to addressing EGFR-TKI resistance.

2025 ESMO — NPC (Phase III, first approval): Our Phase III study (NCT06118333), the world's first confirmatory randomized controlled Phase III study in post-line treatment for NPC, was selected as a Late-Breaking Abstract, the highest honor at this conference. Iza-bren demonstrated statistically significant improvements over chemotherapy: ORR 54.6% vs. 27.0%, DCR 82.4% vs. 69.6%, median duration of response ("**mDoR**") 8.5 vs. 4.8 months, and mPFS 8.38 vs. 4.34 months. These results directly supported approval of iza-bren's first indication and advanced the treatment of later-line NPC from conventional chemotherapy into the era of bispecific ADC therapy.

At 2025 ESMO, we also released the first multicenter international solid tumor data from the global Phase Ib trial, demonstrating a confirmed ORR of 55.0% and mPFS of 5.4 months in heavily pretreated patients, with particularly compelling signals in lung and breast cancers. Together with the clinical data observed in Chinese patients with advanced solid tumors, these results further demonstrate iza-bren's broad anti-tumor potential across diverse patient populations and tumor types and highlight its promising profile as a versatile therapeutic agent.

2026 ELCC — ES-SCLC (first-line combination): At the 2026 ELCC, we presented Phase II data for iza-bren plus serplulimab as first-line therapy for ES-SCLC — the world's first study evaluating an ADC plus PD-1 inhibitor in this setting. SCLC is an aggressive subtype of lung cancer characterized by rapid progression, high recurrence rates and poor prognosis. Platinum-based chemotherapy combined with immunotherapy has long been the principal first-line treatment for ES-SCLC. However, a substantial unmet clinical need remains for treatments that can provide more durable disease control and improved survival outcomes. In this Phase II study, iza-bren in combination with serplulimab demonstrated encouraging anti-tumor activity and a manageable safety profile, with an ORR of 88.3%, a confirmed objective response rate ("**cORR**") of 77.9%, an mPFS of 8.2 months and a 12-month OS rate of 80.8% (85.7% in the recommended dose cohort). These results suggest that iza-bren in combination with immunotherapy has the potential to help address the plateau in clinical benefit observed with existing chemo-immunotherapy regimens, providing a clinical foundation for advancing to a confirmatory Phase III trial and exploring a new first-line treatment paradigm for SCLC.

2026 ASCO — TNBC and ESCC (Phase III): At the 2026 ASCO Annual Meeting, we presented positive Phase III data in two indications:

- *TNBC:* PANKU-Breast02 is the world's first Phase III study of a bispecific ADC to report positive results for the dual primary endpoints of PFS and OS in TNBC, and the results were selected as a Late-Breaking Abstract. TNBC is an aggressive subtype of BC characterized by poor prognosis and limited treatment options. At a median follow-up of

11.0 months, iza-bren demonstrated statistically significant improvements over chemotherapy in both OS (median overall survival ("**mOS**") 15.9 vs. 12.5 months; HR=0.60, 40% reduction in death risk) and PFS (mPFS 8.5 vs. 3.1 months; HR=0.29, 71% reduction in progression/death risk), with a manageable safety profile (1.9% discontinuation rate, 1.4% interstitial lung disease ("**ILD**") incidence, no Grade 3 or above ILD events). These data demonstrate that iza-bren may offer a new therapeutic option with survival benefit and a manageable safety profile for patients with previously treated advanced TNBC, with the potential to reshape the second-line and later treatment landscape and provide a clinical foundation for further exploration in earlier-line settings. The NDA was accepted by CDE in June 2026.

- *ESCC:* PANKU-Esophagus01 is the world's first Phase III trial of a bispecific ADC in esophageal cancer ("**EC**") to report positive results for both PFS and OS, and the results were selected for oral presentation. In patients with recurrent or metastatic ESCC who progressed after first-line immunotherapy plus platinum-based chemotherapy, subsequent treatment options remain limited and long-term survival outcomes remain suboptimal. Iza-bren achieved significant improvements over chemotherapy in OS (mOS 9.8 vs. 7.2 months; HR=0.64, 36% reduction in death risk) and PFS (mPFS 4.2 vs. 2.0 months; HR=0.50, 50% reduction in progression/death risk), with ORR nearly three times that of chemotherapy (35.3% vs. 13.1%). Iza-bren demonstrated a manageable safety profile with no new safety signals observed. These data indicate that iza-bren has the potential to address an important gap in the second-line treatment landscape for ESCC. The NDA was approved by the NMPA in July 2026.

Collaboration with MNC. On December 11, 2023, we reached a global strategic license and collaboration agreement with BMS. Under the agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. We are exclusively responsible for the development, commercialization, and manufacturing of iza-bren in Chinese Mainland, and will be responsible for manufacturing some of the drug supply for use outside of Chinese Mainland. BMS has an exclusive license for iza-bren in the rest of the world. This collaboration is expected to generate substantial global revenues for us, while also allowing us to extend our biopharmaceutical capabilities beyond early-stage drug discovery and development into global clinical development and commercialization. As of the Latest Practicable Date, we had received the upfront payment of US$800 million and the first clinical trial milestone of US$250 million. We expect to trigger the second clinical trial milestone in the fourth quarter of 2026. See "— License and Collaboration Agreement with Bristol-Myers Squibb Company" for details.

Our Core Product: T-Bren, a HER2 ADC with Best-in-Class Potential to Reshape Treatment Paradigm for Multiple HER2-Expressing Solid Tumors

T-Bren (trastuzumab brengitecan) is our internally developed innovative human epidermal growth factor receptor 2 ("**HER2**")-targeting ADC candidate with best-in-class potential. T-Bren is the second Core Product generated from our high internalizing receptor-targeted antibody-drug conjugate ("**HIRE-ADC**") platform to enter Phase III clinical development, demonstrating the strength of our mature and systematic innovation engine. T-Bren uses our proprietary, globally patented Topoisomerase I ("**Topo1**") inhibitor payload (Ed-04) and a cleavable, highly stable linker. Designed to improve hydrophilicity and reduce aggregation, it has demonstrated stronger antitumor activity than certain marketed HER2 ADCs in various cell line-derived xenograft ("**CDX**") tumor models, with a favorable safety profile. As a next-generation candidate in the HER2 ADC industry, T-Bren has validated its broad development potential in multiple HER2-expressing or HER2-driven solid tumors, including breast cancer ("**BC**"), gastric cancer/gastroesophageal junction adenocarcinoma ("**GC/GEJ**"), lung cancer and ovarian cancer ("**OC**").

As of the Latest Practicable Date, T-Bren was being evaluated in 18 clinical trials in China and overseas, including eight Phase III trials, one Phase II/III registrational trial, three Phase II trials, three Phase I/II trials and three Phase I trials. As of the Latest Practicable Date, one T-Bren indication had been included by the CDE in the breakthrough therapy designation program.

Clinical validation across tumor types. T-Bren has demonstrated positive efficacy and a favorable safety profile across multiple HER2-expressing and HER2-driven solid tumors, with data presented at leading international conferences including ASCO, ESMO and SABCS.

2025 ESMO/ESMO Asia — GC/GEJ and NSCLC. In previously treated HER2+ advanced GC/GEJ, T-Bren demonstrated positive antitumor activity: ORR 55.3%, cORR 47.4%, DCR 92.1%, mPFS 8.4 months; mOS not yet reached. In previously treated HER2-mutant NSCLC, T-Bren achieved cORR 56.9%, with mPFS not yet reached and six-month PFS rate of 88.7%. These data support T-Bren's broad development potential as a next-generation HER2 ADC.

2026 ASCO — OC and BC. At the 2026 ASCO Annual Meeting, we presented Phase II data for T-Bren in two indications, further demonstrating its best-in-class potential:

- *OC:* T-Bren monotherapy data in platinum-resistant recurrent ovarian cancer ("**PROC**") were selected for oral presentation. In pooled analysis of two Phase II studies, T-Bren achieved a cORR of 52.5%, mPFS not reached and a nine-month PFS rate of 54.7% in PROC patients with HER2 expression, with a favorable safety profile (only one Grade 1 ILD case). These data further demonstrate T-Bren's best-in-class potential and support its continued late-stage development in HER2-expressing PROC.

- *BC:* In a Phase II study of T-Bren plus pertuzumab as first-line treatment for HER2+ unresectable locally advanced or metastatic BC, T-Bren achieved one-year PFS rate of 90.8%, one-year OS rate of 95% and cORR of 87.5%, with no treatment-related ILD events. A registrational Phase III study comparing T-Bren plus pertuzumab with docetaxel plus trastuzumab and pertuzumab as first-line therapy is ongoing, the results of which may provide a new potential treatment option for this patient population.

World-Leading Innovative ADC Drug Development Platform: HIRE-ADC

Iza-bren's development exemplifies the systematic outcome of our sustained investment in innovative ADC research over the past decade. We have established the HIRE-ADC platform, a fully integrated, end-to-end platform spanning the key stages of ADC discovery, development and manufacturing, including ADC design, antibody discovery and engineering, payload development, linker and conjugation technologies, efficacy and safety evaluation, process scale-up and commercial-scale manufacturing. This platform has accrued a large volume of foundational research data, enabling the continuous iteration of our innovative ADC technologies and supporting the ongoing development of our innovative drug portfolio.

The HIRE-ADC platform has supported iza-bren's regulatory approval and clinical development, and provides the technological foundation for other ADC candidates including T-Bren, BL-M14D1, BL-M05D1, BL-M11D1, BL-B16D1, BL-M08D1, BL-M09D1 and BL-M24D1. Specifically, BL-M14D1, a DLL3-directed ADC, has advanced into a global Phase III trial in combination with atezolizumab as first-line treatment for extensive-stage small cell lung cancer ("**ES-SCLC**") — our first independently initiated global Phase III trial. BL-M05D1, a Claudin 18.2-directed ADC, has advanced into a Phase III registrational trial for advanced GC/GEJ. These assets demonstrate the platform's repeatable productivity across differentiated targets and global registrational programs. Key capabilities of the HIRE-ADC platform are outlined below.

Antibody discovery and engineering. We have established the "Specificity Enhancement Bispecific Antibody" platform, or SEBA platform, which enables the development of antibody molecules with enhanced tumor selectivity and enrichment features, including SI-B001 (izalontamab), the EGFR × HER3 bispecific antibody used in iza-bren.

Payload development. Our multi-mechanism payload platform addresses tumor heterogeneity and enables large-scale, high-efficiency tumor cell killing. It has generated Ed-04, our proprietary Topo1 inhibitor payload used in iza-bren and T-Bren, as well as next-generation payloads applied to clinical-stage candidates BL-B16D1 and BL-M24D1.

Linker and conjugation technologies. Our proprietary linker and conjugation technologies enable stable conjugation with varying drug-to-antibody ("**DAR**") ratios, supporting both traditional non-specific and precise site-specific conjugation approaches. This flexibility allows us to tailor ADC design to different targets, antibody structures, payloads and intended indications.

World-Leading Innovative Multi-Specific Antibody Platform: GNC

Our proprietary GNC platform is a fully self-developed multi-specific antibody development platform. The platform is designed to generate multi-specific antibodies with symmetrical or asymmetrical architectures that can simultaneously engage multiple distinct antigens. Through the coordinated interaction of multiple tumor- and immune-related protein domains, GNC molecules are designed to synergistically modulate multiple immune mechanisms, thereby "guiding," "navigating" and "controlling" immune cells to induce targeted, activated immune responses against tumor or other pathogenic cells.

GNC-038, a representative drug candidate generated from our GNC platform, is an innovative recombinant humanized tetra-specific antibody targeting cluster of differentiation 3 ("**CD3**"), 4-1BB, PD-L1 and cluster of differentiation 19 ("**CD19**"). Its multi-target design is intended to coordinate T-cell redirection, costimulatory activation and immune-checkpoint modulation within a single molecule, thereby facilitating the depletion of pathogenic B cells and potentially restoring immune homeostasis. According to CIC, GNC-038 is the world's first tetra-specific therapeutic antibody to enter clinical development. We are conducting two Phase I clinical trials of GNC-038 in China for rheumatoid arthritis and systemic lupus erythematosus, demonstrating the potential versatility of our GNC platform beyond oncology and into severe autoimmune diseases.

Innovative Radiopharmaceutical Platform: HIRE-ARC

Leveraging our expertise in antibody and ADC technologies, we have established the HIRE-ARC platform, a proprietary platform for the development of ARCs. The platform integrates precise antibody-mediated targeted delivery with the potent tumor-killing capabilities of radionuclides. Compared with conventional radioligand drug conjugates ("**RDCs**"), ARC candidates developed on our HIRE-ARC platform are designed to provide enhanced target specificity and tumor accumulation and may offer greater potential to overcome drug resistance.

As of the Latest Practicable Date, two drug candidates generated from our HIRE-ARC platform, BL-ARC001 and BL-ARC002, had entered Phase I clinical development for solid tumors in China. BL-ARC001 is our first innovative drug candidate in the ARC field and a potentially first-in-class ARC candidate. The clinical advancement of BL-ARC001 and BL-ARC002 demonstrates the ability of our HIRE-ARC platform to extend our antibody-engineering capabilities into innovative radiopharmaceutical modalities and further diversify our oncology pipeline.

OUR JOURNEY

Inception and Growth (1996 to 2010)

In 1996, Dr. Zhu Yi, our chairman, executive Director, general manager and Chief Scientific Officer, founded Sichuan Baili Pharmaceutical Co., Ltd. in Chengdu, the predecessor of our Company and currently one of our principal subsidiaries. At the time, China was gradually liberalizing its market-based approval regime for pharmaceutical manufacturers, encouraging domestic substitution of imported generic drugs and expanding its basic medical insurance system, which stimulated demand for domestically manufactured generic drugs and traditional Chinese medicines. Over the following years, we accumulated extensive expertise in complex generic drugs and traditional Chinese medicines and established a product portfolio covering therapeutic areas including anesthesia, parenteral nutrition, pediatrics and anti-infectives. More importantly, during this period, we developed into an integrated pharmaceutical group with capabilities spanning early-stage research, clinical development, manufacturing and commercialization, laying the operational and financial foundation for our subsequent transformation into an innovation-driven biopharmaceutical group.

Strategic Transformation (2010 to 2014)

Guided by our long-held aspiration to develop innovative drugs with breakthrough efficacy and bring them to patients worldwide, we made the strategic decision to enter the innovative drug sector in 2010 and commenced the independent development of oncology drugs with the potential to deliver breakthrough efficacy. To support this transformation, we reinvested a substantial portion of the revenue generated from our generic drug and traditional Chinese medicine businesses into innovative drug R&D. This strategic transformation was also aligned with China's policy initiatives at the time promoting emerging industries, including biotechnology and innovative drug development.

In 2014, we established SystImmune in Seattle, Washington, the United States, to spearhead our "0-to-1" breakthrough innovation and the discovery and development of our innovative drug pipeline. In the same year, we commenced the independent development of bispecific antibodies and ADCs. SystImmune has since served as the forefront of our global clinical development activities and our planned expansion into international commercialization. Our presence in the United States enabled us to assemble a high-caliber team with expertise in drug discovery, development and clinical research and to participate directly in one of the world's leading biotechnology innovation ecosystems, providing us with access to global talent, cutting-edge scientific knowledge and emerging industry trends. In parallel, we developed a team of scientists and experts in China dedicated to the R&D and accelerated clinical translation of innovative drugs.

Sustained Investment in Innovative Oncology Drug Discovery and Development (2014 to Present)

Since 2014, innovative drug discovery and development has been a principal focus of our business. This strategic transformation coincided with comprehensive reforms to China's drug review and approval system, including the introduction of priority review, conditional approval and breakthrough therapy designation. China's accession to the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use in 2017 and the promulgation of the revised Drug Registration Regulation in 2020 further aligned China's technical guidelines, clinical-data acceptance standards and accelerated approval pathways with those of major global regulatory authorities, including the FDA and the European Medicines Agency. These reforms have contributed to shorter development and approval timelines for innovative drugs, particularly oncology biologics.

Against this backdrop, we committed substantial resources to the development of ADCs, bispecific antibodies and multi-specific antibodies. We established our SEBA and HIRE-ADC platforms in 2014 and our GNC multi-specific antibody platform in 2015, creating the technological foundation for our innovative drug pipeline. These investments have enabled us to achieve a number

of industry firsts, including the development of iza-bren, the only EGFR × HER3 bispecific ADC to have entered registrational stage globally, with two indications approved for marketing and one NDA for another indication accepted by the NMPA as of the Latest Practicable Date. Iza-bren has also pioneered the bispecific ADC field. Since its clinical progress was first reported, bispecific ADCs have attracted increasing industry attention and development activity globally, reinforcing our position at the forefront of this field. Building on our expertise in antibody and ADC technologies, we also established the HIRE-ARC platform and advanced two innovative ARC candidates into clinical development.

Our dual R&D centers in the United States and China are staffed by experienced professionals covering the full innovative drug development cycle, including drug discovery, preclinical development, chemistry, manufacturing and controls, clinical development and regulatory affairs. As of March 31, 2026, we had an R&D team of 1,702 members across our offices in China and the U.S., accounting for approximately 52.0% of our total employees. Members of our R&D team include scientists and industry professionals with experience leading drug discovery and development programs at MNCs, domestic biopharmaceutical companies and renowned research institutions, including MD Anderson Cancer Center and Fred Hutchinson Cancer Center, as well as professionals with experience working with the FDA. This combination of talent and expertise underpins our ability to discover, develop and advance innovative therapies globally.

Before becoming a publicly listed company, we attracted investment from established international healthcare investors, including OrbiMed. We successfully completed a listing of our Company on the SSE STAR Market in January 2023 and commenced a new chapter in our corporate development.

In December 2023, we entered into a global strategic license and collaboration agreement with BMS for iza-bren valued at up to US$8.4 billion, including an US$800 million upfront payment. The achievement of iza-bren represents the culmination of our sustained investment in innovative drug development, validates the global clinical and commercial potential of our internally developed oncology pipeline and marks our first major step in generating revenue from our innovative oncology drug portfolio.

In September 2025, we completed an A-share placement that raised gross proceeds of approximately RMB3.764 billion, providing additional financial resources to support the continued development of innovative drug candidates generated from our HIRE-ADC and GNC platforms.

The year 2026 marks the inaugural year of our quantum leap toward becoming an MNC — a defining milestone anchored by the commercial launch of our innovative drugs and a critical advance in our capability to independently conduct global Phase III clinical trials. On the commercialization front, iza-bren received NDA approvals from the NMPA for later-line treatment of NPC in June 2026 and for the second-line treatment of ESCC in July 2026. In addition, as of the Latest Practicable Date, iza-bren's NDA for TNBC had been accepted by the NMPA. On the clinical development front, this capability was underscored by the initiation of BL-M14D1's Phase III multi-regional clinical trial as first-line treatment for ES-SCLC — our first independently initiated global Phase III trial. These achievements together mark a critical inflection point in our transition from clinical development to commercialization, firmly establishing 2026 as the pivotal starting point of our journey toward becoming an entry-level MNC by 2030.

Our Future Roadmap

The biological complexity of cancer and its ability to evolve, develop treatment resistance, recur and progress make cancer treatment a continuing, long-term challenge. This challenge forces sustained efforts across the global biopharmaceutical industry to advance cancer therapies. Addressing it requires not only successive generations of therapies capable of delivering breakthrough efficacy, but also biopharmaceutical companies with the global capabilities and competitiveness to efficiently translate scientific innovation into clinical development, scaled manufacturing and commercialization and, ultimately, deliver such therapies to patients worldwide.

We aspire to become such a company and our strategic positioning is to remain firmly rooted in China, expand globally and become an MNC ("紮根中國、走向全球、成為跨國藥企"). Having substantially established our capabilities across global innovation, global clinical development, scaled manufacturing and commercialization, we have developed a clear action plan for 2026-2030, through which we aim to establish ourselves as an entry-level MNC by 2030. This plan is centered on the following three priorities:

Realize the global value of our existing pipeline. Centered on iza-bren, which we believe has super-blockbuster potential, we have built a broad and differentiated innovative oncology drug matrix. Iza-bren is our entry ticket to becoming an MNC. We intend to expand iza-bren across indications and geographies and advance other assets in our existing pipeline toward global development, registration and commercialization. Following the marketing approvals of iza-bren for NPC in June 2026 for ESCC in July 2026, and subject to continued clinical development and regulatory progress, we expect iza-bren to obtain marketing approvals in overseas markets in the coming years. Through these efforts, we aim to deliver an initial portfolio of breakthrough drugs to patients worldwide, while further strengthening the innovation, clinical development, manufacturing, supply and commercialization capabilities on a global scale that are required to operate as an MNC.

Lay the foundations for our next innovative oncology drug matrix with breakthrough efficacy. We will continue to pursue original "0-to-1" innovation across ADCs, ARCs and multi-specific TCEs by advancing the next-generation technology platforms and developing successive waves of internally generated candidates. These efforts are intended to establish, during the five-year period, the scientific, technological and pipeline foundations for our next innovative oncology drug matrix with breakthrough efficacy, anchored by another product with global super-blockbuster potential and supported by a deep and differentiated pipeline, to benefit patients worldwide.

Integrate internal and external breakthrough innovation. Leveraging the scientific know-how and industry insights accumulated through more than a decade of innovation and the MNC capabilities that we have, we will identify, evaluate, acquire or in-license high-quality external assets and systematically integrate them into our technology platforms, development capabilities and pipeline. By combining internally generated innovation with complementary external innovation, we aim to continuously strengthen and expand our innovation engine.

Looking beyond 2030, our strategic objective is to build on these foundations and evolve from an entry-level MNC into a fully-fledged, globally competitive MNC by 2035. To achieve this goal, we will remain focused on oncology, pursue breakthrough innovation to build a broad global pipeline of therapies with the potential to deliver breakthrough efficacy, and further develop comprehensive global operating capabilities.

OUR PORTFOLIO ASSETS

Our Innovative Drug Pipeline

We are a platform-driven biopharmaceutical group principally focused on discovering, developing and commercializing innovative oncology and other therapies worldwide. Leveraging our proprietary technology platforms — HIRE-ADC (and SEBA), GNC and HIRE-ARC, we have systematically built a global pipeline of innovative drug candidates across multiple modalities, targeting major tumor types and demonstrating the repeatable productivity of our discovery engine beyond any single product. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. All assets in our innovative drug pipeline as of the Latest Practicable Date are self-discovered.

Our Core Product, iza-bren, leads the innovative drug pipeline. Iza-bren is an EGFR × HER3 bispecific ADC that we believe has the potential to become a backbone pan-tumor treatment. As of the Latest Practicable Date, iza-bren had received NDA approvals from the NMPA for the late-line treatment of NPC and the second-line treatment of ESCC, while NDA for TNBC had been accepted by the NMPA. In addition, iza-bren was being evaluated in over 45 clinical trials across more than 10 major tumor types. Our other Core Product, T-Bren, an innovative HER2-specific ADC with the best-in-class potential to reshape treatment for multiple HER2-expressing solid tumors, is currently in pivotal registrational clinical trials.

The following chart sets forth an overview of our pipeline products as of the Latest Practicable Date.

	Product	Target	Indication	Mono/Combo	Pre-Clinical	IND	Phase Ia	Phase Ib	Phase II	Phase III	NDA	Approved for Marketing	Expected Completion Year[1]	Commercial Rights
HIRE-ADC	★ iza-bren	EGFR x HER3	NSCLC, SCLC, HR+/HER2- BC, TNBC, ESCC, GC, CRC, BTC, NPC, HNSCC, gynecological tumors, urological tumors and other solid tumors	Mono&Combo						*NPC and ESCC approved*			2026-2032[2]	China & U.S.[3]
	★ T-Bren	HER2	HER2+ BC, HER2- BC, GC, NSCLC, CC, OC, endometrial cancer, UC, BTC and other solid tumors	Mono&Combo									2026-2031	Global
	BL-M14D1	DLL3	SCLC, neuroendocrine tumors and other solid tumors	Mono&Combo									2026-2030	
	BL-M05D1	Claudin 18.2	GC/GEJ adenocarcinoma and other solid tumors	Mono									2026-2029	
	BL-M11D1	CD33	AML	Mono									2026-2028	
	BL-B16D1	Undisclosed	Lung cancer, BC, HNSCC and other solid tumors	Mono									2026	
	BL-M08D1	Undisclosed	Solid tumors and hematologic malignancies	Mono									2026-2027	
	BL-M09D1	Undisclosed	NSCLC, GIC and other solid tumors	Mono									2027	
	BL-M24D1	Undisclosed	Hematologic malignancies, NSCLC, HNSCC, GIC and other solid tumors	Mono									2027	
HIRE-ARC	BL-ARC001	Undisclosed	Lung cancer, BC, HNSCC, GIC and other solid tumors	Mono									2027	
	BL-ARC002	Undisclosed	Solid tumors	Mono									2027	
GNC	GNC-038	CD3 x 4-1BB x PD-L1 x CD19	Autoimmune diseases (systemic lupus erythematosus and rheumatoid arthritis, etc.)	Mono									2027	
SEBA	SI-B001	EGFR x HER3	NSCLC, HNSCC	Mono&Combo									2026-2027	
	SI-B003	PD-1 x CTLA-4	Solid tumors	Mono&Combo									2026	
	SI-B036	Undisclosed	Solid tumors	Mono									2028	

★ Core Products

Abbreviations: NSCLC: non-small cell lung cancer; SCLC: small cell lung cancer; BC: breast cancer; TNBC: triple-negative breast cancer; ESCC: esophageal squamous cell carcinoma; GC: gastric cancer; CRC: colorectal cancer; BTC: biliary tract cancer; NPC: nasopharyngeal carcinoma; HNSCC: head and neck squamous cell carcinoma; CC: cervical cancer; OC: ovarian cancer; UC: urothelial carcinoma; GEJ: gastroesophageal junction adenocarcinoma; AML: acute myeloid leukemia; GIC: gastrointestinal cancer; EC: esophageal cancer; HCC: hepatocellular carcinoma; RCC: renal cell carcinoma

Notes: (1) denotes estimated primary completion year; (2) in June 2026, the NMPA granted conditional approval for iza-bren for the treatment of NPC, based on data from the Phase III trial in r/m NPC (NCT06118333), which met its ORR primary endpoint in March 2025. In July 2026, the NMPA granted approval for iza-bren for the treatment of ESCC, based on data from the Phase III trial in r/m ESCC (NCT06304974), which met its dual primary endpoints of PFS and OS in October 2025; (3) we have entered into a global strategic license and collaboration agreement with BMS. Under this agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. We have retained exclusive rights to develop and commercialize iza-bren in Chinese Mainland, and we have granted BMS an exclusive license to develop and commercialize iza-bren in the rest of the world, subject to certain specified conditions and limitations. For details of this agreement, see "— License and Collaboration Agreement with Bristol-Myers Squibb Company"; and (4) clinical progress represents the most advanced trial stage of the corresponding pipeline asset.

The following charts set forth our pipelines of iza-bren and T-Bren as of the Latest Practicable Date:

Clinical development of iza-bren in China

	Indication	Mono/Combo	Line of Therapy	Pre-Clinical	IND	Phase Ia	Phase Ib	Phase II	Phase III	NDA	Approved for Marketing	Expected Completion Year[1]	Clinical Trial Number
2 Approved	NPC	Mono	Later Line	★			Conditional approval in June 2026					2026[2]	NCT06118333
	ESCC	Mono	2L	★				Approval in July 2026				N/A[3]	NCT06304974
1 NDA	TNBC	Mono	2L+									2026	NCT06382142
11 Phase III	HR+/HER2- BC	Mono	3L+									2026	NCT06343948
	EGFRwt NSCLC	Mono	2L	★								2026	NCT06382129
	EGFRmut NSCLC	Mono	2L	★								2026	NCT06382116
	SCLC	Mono	2L	★								2026	NCT06500026
	EGFRmut NSCLC	Combo with osimertinib	1L									2028	NCT06838273
	UC	Mono	2L+	★								2027	NCT06857175
	OC	Mono	2L+	★								2027	NCT06994195
	ES-SCLC	Combo with PD-1	1L									2029	NCT07502300
	BTC	Mono	2L									2028	NCT07582315
	EGFRmut NSCLC	Combo with osimertinib	Maintenance treatment after chemoradiotherapy									2030	NCT07640789
	HR+/HER2- BC	Mono	2L									2028	NCT07648914
2 Phase II/III	ESCC	Combo with PD-1	1L									2028	NCT07554456
	EGFRmut NSCLC	Combo with osimertinib	Perioperative treatment									2032	NCT07642024
14 1L Phase II	EGFRmut NSCLC	Combo with osimertinib	1L									2027	NCT05880706
	Locally advanced or metastatic NSCLC	Combo with osimertinib	1L									2026	NCT06498986
	HNSCC and other solid tumors	Mono; combo with SI-B003	2L+; 1L & 2L+									2026	NCT06006169
	EC, GC, CRC and other GICS	Combo with SI-B003/PD-(L)1	1L & 2L+									2026	NCT06008054
	NSCLC, NPC, and other solid tumors	Combo with SI-B003	1L & 2L+									2026	NCT05956587
	UC	Combo with PD-(L)1	1L									2026	NCT06405425
	NSCLC, NPC and other solid tumors	Combo with PD-(L)1	1L & 2L+									2027	NCT06475300
	ES-SCLC	Combo with PD-(L)1	1L & 2L+									2026	NCT06437509
	HNSCC and other solid tumors	Combo with PD-(L)1	1L & 2L+									2027	NCT06437522
	TNBC	Combo with PD-(L)1	1L									2026	NCT06471205
	Advanced HCC	Combo with lenvatinib/ PD-(L)1±bevacizumab	1L & 2L+									2027	NCT06986785
	Advanced BTC	Combo with PD-(L)1 ± chemotherapy	1L & 2L+									2027	NCT06978114
	Advanced or metastatic RCC	Combo with axitinib/ lenvatinib ± PD-1	1L & 2L+									2027	NCT06962787
	CC and endometrial cancer	Combo with PD-1 ± bevacizumab	1L & 2L+									2027	NCT07054567
7 2L+ Phase II	Urinary system tumors and other solid tumors	Mono	2L+									2026	NCT05785039
	ES-SCLC	Mono; Combo with SI-B003	2L+									2026	NCT05924841
	CC and other gynecological malignancies	Mono; Combo with SI-B003	2L+									2026	NCT05990803
	UC and other solid tumors	Combo with SI-B003	2L+									2026	NCT05965856
	HER2- BC	Combo with SI-B003	2L+									2026	NCT06042894
	Recurrent glioblastoma	Mono	2L+									2026	NCT06598787
	Locally advanced or metastatic chordoma	Mono	2L+									2027	NCT06787664
4 Phase I/II[4]	Gynecological malignancies and other solid tumors	Mono	2L+									2026	NCT05803018
	Locally advanced or metastatic solid tumors	Mono	2L+									2026	NCT05194982
	Gastrointestinal tumors and other solid tumors	Mono	2L+									2026	NCT05262491
	BC and other solid tumors	Mono	2L+									2026	NCT05470348

★ *Included in breakthrough therapy designation program by the CDE*

Notes: (1) denotes estimated primary completion year; (2) we received conditional approval from the NMPA for iza-bren for the treatment of NPC in June 2026 based on data supporting the achievement of the ORR primary endpoint in March 2025, while follow-up for OS, the other primary endpoint, remained ongoing as of the Latest Practicable Date. Accordingly, the expected primary completion year for this trial remains 2026; (3) primary endpoints of this trial were reached in October 2025. We subsequently submitted an NDA for iza-bren for the treatment of ESCC in December 2025, which was approved in July 2026. Accordingly, the expected primary completion year for this trial is not applicable; and (4) comprises one Phase Ib/II trial and three Phase I trials.

Clinical development of iza-bren outside China

	Indication	Mono/Combo	Line of Therapy	Pre-Clinical	IND	Phase Ia	Phase Ib	Phase II	Phase III	NDA	Expected Completion Year[1]	Clinical Trial Number
1 Phase III	EGFRmut NSCLC	Combo with osimertinib	1L								2031	NCT07680790
3 Phase II/III	TNBC and ER-low/ HER2-negative BC	Mono	1L								2028	NCT06926868
	EGFRmut NSCLC	Mono	2L								2028	NCT07100080
	UC	Mono	2L+								2029	NCT07106762
2 Phase I/II[3]	NSCLC[2] and other solid tumors	Mono	2L+								2026	NCT05983432
	Solid tumors	Combo with osimertinib/ pembrolizumab/ nivolumab/ pumitamig	1L								2031	NCT06618287

Notes: (1) denotes estimated primary completion year; (2) In August 2025, FDA has granted breakthrough therapy designation to iza-bren for the treatment of locally advanced or metastatic NSCLC with EGFR exon 19 deletions or exon 21 L858R substitution mutations after failure of EGFR-TKI and platinum-based chemotherapy; and (3) comprises one Phase I trial and one Phase I/IIa trial.

Clinical development of T-Bren in China

	Indication	Mono/Combo	Line of Therapy	Pre-Clinical	IND	Phase I	Phase II	Phase III	Expected Completion Year[1]	Clinical Trial Number	Commercial Rights
8 Phase III	HER2+ BC	Mono	2L+						2026	NCT06316531	Global
	HER2-low recurrent/metastatic BC	Mono	2L+	★					2027	NCT06957886	
	HER2+ BC	Mono	Adjuvant therapy						2031	NCT06830889	
	HER2+ GC/GEJ	Mono	2L						2027	NCT07152405	
	HER2mut NSCLC	Mono	1L						2027	NCT07178795	
	HER2+ recurrent or metastatic BC	Combo with pertuzumab	1L						2029	NCT07518173	
	HER2-expressing OC, fallopian tube cancer and primary peritoneal cancer	Mono	2L+						2028	NCT07545460	
	HER2-expressing locally advanced or metastatic BTC	Mono	2L+						2028	NCT07606599	
1 Phase II/III	HER2+ BC	Combo with pertuzumab± chemotherapy	Neoadjuvant therapy						2028	NCT06891833	
3 Phase II	HER2+ BC	Combo with pertuzumab; Combo with pertuzumab and docetaxel	1L						N/A[2]	NCT06445400	
	HER2+ GC/GEJ	Combo with PD-(L)1±chemotherapy	1L						2026	NCT06423885	
	HER2-overexpressing non-squamous NSCLC	Combo with PD-1	1L						2027	NCT07264816	
3 Phase Ib/II	HER2-expressing urological and gastrointestinal cancers	Mono	2L+						2026	NCT06031584	
	HER2-expressing gynecological malignancies	Mono	2L+						2026	NCT06131450	
	HER2mut NSCLC	Mono	2L+						2026	NCT06114511	
2 Phase I	HER2+/HER2-low BC and other solid tumors	Mono	2L+						2026	NCT05461768	
	HER2-expressing gastrointestinal tumors and other solid tumors	Mono	2L+						2026	NCT05631964	

★ *Included in the breakthrough therapy designation list by the CDE*

Notes: (1) denotes estimated primary completion year; and (2) primary endpoints of this trial were reached in July 2025.

Clinical development of T-Bren outside China

	Indication	Mono/Combo	Line of Therapy	Pre-Clinical	IND	Phase I	Phase II	Phase III	Expected Completion Year[1]	Clinical Trial Number	Commercial Rights
1 Phase I	HER2-expressing solid tumors	Mono	2L+						2028	NCT06293898	Global

Note: (1) denotes estimated primary completion year.

Biologics Portfolio Empowered by the HIRE-ADC Platform

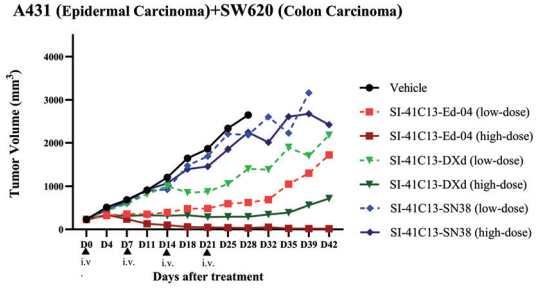
Short for "Heterogeneity overcoming — Immunogenic death inducing — Resistance antagonizing — Enhanced specificity," our self-developed HIRE-ADC platform is a fully integrated technology platform for ADC research and development. Leveraging this platform, we have developed and aim to continue developing drug candidates targeting novel antigens or with the potential to be best-in-class. With the HIRE-ADC platform, we have accrued a large volume of foundational research data, enabling continuous iteration of our innovative ADC technologies and development of our innovative drug portfolio. As of the Latest Practicable Date, our HIRE-ADC platform had produced nine clinical-stage ADC drugs, five of which had received investigational new drug ("**IND**") approvals from the FDA and were undergoing clinical trials. Key features of the HIRE-ADC platform are highlighted below.

- *Antibody.* We discover and develop proprietary mono/bispecific antibodies that are designed to achieve enhanced specificity and anti-tumor activity. For example, we have developed in-house the EGFR × HER3 bispecific antibody that is the antibody component of iza-bren. With this antibody, iza-bren has demonstrated stronger *in vivo* anti-tumor efficacy, compared to ADCs using the parental monoclonal antibodies targeting either EGFR or HER3 alone.

- *Linker.* Our in-house developed cleavable linkers are characterized by high stability. Our preclinical studies revealed that the DAR of T-Bren in plasma remained consistently above 7 after 21 days, in contrast to that of Enhertu (DS-8201, T-DXd) which declined from 7 to below 5 in the same timeframe, suggesting the superior stability of our linker in circulation.

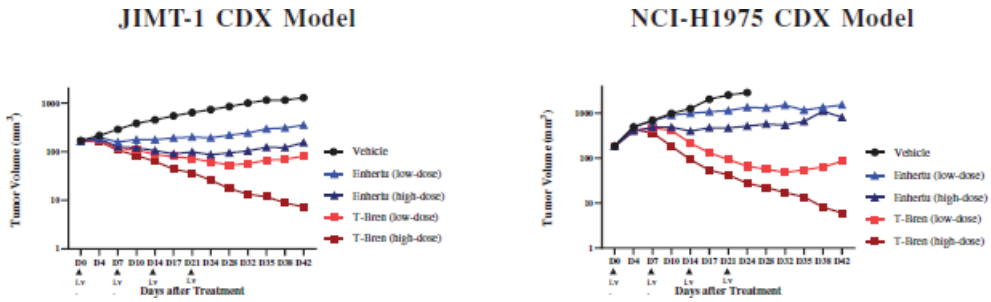
- *Payload*. We have developed proprietary cytotoxic payloads, such as Ed-04, characterized by effective induction of bystander effects and immunogenic cell death. Ed-04 is used in multiple of our clinical-stage assets, including iza-bren, T-Bren, BL-M11D1, BL-M05D1, BL-M14D1, BL-M08D1 and BL-M09D1. In an assay measuring the lipid-water partition coefficient in our preclinical studies, Ed-04 showed a higher logP compared to SN38 and DXd, which indicates greater cell membrane permeability and enhanced diffusion through tissues, thereby facilitating more effective bystander killing effects. Comparing an ADC using Ed-04 with two other ADCs that used the same antibody but different payloads, DXd and SN38, in a xenograft model, the ADC with Ed-04 achieved stronger tumor inhibition at the same dosage level compared to the other two ADCs.

Figure 1: Comparison of *in vivo* efficacy of payloads



Moreover, T-Bren (HER2 ADC with Ed-04) demonstrated stronger tumor inhibition compared to Enhertu at the same dosage level in *in vivo* studies.

Figure 2: Comparison of *in vivo* efficacy of T-Bren vs. Enhertu



Source: Company data

- *Conjugation*. Our conjugation technology supports both traditional non-specific and precise site-specific approaches, providing enhanced flexibility in ADC development. Our proprietary site-specific conjugation yields ADCs with superior tumor-killing efficacy, minimal aggregation, high conjugation efficiency, and enhanced molecular and plasma stability.

Iza-bren (EGFR × HER3 bispecific ADC), Our Core Product

Overview

Iza-bren is the world's first and only approved EGFR × HER3 bispecific ADC. Iza-bren received NDA approvals from the NMPA for the late-line treatment of NPC in June 2026 and for the second-line treatment of ESCC in July 2026. As of the Latest Practicable Date, iza-bren's NDA application for TNBC had been accepted by the NMPA, and it was being evaluated in over 45 clinical trials in China and overseas across over 10 tumor types, including NSCLC and BC, the two most prevalent tumor types in the world. Notably, we have observed efficacy in cancer patients who are unresponsive to or have progressed after PD-(L)1 treatment, a population with limited treatment options. Beyond NSCLC and BC, we are evaluating iza-bren in other EGFR/HER3-expressing tumors, including SCLC, head and neck squamous cell carcinoma ("**HNSCC**"), NPC, GC, colorectal cancer ("**CRC**"), biliary cancer, urothelial carcinoma ("**UC**"), gynecological cancers, renal cell carcinoma ("**RCC**") and hepatocellular carcinoma ("**HCC**"), as well as in additional combination regimens and earlier lines of therapy. To date, it has been studied in over 8,500 patients across various cancer types, making it one of the most investigated clinical-stage ADCs and underscoring its potential to become a backbone cancer therapy either as monotherapy or in combination with immunotherapy, targeted therapy or chemotherapy.

In December 2023, we entered into a global strategic license and collaboration agreement with BMS. Under the agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. Both companies will share certain development expenses, profits and losses in the U.S. according to agreed-upon percentages, while we retain exclusive development and commercialization rights in Chinese Mainland, and BMS has exclusive rights outside of Chinese Mainland and the U.S. As of the Latest Practicable Date, we had received the upfront payment of US$800 million and the first clinical trial milestone of US$250 million. We expect to trigger the second clinical trial milestone in the fourth quarter of 2026. We are also eligible to receive additional milestone payments up to US$7.1 billion contingent on certain regulatory and sales milestones, for a total potential

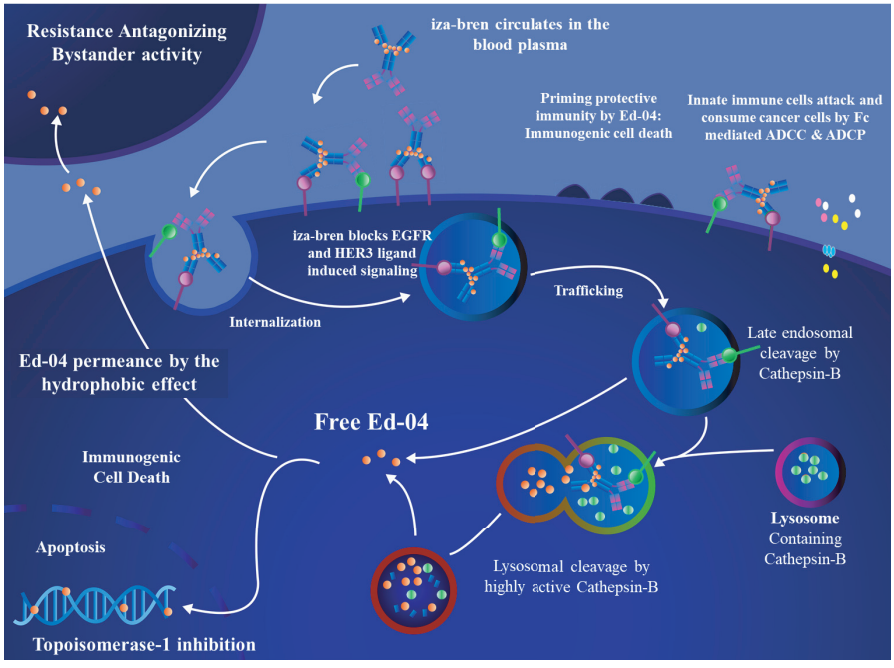
consideration of up to US$8.4 billion. We are eligible to receive tiered royalties on net sales outside of the U.S. and Chinese Mainland, while BMS is eligible to receive royalties on net sales in Chinese Mainland. For details, see "— License and Collaboration Agreement with Bristol-Myers Squibb Company."

Mechanism of Action

EGFR and HER3 are members of the HER family that regulate key cellular processes. Both receptors are over-expressed and frequently co-expressed across common epithelial carcinomas — including NSCLC, SCLC, BC, NPC, GC, CRC, HNSCC, EC and UC — making them well-established therapeutic targets with the potential to deliver pan-tumor efficacy.

Built on our SEBA and HIRE-ADC platforms, iza-bren is a bispecific ADC comprising an EGFR × HER3 bispecific antibody linked to a novel Topo1 inhibitor payload (Ed-04) via a cathepsin B cleavable linker. The symmetric tetravalent 2:2 scaffold increases avidity and specificity for both targets on cancer cells. By simultaneously binding EGFR and HER3, iza-bren blocks both homodimer and heterodimer signaling, enables better discrimination between cancerous and normal cells, drives efficient internalization and payload release, and reduces susceptibility to the bypass signaling and antigen escape that commonly drive resistance to single-antigen therapies.

Mechanism of Action of iza-bren



Market Opportunity and Competition

For the market information of major proposed indications covered by iza-bren, see "Industry Overview — The Oncology Drug Market." As of the Latest Practicable Date, there were 14 ADCs approved for nine solid tumor types, including BC, bladder cancer, GC, lung cancer, cervical cancer ("**CC**"), OC, EC and NPC, and iza-bren was the world's only approved EGFR × HER3 bispecific ADC.

Competitive Advantages

Encouraging clinical efficacy shown in the most prevalent cancer types. Iza-bren has demonstrated meaningful anti-tumor activity across multiple tumor types, including some of the most prevalent and difficult-to-treat cancers globally. The breadth and consistency of efficacy observed

across lung cancer, BC, NPC, gastrointestinal cancer ("**GIC**"), UC and OC, together with the marketing approvals and achievement of primary endpoints in Phase III registrational trials, support the potential of iza-bren as a backbone therapy in oncology. Some highlights of its clinical efficacy are summarized below. For additional information, see "— Summary of Clinical Trial Data."

- NSCLC. Lung cancer is the most common type of cancer and the leading cause of cancer-related death globally, with NSCLC accounting for approximately 85% of all lung cancer cases. In NSCLC, iza-bren has demonstrated robust efficacy as a monotherapy and in combination regimens.

  - Monotherapy. In our Phase I trial (NCT05194982), iza-bren monotherapy demonstrated robust efficacy across NSCLC populations, including patients with EGFRmut NSCLC post-TKI therapy (ORR of 66.0%, mPFS of 12.5 months, 18-month OS rate of 69.2%), EGFRwt NSCLC post-immunotherapy/chemotherapy, and patients with driver gene alterations beyond classical EGFR mutations (ORR of 46.2%, mPFS of 7.0 months). A global Phase Ib trial (NCT05983432) confirmed antitumor activity in patients outside China. Based on these results, we have initiated Phase III registrational trials in China for second-line EGFRwt and EGFRmut NSCLC (NCT06382129, NCT06382116), and a global Phase II/III trial for second-line EGFRmut NSCLC (NCT07100080). Iza-bren monotherapy was granted breakthrough therapy designation by the CDE for second-line EGFRwt and EGFRmut NSCLC in September 2024, and by the FDA for previously treated EGFRmut NSCLC in August 2025.

  - Combination therapy. In our Phase II study (NCT05880706), iza-bren plus osimertinib as first-line therapy achieved an ORR of 100% (confirmed ORR of 95%) and a DCR of 100% in 40 evaluable EGFRmut NSCLC patients, with a 12-month PFS rate of 92.1% and a 12-month OS rate of 94.8%. These results highlight the potential of this combination to redefine the standard of care in first-line EGFRmut NSCLC. A Phase III trial (NCT06838273) was initiated in China in February 2025.

- SCLC. Iza-bren was granted breakthrough therapy designation for SCLC by the CDE in January 2025. In our Phase I trial (NCT05194982), iza-bren demonstrated promising efficacy in 58 patients with locally advanced or metastatic SCLC post-progression, achieving an ORR of 55.2%, a DCR of 81.0%, an mPFS of 4.0 months, and an mOS of 12.0 months. In patients who had received only prior first-line PD-(L)1 inhibitor plus platinum-based chemotherapy, iza-bren achieved an ORR of 80.0% (confirmed ORR of 75.0%), an mPFS of 6.9 months, and an mOS of 15.0 months. Clinical benefit was observed regardless of platinum sensitivity or prior irinotecan treatment. We have initiated a Phase III trial (NCT06500026) for recurrent SCLC in China.

- BC. Iza-bren has demonstrated promising responses regardless of HER2 expression in heavily pretreated patients with TNBC or HR+/HER2- BC. In our Phase I trial (NCT05470348), TNBC patients achieved an ORR of 34.1% (50.0% in patients with 1-2 prior chemotherapy lines), and HR+/HER2- BC patients achieved an ORR of 46.8% (54.3% in patients with 1-2 prior chemotherapy lines). In our Phase III trial (NCT06382142) for TNBC post 1-2 prior systemic therapies, iza-bren demonstrated a statistically significant improvement in PFS (median 8.5 vs. 3.1 months; HR=0.29; P<0.0001) and OS (median 15.9 vs. 12.5 months; HR=0.60; P=0.0019) versus chemotherapy, with consistent benefit regardless of HER2 expression status. We submitted an NDA for TNBC to the NMPA in May 2026, which had been accepted for filing as of the Latest Practicable Date. Iza-bren is also being evaluated in a Phase III trial for HR+/HER2- BC in China (NCT06343948) and a global pivotal Phase II/III registrational trial for TNBC (NCT06926868).

- NPC. In our Phase I trial (NCT05194982), iza-bren achieved an ORR of 59.5% and a DCR of 100% among 37 evaluable NPC patients with a median of three prior treatment lines. In our Phase III trial (NCT06118333), which achieved its primary endpoint at interim analysis in July 2025, iza-bren demonstrated clear superiority over chemotherapy in ORR (54.6% vs. 27.0%) and mPFS (8.38 vs. 4.34 months). These results were selected as a Late-Breaking Abstract at the ESMO Congress 2025. Iza-bren was granted breakthrough therapy designation by the CDE in April 2024, and we received the NDA approval from the NMPA for the later-line treatment of NPC in June 2026.

- ESCC. In ESCC, our Phase III trial (NCT06304974) showed clear superiority over chemotherapy in PFS (4.17 vs. 1.97 months; HR=0.50; P<0.0001) and OS (9.79 vs. 7.20 months; HR=0.64; P=0.0004), with results presented at the 2026 ASCO Annual Meeting. We received the NDA approval from the NMPA for the second-line treatment of ESCC in July 2026.

- Other Solid Tumors. Iza-bren has also demonstrated encouraging efficacy across UC and OC. In UC, our Phase II trial (NCT05785039) achieved an ORR of 40.7% (75.0% in patients with one prior line), with a Phase III trial (NCT06857175) ongoing. In OC, our Phase Ib/II and Phase II trials (NCT05803018, NCT05990803) achieved an ORR of 53.1% and mPFS of 7.0 months in 96 evaluable patients, with a Phase III trial (NCT06994195) ongoing. Iza-bren was granted breakthrough therapy designations by the CDE for UC and OC in September 2025.

Manageable safety profile. Iza-bren's differentiated design translates into a manageable safety and tolerability profile in multiple clinical trials. By selectively binding tumor cells that co-express EGFR and HER3, and releasing its cytotoxic payload only after internalization via the cleavable linker, iza-bren localizes therapeutic activity at the tumor site while sparing healthy tissue. This minimizes systemic exposure and on-target, off-tumor toxicity, reducing the risk of toxicities commonly associated with conventional chemotherapies and widening the therapeutic window. To date, iza-bren has been administered to over 8,500 patients across multiple clinical trials, covering more than 10 tumor types. In studies of various cancers, iza-bren has consistently demonstrated a favorable safety and tolerability profile. Treatment-related adverse events ("**TRAEs**") were primarily hematologic in nature and clinically manageable, with ILD reported only in rare cases. These safety data suggest that iza-bren holds strong potential to offer a well-tolerated and safe therapeutic option for cancer patients.

Pan-cancer treatment potential. Based on encouraging efficacy and safety data, we are developing iza-bren as a potential pan-cancer therapy, either as monotherapy or in combination with immunotherapy, targeted therapy, or chemotherapy. As of the Latest Practicable Date, iza-bren was being evaluated in over 45 clinical trials across China and overseas for over 10 tumor types, with over 8,500 patients enrolled — making it one of the most extensively investigated clinical-stage ADCs globally. Its program includes 14 Phase III trials (EGFRwt NSCLC, EGFRmut NSCLC, SCLC, HR+/HER2- BC, TNBC, ESCC, NPC, UC and OC) and two Phase II/III registrational trials (ESCC and EGFRmut NSCLC) in China, as well as three global pivotal Phase II/III registrational trials (TNBC, NSCLC and UC). In addition, a global Phase III clinical trial for EGFRmut NSCLC is expected to be initiated in September 2026. Iza-bren is being evaluated across treatment lines — from late-line to first-line and neoadjuvant/adjuvant settings — positioning it as a potential backbone cancer therapy across multiple solid tumors.

Collaboration with BMS to accelerate iza-bren's global development and expansion. Our collaboration with BMS, a global biopharmaceutical leader with US$48.2 billion in revenue in 2025, brings together the expertise and resources of two industry leaders and accelerates the development of iza-bren towards commercialization. Leveraging BMS's established clinical development capabilities outside of Chinese Mainland, this partnership can advance the development of iza-bren's global clinical development plans for a spectrum of cancers. In addition, we view this arrangement as a valuable catalyst for our growth. By combining our synergistic capabilities, we believe this strategic collaboration will maximize the clinical and market potential of iza-bren on a global scale.

Summary of Clinical Trial Data

The below table summarizes the details of trials for iza-bren in China:

Indication	Type of therapy	Trial phase	Trial start date	(Expected) trial end year[(1)]
Lung Cancer				
Unresectable locally advanced or metastatic EGFRwt NSCLC (NCT06382129)	Mono	Phase III	May 2024	(2026)
Locally advanced or metastatic EGFRmut NSCLC (NCT06382116)	Mono	Phase III	May 2024	(2026)
Recurrent SCLC (NCT06500026)	Mono	Phase III	August 2024	(2026)
EGFRmut NSCLC (NCT06838273)	Combo with osimertinib	Phase III	February 2025	(2028)
ES-SCLC (NCT07502300)	Combo with PD-1	Phase III	June 2026	(2029)
EGFRmut NSCLC after platinum-based chemoradiotherapy as maintenance treatment (NCT07640789)	Combo with osimertinib	Phase III	2026Q3	(2030)
EGFRmut NSCLC (perioperative treatment) (NCT07642024)	Combo with osimertinib	Phase II/III	July 2026	(2032)
EGFRmut NSCLC (NCT05880706)	**Combo with osimertinib**	**Phase II**	**July 2023**	**(2027)**
Locally advanced or metastatic NSCLC, NPC and other solid tumors (NCT05956587)	Combo with SI-B003	Phase II	January 2024	(2026)
Locally advanced or metastatic NSCLC, NPC and other solid tumors (NCT06475300)	Combo with PD-(L)1	Phase II	June 2024	(2027)
Locally advanced or metastatic NSCLC (NCT06498986)	Combo with osimertinib	Phase II	July 2024	(2026)
ES-SCLC (NCT05924841)	Mono; combo with SI-B003	Phase II	November 2023	(2026)
ES-SCLC (NCT06437509)	Combo with PD-(L)1	Phase II	June 2024	(2026)

Indication	Type of therapy	Trial phase	Trial start date	(Expected) trial end year[1]
BC				
Unresectable locally advanced, recurrent or metastatic HR+/HER2- BC (NCT06343948)	Mono	Phase III	April 2024	(2026)
Unresectable locally advanced or metastatic TNBC (NCT06382142)	**Mono**	**Phase III**	**June 2024**	**(2026)[2]**
Unresectable locally advanced, recurrent or metastatic HR+/HER2- BC (NCT07648914)	Mono	Phase III	July 2026	(2028)
Unresectable locally advanced or recurrent metastatic TNBC (NCT06471205)	Combo with PD-(L)1	Phase II	August 2024	(2026)
HER2- BC (NCT06042894)	Combo with SI-B003	Phase II	December 2023	(2026)
Unresectable locally advanced or metastatic BC and other solid tumors (NCT05470348)	**Mono**	**Phase I**	**August 2022**	**(2026)[3]**
GIC				
Recurrent or metastatic ESCC (NCT06304974)	**Mono**	**Phase III**	**March 2024**	**October 2025[4]**
Advanced biliary tract cancer ("**BTC**") after failure of platinum chemotherapy and PD-1/PD-L1 antibody therapy (NCT07582315)	Mono	Phase III	June 2026	(2028)
ESCC (NCT07554456)	Combo with PD-1	Phase II/III	June 2026	(2028)
Locally advanced or EC, GC, CRC and other GICs (NCT06008054)	Combo with SI-B003/PD-(L)1	Phase II	November 2023	(2026)
Locally advanced or metastatic GIC and other solid tumor (NCT05262491)	**Mono**	**Phase I**	**February 2022**	**(2026)[5]**
Other cancer types				
Recurrent or metastatic NPC (NCT06118333)	**Mono**	**Phase III**	**December 2023**	**(2026)[6]**
Recurrent or metastatic UC (NCT06857175)	Mono	Phase III	March 2025	(2027)

Indication	Type of therapy	Trial phase	Trial start date	(Expected) trial end year[(1)]
Recurrent epithelial OC (NCT06994195)	Mono	Phase III	August 2025	(2027)
Recurrent or metastatic HNSCC and other solid tumors (NCT06006169)	Mono; combo with SI-B003	Phase II	October 2023	(2026)
Recurrent or metastatic HNSCC and other solid tumors (NCT06437522)	Combo with PD-(L)1	Phase II	June 2024	(2027)
Recurrent or metastatic gynecological malignancies and other solid tumors (NCT05803018)	**Mono**	**Phase Ib/II**	**June 2023**	**(2026)**
Recurrent or metastatic CC and other gynecological malignancies (NCT05990803)	**Mono; combo with SI-B003**	**Phase II**	**November 2023**	**(2026)**
Recurrent or metastatic CC and endometrial cancer (NCT07054567)	Combo with PD-1 ± bevacizumab	Phase II	August 2025	(2027)
Recurrent glioblastoma (NCT06598787)	Mono	Phase II	October 2024	(2026)
Multiple solid tumors, including locally advanced or metastatic urinary system tumors and other solid tumors (NCT05785039)	**Mono**	**Phase II**	**April 2023**	**(2026)**
Locally advanced or metastatic UC and other solid tumors (NCT05965856)	Combo with SI-B003	Phase II	December 2023	(2026)
Locally advanced or metastatic UC (NCT06405425)	Combo with PD-(L)1	Phase II	May 2024	(2026)
Advanced HCC (NCT06986785)	Combo with lenvatinib/PD-(L)1 ±bevacizumab	Phase II	June 2025	(2027)
Advanced or metastatic RCC (NCT06962787)	Combo with axitinib/lenvatinib ± pembrolizumab	Phase II	July 2025	(2027)
Advanced BTC (NCT06978114)	Combo with pembrolizumab ± chemo	Phase II	June 2025	(2027)
Locally advanced or metastatic chordoma (NCT06787664)	Mono	Phase II	January 2025	(2027)
Locally advanced or metastatic solid tumor (NCT05194982)	**Mono**	**Phase I**	**November 2021**	**(2026)[(7)]**

Notes: (1) denotes estimated primary completion year; (2) primary endpoints of this trial reached in January 2026. We submitted an NDA for iza-bren for the treatment of TNBC to the NMPA in May 2026, which had been accepted for filing as of the Latest Practicable Date; (3) primary endpoints of TNBC cohort were reached in December 2023;

(4) primary endpoints of this trial were reached in October 2025. We subsequently submitted an NDA for iza-bren for the treatment of ESCC in December 2025, which was approved in July 2026; (5) primary endpoints of ESCC cohort were reached in November 2023; (6) we received conditional approval from the NMPA for iza-bren for the treatment of NPC in June 2026 based on data supporting the achievement of the ORR primary endpoint in March 2025, while follow-up for OS, the other primary endpoint, remained ongoing as of the Latest Practicable Date. Accordingly, the expected primary completion year for this trial remains 2026; and (7) primary endpoints for NPC cohort were reached in July 2023.

The table below summarizes the details of trials for iza-bren outside China:

Indication	Type of therapy	Trial phase	(Expected) trial start date	(Expected) trial end year[(1)]
EGFRmut NSCLC (NCT07680790)	Combo with osimertinib	Phase III	(September 2026)	(2031)
EGFRmut NSCLC (NCT07100080)	Mono	Phase II/III	November 2025	(2028)
UC (NCT07106762)	Mono	Phase II/III	September 2025	(2029)
TNBC and ER-low/HER2-negative BC (NCT06926868)	Mono	Phase II/III	September 2025	(2028)
Advanced solid tumors (NCT06618287)	Combo with osimertinib/ pembrolizumab/ nivolumab/ pumitamig	Phase I/IIa	February 2025	(2031)
Metastatic or unresectable NSCLC and other solid tumors (NCT05983432)	**Mono**	**Phase I**	**August 2023**	**(2026)**

Note: (1) denotes estimated primary completion year.

Key clinical trial results are summarized below. The relevant trials are marked in bold in the table above. These selected trials either established the preliminary clinical efficacy and safety of iza-bren for the relevant indications or are registrational trials supporting NDA submissions. With the NDA approvals for NPC and ESCC in June and July 2026, respectively, and multiple Phase III registrational trials ongoing across diverse tumor types, we have advanced iza-bren well beyond the concept stage and demonstrated significant clinical and commercial promise.

The First-in-Human Phase I Trial for Various Solid Tumors and Trials on Lung Cancer

Phase I Clinical Trial of Iza-bren as Monotherapy for Locally Advanced or Metastatic Solid Tumors (NCT05194982)

This is a first-in-human, open-label, multicenter Phase I clinical trial to evaluate the efficacy of iza-bren as monotherapy in patients with locally advanced or metastatic NSCLC, NPC and other solid tumors. The primary endpoints for this trial are dose-limiting toxicity ("**DLT**"), maximum tolerated dose ("**MTD**") and recommended phase 2 dose ("**RP2D**"). The secondary endpoints are pharmacokinetics ("**PK**"), anti-drug antibody, ORR, DCR, and duration of response ("**DoR**"). The exploratory endpoints include PFS, OS, biomarkers, and neutralizing antibodies (nAb). The encouraging efficacy and safety results were published in July 2024 in the globally renowned academic journal, *The Lancet Oncology*. We initiated this Phase I study in November 2021. The

study includes Phase Ia (dose escalation) and Phase Ib (dose expansion) parts. Phase Ia was completed in September 2022. The Phase Ib (dose expansion) stages for NSCLC and SCLC cohorts were completed in November 2023 in terms of reaching primary endpoints.

The Phase Ib (dose expansion) stage for NPC cohort was completed in July 2023 in terms of reaching primary endpoints. For details regarding key clinical trial results for NPC, see "— Phase III Clinical Trial of Iza-bren as Monotherapy for Recurrent or Metastatic NPC (NCT06118333)." Below is a summary of key clinical trial results for NSCLC and SCLC in the Phase I trial.

1. NSCLC

(i) Iza-bren as Monotherapy for Patients with NSCLC Having Progressed After the Standard of Care

Trial Design. This study includes patients with locally advanced or metastatic NSCLC and other solid tumors who have a performance status score of 0 or 1 according to the Eastern Cooperative Oncology Group ("**ECOG**") and have at least one measurable lesion per response evaluation criteria in solid tumors version 1.1 ("**RECIST v1.1**"). These patients must have either failed standard therapy or have no feasible treatment available. As of the data cut-off date (August 17, 2023), the dose escalation stage was performed on a 21-day cycle, in which 13 subjects received iza-bren at the dosage of 2.5 mg/kg, 3.0 mg/kg and 3.5 mg/kg D1D8 every three weeks ("**Q3W**"), and six subjects received iza-bren at the dosage of 5.0 mg/kg, and 6.0 mg/kg D1 Q3W. In the dose-expansion stage, subjects received iza-bren with the same dosing levels and schedules as in the dose escalation stage.

We evaluated the efficacy of iza-bren as monotherapy for the treatment of NSCLC based on the data from response-evaluable patients enrolled between December 8, 2021 and March 13, 2023. Patients enrolled after March 13, 2023 were not included due to the short follow-up period as of the data cut-off date (August 17, 2023).

Efficacy Data. As of the data cut-off date (August 17, 2023), there were 75 response-evaluable NSCLC patients with treated or without central nervous system ("**CNS**") metastasis administered with iza-bren. Among these patients, the interim Phase I results showed an ORR of 52.0%, cORR of 41.3%, DCR of 86.7%, mDoR of 12.3 months and mPFS of 6.8 months.

Notably, iza-bren achieved greater efficacy in 13 EGFRmut NSCLC patients with treated or without CNS metastasis, who received the dosages at 2.5mg/kg D1D8 Q3W and 4.5mg/kg D1 Q3W, with an ORR of 69.2%, cORR of 61.5%, DCR of 92.3%, mDoR of 12.3 months and mPFS of 15.0 months. In addition, 26 of the enrolled EGFRwt NSCLC patients received iza-bren as a systemic 2L treatment, showing an ORR of 50.0%, cORR of 38.5%, DCR of 80.8% and mPFS of 6.7 months.

Safety Data. As of the data cut-off date (August 17, 2023), iza-bren demonstrated a manageable safety profile in previously treated patients with solid tumors. Among 369 enrolled patients with NSCLC, NPC and other solid tumors, 351 patients (95%) experienced TRAE. 226 patients (61%) experienced Grade 3 or above TRAE, 115 patients (31%) experienced Grade 4 or above TRAE, 108 patients (29%) experienced serious TRAE, and eight patients died due to TRAE. The incidence of ILD is low, with only one case of Grade 2 ILD observed.

(ii) Iza-bren as Monotherapy for Patients with Locally Advanced or Metastatic EGFRmut NSCLC

Trial Design. As of the data cut-off date (June 30, 2025), a total of 171 patients with EGFRmut NSCLC had been enrolled across two study cohorts, each with a different dosing scheme. In the first cohort, 5, 22, 121, and 43 patients received iza-bren at doses of 2.0 mg/kg, 2.3 mg/kg, 2.5 mg/kg, and 3.5 mg/kg, respectively, administered on a D1D8 Q3W schedule. In the second cohort, 9, 8, and 4 patients received iza-bren at doses of 4.5 mg/kg, 5.0 mg/kg, and 6.0 mg/kg, respectively, on a D1 Q3W schedule.

Efficacy Data. As of the data cut-off date (June 30, 2025), efficacy data from the 171 EGFRmut NSCLC patients demonstrated that iza-bren monotherapy achieved an ORR of 57.9%, a cORR of 47.4%, a mPFS of 6.9 months, and a mOS of 24.8 months. Efficacy outcomes for each cohort are summarized in the table below.

		2.5 mg/kg D1D8Q3W		
	Total	**Total**	**Post any TKI & chemo naive***	**Post 3G TKI & chemo naive**
	(N=171)	*(N=121)*	*(N=50)*	*(N=46)*
Median (range) LoT	2 (1-10)	2 (1-10)	2 (1-5)	2 (1-5)
BOR				
PR	99 (57.9)	68 (56.2)	33 (66.0)	30 (65.2)
Confirmed PR	81 (47.4)	59 (48.8)	28 (56.0)	25 (54.3)
PR pending confirmation[(1)]	3 (1.8)	1 (0.8)	1 (2.0)	1 (2.2)
SD	40 (23.4)	30 (24.8)	12 (24.0)	12 (33.3)
PD	26 (15.2)	19 (15.7)	4 (8.0)	3 (6.5)
NE[(2)]	6 (3.5)	4 (3.3)	1 (2.0)	1 (2.2)
ORR, % (95%CI)	57.9 (50.1, 65.4)	56.2 (46.9, 65.2)	66.0 (51.2, 78.8)	65.2 (49.8, 78.6)
cORR, % (95%CI)	47.4 (39.7, 55.1)	48.8 (39.6, 58.0)	56.0 (41.3, 70.0)	54.3 (39.0, 69.1)
DCR, % (95%CI)	81.3 (74.6, 86.8)	81.0 (72.9, 87.6)	90.0 (78.2, 96.7)	91.3 (79.2, 97.6)
Median DoR, mo (95%CI)	8.5 (6.9, 11.2)	8.5 (6.5, 12.7)	13.7 (5.5, 19.5)	12.7 (5.5, NR)
Median PFS, mo (95%CI)	6.9 (5.5, 9.6)	6.9 (5.5, 9.7)	12.5 (6.9, 18.0)	12.5 (6.9, 18.0)
Median OS, mo (95% CI)	24.8 (18.5, NR)	24.8 (18.0, NR)	NR (NR, NR)	NR (NR, NR)
Median FU for OS, mo (95% CI)	20.5 (18.3, 21.9)	21.9 (20.3, 22.7)	20.5 (15.8, 21.9)	20.5 (15.8, 21.9)

Notes: * Chemo naive was defined as no prior chemotherapy in the advanced or metastatic setting.

(1) Refers to patients still on study with tumor assessment of PR and not reach to the next time point of tumor assessment;
(2) Including patients without post-baseline tumor assessment.

Notably, in the cohort receiving iza-bren at a dose of 2.5 mg/kg, the treatment demonstrated particularly strong efficacy in 50 patients with EGFRmut NSCLC who had previously received EGFR-TKI therapy but had not undergone chemotherapy. As of the data cut-off date (June 30, 2025), iza-bren monotherapy in this subgroup achieved an ORR of 66.0%, a cORR of 56.0% (including one unconfirmed partial response ("**PR**")), and a DCR of 90.0%. The mDoR was 13.7 months, and the mPFS was 12.5 months. At a median follow-up of 20.5 months, the mOS had not yet been reached. Among these 50 patients, 94.0% experienced tumor shrinkage, with a median reduction of –38.9% (range: -81.3% to -0.7%).

Within this subgroup, similar efficacy was observed across different EGFR mutation subtypes, consistent with the overall population. Specifically, among the 50 patients, 31 had EGFR exon 19 deletion mutations and 17 had EGFR L858R mutations. The exon 19 deletion group achieved a mPFS of 14.1 months and a DCR of 90.3%, while the L858R mutation group had a mPFS of 12.5 months and a DCR of 88.2%.

Safety Data. Iza-bren demonstrated a favorable safety profile. As of the data cut-off date (June 30, 2025), the most common Grade ≥3 adverse events were hematologic toxicities. Only 1.2% of patients discontinued treatment due to TRAEs. Grade ≥3 neutropenia resolved rapidly, with a median duration of 4–6 days, and the incidence of febrile neutropenia was low at 1.8%. No new safety signals were identified.

(iii) Iza-bren as Monotherapy for Patients with Locally Advanced or Metastatic NSCLC with Driver Gene Alterations (GA) Outside of Classic EGFR Mutations

Trial Design. This study includes the expansion cohorts of patients with locally advanced or metastatic NSCLC with presence of driver GA outside of classic EGFR mutations (19del and L858R), each defined by a pre-specified GA, including EGFR exon 20 insertions, non-classical EGFR mutations, mutations in HER2, anaplastic lymphoma kinase ("**ALK**"), ROS1, B-Raf proto-oncogene serine/threonine kinase ("**BRAF**") (V600E and others), KRAS (G12C and others), SMARCA4, MET (Exon 14), RET, and NTRK. They must have a performance status score of 0 or 1 according to the ECOG and at least one measurable lesion per RECIST v1.1. They also must have failed standard treatment and received no more than one prior line of chemotherapy. Iza-bren was administered at a dosage of 2.5 mg/kg, D1D8 Q3W.

A total of 83 patients with non-classical driver GA beyond classic EGFR mutations were enrolled in the study as of the data cut-off date on March 28, 2025. In terms of prior treatment history, 67.5% of patients had received first-line therapy, 18.1% had received second-line therapy, and 14.5% had undergone third-line or later treatments. The proportions of patients previously treated with platinum-based chemotherapy, PD-(L)1 inhibitors, and targeted therapies were 74.7%, 50.6%, and 51.8%, respectively.

Efficacy Data. As of the data cut-off date on March 28, 2025, among 78 evaluable patients with non-classical driver GA in this trial, the ORR was 46.2%, with a cORR of 39.7% and DCR of 85.9%. The mPFS was 7.0 months, while both the median mDoR and mOS had not yet been reached. Notably, among 13 patients with EGFR exon 20 insertions or other uncommon EGFR mutations, the cORR reached 69.2%, DCR was 92.3%, and mPFS was 10.5 months, with mDoR and mOS still pending. Among 17 patients in the HER2-mutant subgroup, the cORR was 52.9%, DCR was 100%, mDoR was 5.7 months, and mPFS was 7.5 months, while mOS had not yet been reached.

Overall, 81.3% of patients in this cohort experienced tumor shrinkage, with a median reduction of 29.2%. Several patients achieved durable responses, with some maintaining tumor remission for up to 18 months.

Safety Data. As of the data cut-off date on March 28, 2025, among 83 enrolled patients in this trial, iza-bren demonstrated a favorable profile. The most common Grade ≥3 TRAEs were hematologic toxicities, which were effectively managed through supportive care or dose adjustments. The treatment discontinuation rate due to TRAEs was low, at only 2.4%.

2. SCLC — Iza-bren as Monotherapy for Patients with Locally Advanced or Metastatic SCLC

Trial Design. Patients with locally advanced or metastatic SCLC who experienced disease progression after prior systemic therapy were enrolled. Eligible patients received iza-bren at doses of 2.0 or 2.5 mg/kg (D1D8 Q3W) or 4.5 or 5.0 mg/kg (D1 Q3W). Tumor assessments were conducted every six weeks. Efficacy analyses were performed in the overall cohort as well as in pre-defined subgroups, with a focus on patients with limited prior therapy exposure.

Efficacy Data. As of the data cut-off date (December 5, 2024), among the 58 evaluable patients, iza-bren achieved an ORR of 55.2% and a confirmed ORR of 44.8%, with a median PFS of 4.0 months and a median OS of 12.0 months.

In the 2.5 mg/kg cohort, which included 52 patients, 20 patients had received only one prior line of platinum-based chemotherapy plus PD-(L)1 inhibitor. In this subgroup, iza-bren achieved an ORR of 80.0% and a confirmed ORR of 75.0%, with a median DoR of 5.6 months, a median PFS of 6.9 months and a median OS of 15.0 months.

Safety Data. As of the data cut-off date (December 5, 2024), iza-bren demonstrated a manageable safety profile in patients with SCLC. The most common hematologic TRAEs of any grade were anemia (84.5%), leukopenia (74.1%), thrombocytopenia (72.4%) and neutropenia (70.7%). The most common non-hematologic TRAEs were asthenia (41.4%), hypoalbuminemia (39.7%), stomatitis (34.5%), nausea (31.0%) and vomiting (31.0%). Grade ≥3 TRAEs were predominantly hematologic in nature and could be managed with supportive measures or dose modifications. The TRAE-related discontinuation rate was 12.1%. Two iza-bren-related fatal events were reported, including one case of respiratory failure and one case of gastrointestinal infection. No ILD events or new safety signals were observed.

Phase II Clinical Trial of Iza-bren in Combination with Osimertinib for Locally Advanced or Metastatic EGFRmut NSCLC (NCT05880706)

This is a Phase II clinical study to evaluate the efficacy and safety of iza-bren in combination with osimertinib mesylate tablets in patients with locally advanced or metastatic EGFRmut NSCLC. The primary endpoints for this trial are RP2D and ORR, and the secondary endpoints are PFS, DCR, DoR and treatment-emergent adverse events ("**TEAEs**"). Exploratory endpoints are PK, Nab, DDI, OS and biomarker.

Trial Design. This study includes treatment-naïve patients with locally advanced or metastatic EGFRmut NSCLC. These patients must have a performance status score of 0 or 1 according to the ECOG and have measurable disease per RECIST v1.1. During the trial, patients were assigned into two cohorts. In one cohort, 41, 40 and 42 patients received iza-bren in combination with osimertinib at 2.2, 2.5, 2.75 mg/kg D1D8 Q3W, respectively. In another cohort, 18 and 13 patients received iza-bren in combination with osimertinib at 4.0, 4.5 mg/kg D1 Q3W. Across both cohorts, osimertinib was administered at 80mg on a QD cycle.

Trial Status. This study was initiated in July 2023 in China and is expected to be completed in 2027 in terms of reaching primary endpoints. As of the data cut-off date on June 30, 2025, a total of 154 patients had been enrolled in this trial.

Efficacy Data. Iza-bren in combination with osimertinib demonstrated an encouraging preliminary antitumor activity. As of the data cut-off date (June 30, 2025), efficacy results from all 154 patients demonstrated that the combination of iza-bren and osimertinib achieved an overall ORR of 84.4%, a cORR of 80.5%, and an mPFS not reached with median follow-up for PFS of 12.7 months. The 12-month PFS rate was 86.5%, and the 12-month OS rate was 95.9%. The following table sets forth the efficacy data of subjects in different cohorts.

		D1D8Q3W			D1Q3W	
	Total	**2.2 mg/kg**	**2.5 mg/kg**	**2.75 mg/kg**	**4.0 mg/kg**	**4.5 mg/kg**
	(N=154)	*(N=41)*	*(N=40)*	*(N=42)*	*(N=18)*	*(N=13)*
BOR, n (%)						
PR	130 (84.4)	32 (78.0)	40 (100)	33 (78.6)	14 (77.8)	11 (84.6)
Confirmed PR	124 (80.5)	30 (73.2)	38 (95.0)	32 (76.2)	14 (77.8)	10 (76.9)
PR pending confirmation[(1)]	5 (3.2)	2 (4.9)	2 (5.0)	0	0	1 (7.7)
SD	19 (12.3)	7 (17.1)	0	7 (16.7)	3 (16.7)	2 (15.4)
PD	0	0	0	0	0	0
NE[(2)]	5 (3.2)	2 (4.9)	0	2 (4.8)	1 (5.6)	0
ORR, % (95%CI)	84.4 (77.7, 89.8)	78.0 (62.4, 89.4)	100 (91.2, 100.0)	78.6 (63.2, 89.7)	77.8 (52.4, 93.6)	84.6 (54.6, 98.1)
cORR, % (95%CI)	80.5 (73.4, 86.5)	73.2 (57.1, 85.8)	95.0 (83.1, 99.4)	76.2 (60.5, 87.9)	77.8 (52.4, 93.6)	76.9 (46.2, 95.0)
Median FU for PFS, mo (95%CI)	12.7 (12.5, 15.0)	15.2 (15.0, 15.2)	12.5 (12.4, 12.5)	15.1 (12.6, 17.9)	15.1 (11.0, 17.9)	13.1 (12.4, 15.2)
12-mo PFS rate, % (95%CI)	86.5 (79.7, 91.2)	86.2 (70.0, 94.0)	92.1 (77.5, 97.4)	81.8 (65.5, 90.9)	80.7 (51.1, 93.4)	92.3 (56.6, 98.9)
Median FU for OS, mo (95%CI)	15.0 (14.2, 15.5)	15.8 (15.4, 17.4)	12.8 (12.5, 13.1)	16.7 (15.3, 18.0)	17.2 (13.2, 17.9)	14.7 (13.1, 15.2)
12-mo OS rate, % (95% CI)	95.9 (91.2, 98.2)	94.9 (81.0, 98.7)	94.8 (80.7, 98.7)	97.6 (84.3, 99.7)	100.0 (100.0, 100.0)	92.3 (56.6, 98.9)

Notes: (1) Refers to patients still on study with tumor assessment of PR and not reach to the next time point of tumor assessment; (2) Including patients without post-baseline tumor assessment.

The D1D8 Q3W cohort achieved an overall ORR of 85.4%, with 95.9% of patients experiencing tumor shrinkage. The median percentage reduction in tumor size was -53.8% (range: -87.4% to -15.6%). Notably, among 40 evaluable patients who received iza-bren at 2.5 mg/kg D1D8 Q3W in combination with osimertinib as a first-line therapy, the combination achieved an ORR of 100%, a cORR of 95% (with two partial responses pending confirmation), and a DCR of 100% as of June 30, 2025. All patients in this cohort experienced tumor shrinkage, with a median reduction of -56.7% (range: -87.4% to -34.4%). At a median follow-up of 12.5 months, the 12-month PFS rate was 92.1% and the 12-month OS rate was 94.8%, while neither DoR nor mPFS had been reached.

Safety Data. As of the data cut-off date (June 30, 2025), iza-bren showed manageable safety profile in the treatment of NSCLC in combination with osimertinib. Most of the common adverse events were hematological toxicities, including anemia, neutropenia, leukopenia, and thrombocytopenia. Other TRAEs included nausea, stomatitis, decreased appetite, vomiting, diarrhea, asthenia, increased AST, increased ALT, hypokalemia, hypoalbuminemia, decreased weight, rash, and alopecia. Among the patients in the study, the incidence of TRAEs leading to treatment discontinuation was low. Two cases of ILD were reported, including one in Grade 2 and one in Grade 3. No new safety signals were identified.

Phase I Global Clinical Trial of Iza-bren as Monotherapy for NSCLC and Other Solid Tumors (NCT05983432)

This is a global, multi-center, Phase I study to evaluate the safety, tolerability, PK, and initial efficacy of iza-bren in participants with metastatic or unresectable NSCLC and other solid tumors. The primary endpoint is safety, and the secondary endpoints include PK, ORR, DCR, DoR, time to response, PFS, and OS.

Trial Design. Eligible subjects in this study must have locally advanced or metastatic NSCLC or other solid tumors, with measurable disease as defined by RECIST v1.1 and an ECOG performance status of 0 or 1. As of July 23, 2025 (the data cut-off date), a total of 107 subjects were enrolled in the dose escalation phase, who were assigned to two cohorts receiving iza-bren under different dosing schedules: Cohort A included 65 subjects, receiving iza-bren at 1.5, 2.0, 2.5, and 3.0 mg/kg D1D8 Q3W, respectively; Cohort B included 42 subjects, receiving iza-bren at 3.0, 4.0, and 4.5 mg/kg D1 Q3W, respectively. In the expansion phase, subjects are dosed at 1.5, 2.0, and 2.5 mg/kg D1D8 Q3W, respectively.

Trial Status. This study was initiated in August 2023 in the U.S. The Phase Ia stage was completed in January 2025 and the Phase Ib stage is currently ongoing. We expect the primary endpoints will be reached in 2026.

Efficacy Data. Iza-bren has demonstrated encouraging efficacy in heavily pre-treated patients in this trial. As of July 23, 2025, in Cohort A consisting of 63 eligible intent-to-treat population receiving iza-bren D1D8 Q3W, ORR was 38.1%, cORR was 34.9%, mPFS was 4.5 months and median follow-up for OS was 8.3 months. An enhanced efficacy profile was observed among the 20 patients treated at 2.5 mg/kg D1D8 Q3W, with an ORR and cORR of 55.0%, mPFS of 5.4 months and median follow-up for OS of 8.5 months. The following table sets forth the efficacy data in the D1D8 Q3W cohort.

D1D8Q3W	Total (N = 63)	1.5 mg/kg (N = 20)	2.0 mg/kg (N = 20)	2.5 mg/kg (N = 20)	3.0 mg/kg (N = 3)
Median (range) LoT	3 (1-10)	3 (1-10)	3 (1-6)	**2 (1-9)**	2 (1-3)
BOR, n					
CR	1	0	1	**0**	0
Confirmed CR	1	0	1	**0**	0
PR	23	4	6	**11**	2
Confirmed PR	21	4	4	**11**	2
SD	15	6	5	**4**	0
PD	15	6	5	**3**	1
NE	9	4	3	**2**	0
ORR, % (95%CI)	38.1 (26.1, 51.2)	20.0 (5.7, 43.7)	35.0 (15.4, 59.2)	**55.0 (31.5, 76.9)**	66.7 (9.4, 99.2)
cORR, % (95%CI)	34.9 (23.3, 48.0)	20.0 (5.7, 43.7)	25.0 (8.7, 49.1)	**55.0 (31.5, 76.9)**	66.7 (9.4, 99.2)
mPFS, mo (95%CI)	4.5 (3.4, 5.6)	3.4 (1.4, 5.4)	6.7 (1.2, 8.1)	**5.4 (3.8, 11.1)**	5.4 (1.4, NR)
Median FU for OS	8.3 (7.2, 9.1)	8.8 (4.3, 11.3)	7.7 (5.4, 9.6)	**8.5 (5.8, 9.3)**	10.2 (NR, NR)

Notably, potent efficacy was observed in the NSCLC subgroup regardless of EGFR mutation status. Among the EGFRmut NSCLC patients, ORR and cORR reached 30.0%, and mPFS was 5.4 months. Among the EGFRwt NSCLC patients, ORR and cORR reached 75.0%, and mPFS has not been reached. The group of patients with NSCLC receiving iza-bren at 2.5 mg/kg D1D8 Q3W, consistent with the overall population in Cohort A, demonstrated improved efficacy. The following tables set forth the efficacy data in patients with EGFRmut NSCLC and EGFRwt NSCLC receiving iza-bren D1D8 Q3W cohort, respectively.

NSCLC EGFRmt D1D8Q3W	Total (N = 22)	1.5 mg/kg (N = 5)	2.0 mg/kg (N = 6)	2.5 mg/kg (N = 10)	3.0 mg/kg (N = 1)
Median (range) LoT	3 (1-9)	2 (1-4)	3 (1-5)	**3 (1-9)**	1 (1-1)
Prior Ami*, n (%)	9 (40.9)	2 (40.0)	3 (50.0)	4 (40.0)	0
Baseline CNS mets, n (%)	5 (22.7)	1 (20.0)	1 (16.7)	3 (30.0)	0
BOR, n (%)					
PR	5	1	0	**3**	1
Confirmed PR	5	1	0	**3**	1
SD	5	1	1	**3**	0
ORR, % (95%CI)	22.7 (7.8, 45.4)	20.0 (0.5, 71.6)	0 (0.0, 45.9)	**30.0 (6.7, 65.2)**	100 (2.5, 100.0)
cORR, % (95%CI)	22.7 (7.8, 45.4)	20.0 (0.5, 71.6)	0 (0.0, 45.9)	**30.0 (6.7, 65.2)**	100 (2.5, 100.0)
mPFS, mo (95%CI)	3.2 (1.2, 8.1)	1.3 (1.2, NR)	1.3 (1.2, NR)	**5.4 (0.5, NR)**	NR (NR, NR)

NSCLC EGFRwt D1D8Q3W	Total (N = 20)	1.5 mg/kg (N = 8)	2.0 mg/kg (N = 8)	2.5 mg/kg (N = 4)
Median (range) LoT	2 (1-9)	3 (1-9)	2 (1-5)	**2 (1-3)**
Squamous, n (%)	6 (30.0)	4 (50.0)	1 (12.5)	**1 (25.0)**
BOR, n (%)				
PR	9	3	3	**3**
Confirmed PR	8	3	2	**3**
SD	5	1	3	**1**
ORR, % (95%CI)	45.0 (23.1, 68.5)	37.5 (8.5, 75.5)	37.5 (8.5, 75.5)	**75.0 (19.4, 99.4)**
cORR, % (95%CI)	40.0 (19.1, 63.9)	37.5 (8.5, 75.5)	25.0 (3.2, 65.1)	**75.0 (19.4, 99.4)**
mPFS, mo (95%CI)	6.9 (2.8, 10.0)	5.4 (1.5, NR)	6.9 (0.4, NR)	**NR (4.5, NR)**

Note: * Patients with prior amivantamab, amivantamab + platinum-based chemotherapy, amivantamab + lazertinib, or amivantamab with any other combinations.

Safety Data. Iza-bren exhibited a manageable safety profile in heavily pre-treated patients across multiple tumor types. As of July 23, 2025, the most frequent Grade ≥3 TRAEs in the iza-bren arm were mainly hematologic and were effectively managed by standard medical measures. No ILD was observed, and no new safety signals were observed.

NPC, ESCC, BC and Beyond

Phase I Clinical Trial of Iza-bren as Monotherapy for Locally Advanced or Metastatic BC and Other Solid Tumors (NCT05470348)

This is an open-label, Phase I clinical trial to evaluate the safety, tolerability, pharmacokinetic characteristics, and initial efficacy in patients with locally advanced or metastatic BC and other solid tumors. The primary endpoints for this trial are DLT, MTD or maximum administered dose ("**MAD**"), and RP2D. The secondary endpoints are TEAEs, PK parameters, ORR, DCR, and DoR. The exploratory endpoints include PFS, OS, biomarker, and NAb.

Trial Design. This study includes patients with locally advanced or metastatic BC and other solid tumors who have a performance status score of 0 or 1 according to the ECOG. These patients must have at least one measurable lesion per RECIST v1.1 and must have been treated with standard therapy. With reference to the dose-escalation study of iza-bren for locally advanced or metastatic solid tumors (NCT05194982), most patients in this study received iza-bren at a dosage of 2.5 mg/kg D1D8 Q3W.

Trial Status. This study was initiated in China in August 2022 and is expected to be completed in 2026 in terms of reaching primary endpoints. As of the data cut-off date (September 30, 2024), a total of 162 patients with BC had been enrolled at 2.5 mg/kg D1D8 Q3W in this trial. The Phase Ia was completed in December 2022. The Phase Ib (dose expansion) stage for TNBC was completed in December 2023 in terms of reaching primary endpoints.

Efficacy Data. We conducted the efficacy analysis in this study based on the intent-to-treat population. We enrolled 162 patients in this study as of the data cut-off date (September 30, 2024), with the median follow-up duration of 11.6 months. One patient with HER2+ BC was excluded from the analysis due to insufficient follow-up data.

As of the data cut-off date (September 30, 2024), 44 response-evaluable patients with TNBC administered with iza-bren achieved an overall ORR and cORR of 34.1%, DCR of 81.8%, mPFS of 5.8 months, and mDoR of 11.5 months; 77 response-evaluable patients with HR+/HER2- BC administered with iza-bren achieved an overall ORR of 46.8%, cORR of 37.7%, DCR of 79.2%, mPFS of 7.0 months, and mDoR of 7.4 months; 40 response-evaluable patients with HER2+ BC administered with iza-bren achieved an overall ORR and cORR of 47.5%, DCR of 80.0%, mPFS of 7.0 months, and mDoR of 7.4 months. Iza-bren showed more encouraging signals of efficacy in TNBC and HR+/HER2- BC patients who had received one or two prior lines of chemotherapy. In 26 TNBC patients with one or two previous lines of chemotherapy, the ORR and cORR were both 50.0%, and mPFS was 6.9 months. In 46 HR+/HER2- BC patients with one or two previous lines of chemotherapy, the ORR was 54.3%, cORR was 45.7%, DCR was 82.6%, and mPFS was 8.3 months.

Safety Data. As of the data cut-off date (September 30, 2024), iza-bren exhibited a manageable safety profile. No ILD was observed in all 162 enrolled patients, and the most common TRAEs were anemia, leukopenia, neutropenia and thrombocytopenia.

Phase I Clinical Trial of Iza-bren as Monotherapy for Locally Advanced or Metastatic GIC and Other Solid Tumors (NCT05262491)

This is an open-label, Phase I study designed to evaluate iza-bren safety, tolerability, pharmacokinetic characteristics, and preliminary efficacy in patients with locally advanced or metastatic GIC and other solid tumors, including ESCC and BTC. The primary endpoints of the study are DLT, MTD, and RP2D, and the secondary endpoints are TEAE, PK parameters, ORR, DCR, and DoR. Exploratory endpoints are PFS, OS, biomarker, and nAb.

Trial Design. This study includes patients with locally advanced or metastatic GIC and other solid tumors who have a performance status score of 0 or 1 according to the ECOG and have measurable disease per RECIST v1.1. These patients must have been previously treated with at least one line of therapy. This trial consists of Phase Ia (dose escalation) and Phase Ib (dose expansion) stages. In the dose-expansion phase, subjects with different tumor types were assigned into three treatment arms based on dosing, all of which were performed on a D1D8 Q3W regimen.

Trial Status. This study was initiated in February 2022 in China and is expected to be completed in 2026 in terms of reaching primary endpoints. The Phase Ia was completed in July 2022. The Phase Ib (dose expansion) stage for ESCC was completed in November 2023 in terms reaching primary endpoints.

For details regarding key clinical trial results for ESCC, see "— Phase III Clinical Trial of Iza-bren as Monotherapy for Recurrent or Metastatic ESCC (NCT06304974)." Below is a summary of key clinical trial results for BTC in the Phase I trial. As of data cut-off date (June 30, 2024), 44 patients with BTC were enrolled. Among these subjects, 31, three and 10 patients received iza-bren at 2.5 mg/kg, 3.0 mg/kg, and 3.5 mg/kg, respectively.

Efficacy Data. As of the data cut-off date (June 30, 2024), there were 36 response-evaluable patients with locally advanced or metastatic BTC administered with iza-bren, with an overall ORR of 38.9%, cORR of 22.2%, DCR of 88.9%, mPFS of 4.2 months, and mDoR of 5.9 months.

Safety Data. As of the data cut-off date (June 30, 2024), iza-bren showed manageable safety profile in the treatment of BTC. The most common TRAEs were hematological toxicities. No cases of ILD were observed, and no new safety signals were identified during the study.

Phase III Clinical Trial of Iza-bren as Monotherapy for Recurrent or Metastatic NPC (NCT06118333)

This is a Phase III, randomized, open-label, multicenter study to evaluate the efficacy and safety of iza-bren in patients with recurrent or metastatic NPC who had failed at least two lines of platinum-based chemotherapy after receiving PD-1/PD-L1 monoclonal antibody as the last line of therapy. This study was conducted at 55 study centers in China. The primary endpoints include ORR by blinded independent central review (BICR) and OS. The secondary endpoints include PFS by BICR and investigator assessment (INV), ORR by INV, DoR, DCR, safety, PK and immunogenicity.

Trial Design. Eligible subjects in this study were required to have histologically or cytologically confirmed recurrent or metastatic NPC with at least one measurable lesion as defined by RECIST v1.1. They must have experienced disease progression after at least two lines of systemic chemotherapy including at least one platinum-based chemotherapy and a PD-(L)1 inhibitor and have an ECOG performance status of 0 or 1. As of March 30, 2025, a total of 386 patients were randomized into two groups, including 191 assigned to the iza-bren arm and 195 assigned to the comparator arm. In the iza-bren arm, patients received iza-bren at 2.5 mg/kg D1D8 Q3W. In the comparator arm, patients were treated with chemotherapy, including capecitabine at 1,000 mg/m^2 twice a day from days 1 to 14 Q3W, gemcitabine at 1,000 mg/m^2 on D1D8 Q3W, and docetaxel at 75 mg/m^2 Q3W.

Trial Status. This study was initiated in December 2023 in China and met the ORR primary endpoint in March 2025. Based on these data, we submitted an NDA for NPC in July 2025. This NDA was accepted for filing and has been formally admitted into the Priority Review Program by the CDE in September 2025. In June 2026, we received the NDA conditional approval from the NMPA. As of the Latest Practicable Date, the follow-up for OS, the other primary endpoint, remained ongoing.

Efficacy Data. Iza-bren achieved a statistically significant and clinically meaningful improvement in ORR as assessed by BICR, compared with chemotherapy, in heavily pretreated patients with recurrent or metastatic NPC. We conducted an interim analysis of this Phase III clinical trial in the first 234 randomized patients who had at least six months of follow-up per protocol as of March 30, 2025, including 119 patients in the iza-bren arm and 115 patients in the chemotherapy arm. In the iza-bren arm, 74.8% of patients (89/119) had tumor shrinkage and the median shrinkage was -45.5% (range: -84.4% to -1.3%), while in the chemotherapy arm, only 58.3% of patients (67/115) had tumor shrinkage and the median shrinkage was -33.6% (range: -75.0% to -1.0%). In the iza-bren arm, the ORR and DCR reached 54.6% and 82.4%, respectively, significantly higher than that of the chemotherapy arm at 27.0% and 69.6%, respectively. The odds ratio of ORR between the iza-bren and chemotherapy arms, with p-value less than 0.0001, indicates that patients in the iza-bren arm were 3.3 times more likely to achieve an objective response compared to those in the chemotherapy arm, a difference that was statistically significant.

Iza-bren also demonstrated a longer mDoR of 8.5 months, compared with 4.8 months observed in the chemotherapy arm. The hazard ratio between these two arms is 0.43, indicating that patients in the treatment arm had a 57% lower risk of disease progression or loss of response compared with those in the control arm. All subgroups demonstrated a consistent ORR benefit with iza-bren, compared to chemotherapy.

In addition, we evaluated the BICR-assessed PFS in the intention-to-treat population, which included all randomized subjects, regardless of whether they completed the treatment or adhered to the study protocol. The mPFS of the iza-bren arm was 8.38 months, significantly longer than 4.34 months in the chemotherapy arm. The hazard ratio between these two arms is 0.44, indicating that patients in the iza-bren arm had a 56% lower risk of disease progression or death compared with those in the chemotherapy arm. Accordingly, iza-bren showed a clinically meaningful improvement in PFS by BICR. The subgroups also consistently showed a benefit with iza-bren over chemotherapy in terms of BICR-assessed PFS.

Safety Data. Iza-bren exhibited manageable safety profile, and no new safety signals were identified. The rate of treatment discontinuation due to TRAEs in the iza-bren arm was low (2.6%), compared to the chemotherapy arm (3.2%). The most frequent Grade ≥3 TRAEs in the iza-bren arm were mainly hematologic and were effectively managed using standard supportive care. The majority of non-hematologic TRAEs were Grade 1 or 2. While two patients (1.1%) in the chemotherapy arm experienced Grade 3 ILD, the two cases (1.1%) of ILD observed in the iza-bren arm were Grade 2.

Phase III Clinical Trial of Iza-bren as Monotherapy for Recurrent or Metastatic ESCC (NCT06304974)

This is a Phase III, multicenter, randomized, open-label study to evaluate the efficacy and safety of iza-bren versus chemotherapy in patients with recurrent or metastatic ESCC who had progressed after first-line treatment with a PD-1/PD-L1 inhibitor plus platinum-based chemotherapy. The dual primary endpoints are PFS by BICR and OS. The secondary endpoints include ORR by BICR, PFS by INV, DCR, DoR, safety, PK and immunogenicity.

Trial Design. Eligible subjects in this study were required to have histologically or cytologically confirmed recurrent or metastatic ESCC with at least one measurable lesion as defined by RECIST v1.1. They must have progressed after first-line treatment with a PD-1/PD-L1 inhibitor

plus platinum-based chemotherapy and have an ECOG performance status of 0 or 1. Patients were stratified by baseline ECOG PS (0 vs. 1) and definitive treatment (surgery or radiotherapy for the primary tumor, yes vs. no). The planned enrollment was 488 subjects. A total of 497 patients were randomized 1:1 to receive either iza-bren at 2.5 mg/kg D1D8 Q3W (N=249) or physician's choice of chemotherapy (N=248), consisting of irinotecan (125 mg/m^2 D1D8 Q3W), paclitaxel (175 mg/m^2 D1 Q3W) or docetaxel (75 mg/m^2 D1 Q3W). Treatment continued until disease progression per RECIST v1.1 or intolerable toxicity.

Trial Status. This study was initiated in March 2024 in China, and the primary endpoints were reached in October 2025. Due to its remarkable efficacy, iza-bren as monotherapy for second-line ESCC was designated as a breakthrough therapy by the CDE in October 2024. We submitted an NDA for iza-bren for the treatment of ESCC in December 2025 and received the approval from the NMPA in July 2026.

Efficacy Data. We conducted a pre-specified interim analysis as of the data cut-off date (October 17, 2025). A total of 493 patients were included in the mITT population, comprising 249 patients treated with iza-bren and 244 patients treated with chemotherapy. The median duration of follow-up for PFS was 5.8 months and the median duration of follow-up for OS was 7.8 months.

The study met both dual primary endpoints of PFS by BICR and OS at the pre-specified interim analysis. Iza-bren demonstrated a statistically significant and clinically meaningful improvement in PFS by BICR compared with chemotherapy. The median PFS was 4.17 months (95% CI: 3.61, 4.53) in the iza-bren arm versus 1.97 months (95% CI: 1.61, 2.73) in the chemotherapy arm (HR=0.50, 95% CI: 0.40–0.63; one-sided P<0.0001). The 6-month PFS rate was 32.7% in the iza-bren arm versus 14.7% in the chemotherapy arm, and the 9-month PFS rate was 13.7% versus 2.6%.

Iza-bren also demonstrated a statistically significant and clinically meaningful improvement in OS compared with chemotherapy. The median OS was 9.79 months (95% CI: 7.89, 11.01) in the iza-bren arm versus 7.20 months (95% CI: 6.18, 8.25) in the chemotherapy arm (HR=0.64, 95% CI: 0.49–0.83; one-sided P=0.0004). The 6-month OS rate was 75.2% in the iza-bren arm versus 58.4%, and the 12-month OS rate was 34.8% versus 22.5%.

The ORR by BICR was 35.3% (95% CI: 29.4, 41.6) in the iza-bren arm versus 13.1% (95% CI: 9.1, 18.0) in the chemotherapy arm. The confirmed ORR by BICR was 27.7% (95% CI: 22.2, 33.7) versus 9.4% (95% CI: 6.1, 13.8), with an odds ratio of 3.6 (95% CI: 2.2, 6.1). In the iza-bren arm, 0.8% of patients achieved a complete response ("**CR**") and 26.9% achieved a confirmed PR. The DCR was 74.3% (95% CI: 68.4, 79.6) versus 45.5% (95% CI: 39.1, 52.0). The median DoR was 5.7 months (95% CI: 4.1, 6.9) in the iza-bren arm versus 5.6 months (95% CI: 4.2, 6.8). In the iza-bren arm, 65.9% of patients (164/249) experienced tumor shrinkage, with a median shrinkage of -31.5% (range: -100.0% to -0.7%).

Consistent PFS benefit was observed across all pre-specified subgroups, including by age, ECOG PS, smoking status, disease staging, number of organ metastases and definitive treatment status. More patients in the chemotherapy arm (53.7%) received at least one subsequent anti-cancer therapy compared with the iza-bren arm (37.3%).

Safety Data. Grade ≥3 TRAEs were reported in 85.1% of patients in the iza-bren arm versus 60.2% in the chemotherapy arm, predominantly hematologic in nature and clinically manageable. The rate of TRAEs leading to treatment discontinuation was low (2.0% vs. 3.3%). TRAEs leading to death occurred in 3 patients (1.2%) in the iza-bren arm and 4 patients (1.6%) in the chemotherapy arm. The rates of all-grade and Grade ≥3 ILD were 1.6% and 0.8%, respectively, in the iza-bren arm. No new safety signals were observed.

Phase III Clinical Trial of Iza-bren as Monotherapy for Unresectable Locally Advanced or Metastatic TNBC (NCT06382142)

This is a Phase III, multicenter, randomized, open-label study to evaluate the efficacy and safety of iza-bren versus physician's choice of chemotherapy in patients with unresectable locally advanced or metastatic TNBC who had progressed after one to two prior lines of systemic therapy for advanced disease, including prior taxanes. The dual primary endpoints are PFS by BICR and OS. The secondary endpoints include ORR by BICR, PFS by INV, DCR, DoR, safety, PK and immunogenicity.

Trial Design. Eligible subjects in this study were required to have histologically or cytologically confirmed unresectable locally advanced or metastatic TNBC with at least one measurable lesion as defined by RECIST v1.1. They must have progressed after one to two prior lines of systemic therapy for advanced disease, including prior taxanes, and have an ECOG performance status of 0 or 1. Patients were stratified by prior anti-PD(L)-1 therapy (yes vs. no), previous lines of chemotherapy (1 line vs. 2 lines), and HER2 expression (immunohistochemistry ("**IHC**") 0 vs. IHC 1+/2+ ISH−). A total of 418 patients were randomized 1:1 to receive either iza-bren at 2.5 mg/kg D1D8 Q3W (N=211) or physician's choice of chemotherapy (N=207), consisting of eribulin (1.4 mg/m^2 D1D8 Q3W), capecitabine (1000–1250 mg/m^2 BID D1–14 Q3W), gemcitabine (1000 mg/m^2 D1D8 Q3W) or vinorelbine (25 mg/m^2 D1D8 Q3W). Treatment continued until disease progression per RECIST v1.1 or intolerable toxicity.

Trial Status. This study was initiated in June 2024, and the primary endpoints were reached in January 2026. We submitted an NDA for iza-bren for the treatment of TNBC to the NMPA in May 2026, which had been accepted for filing as of the Latest Practicable Date.

Efficacy Data. We conducted a pre-specified interim analysis as of the data cut-off date (January 13, 2026). A total of 412 patients were included in the modified intent-to-treat (mITT) population, comprising 207 patients treated with iza-bren and 205 patients treated with chemotherapy. The median duration of follow-up for PFS was 8.5 months and the median duration of follow-up for OS was 11.0 months.

The study met both dual primary endpoints of PFS by BICR and OS at the pre-specified interim analysis. Iza-bren demonstrated a statistically significant and clinically meaningful improvement in PFS by BICR compared with chemotherapy. The median PFS was 8.5 months (95% CI: 6.9, 9.8) in the iza-bren arm versus 3.1 months (95% CI: 2.7, 4.1) in the chemotherapy arm (HR=0.29, 95% CI: 0.22–0.38; one-sided P<0.0001). Iza-bren reduced the risk of disease progression or death by 71%. The 6-month PFS rate was 62.0% (95% CI: 54.3, 68.8) in the iza-bren arm versus 17.6% (95% CI: 12.0, 24.0) in the chemotherapy arm, and the 9-month PFS rate was 47.7% (95% CI: 39.4, 55.6) versus 7.7% (95% CI: 3.8, 13.4).

Iza-bren also demonstrated a statistically significant and clinically meaningful improvement in OS compared with chemotherapy. The median OS was 15.9 months (95% CI: 13.3, NR) in the iza-bren arm versus 12.5 months (95% CI: 11.4, NR) in the chemotherapy arm (HR=0.60, 95% CI: 0.42–0.85; one-sided P=0.0019). Iza-bren reduced the risk of death by 40%. The 9-month OS rate was 79.9% (95% CI: 73.1, 85.2) in the iza-bren arm versus 67.5% (95% CI: 58.7, 74.8), and the 12-month OS rate was 68.7% (95% CI: 61.0, 75.2) versus 53.5% (95% CI: 44.4, 61.7).

The confirmed ORR by BICR was 51.7% (95% CI: 44.7, 58.7) in the iza-bren arm versus 20.5% (95% CI: 15.2, 26.7) in the chemotherapy arm (odds ratio: 4.3, 95% CI: 2.8, 6.7). In the iza-bren arm, 3.9% of patients achieved a complete response and 47.8% achieved a PR. The DCR was 83.1% versus 59.0%. The median DoR was 8.3 months (95% CI: 8.1, 11.0) in the iza-bren arm versus 4.0 months (95% CI: 2.9, 5.2) in the chemotherapy arm. In the iza-bren arm, 77.3% of patients (160/207) experienced tumor shrinkage, with a median shrinkage of -44.6% (range: -100.0% to -2.3%).

Notably, consistent and statistically significant PFS benefit was observed regardless of HER2 expression status. In HER2 IHC 0 patients, the median PFS was 8.3 months with iza-bren versus 2.6 months with chemotherapy (HR=0.28, 95% CI: 0.20–0.41; P<0.0001). In HER2-low patients (IHC 1+ or IHC 2+/ISH−), the median PFS was 9.7 months with iza-bren versus 4.1 months with chemotherapy (HR=0.32, 95% CI: 0.22–0.46; P<0.0001). Consistent PFS benefit was observed across all pre-specified subgroups, including by prior anti-PD(L)-1 therapy, number of previous chemotherapy lines, baseline liver metastasis status, ECOG performance status, and prior (neo)adjuvant chemotherapy.

More patients in the chemotherapy arm (63.4%) received at least one subsequent anti-cancer therapy compared with the iza-bren arm (38.6%). In the chemotherapy arm, 42.0% of patients received a subsequent ADC. Iza-bren demonstrated a statistically significant improvement in OS despite more patients receiving subsequent therapies, including ADCs, in the chemotherapy arm.

Safety Data. Grade ≥3 TEAEs were reported in 88.9% of patients in the iza-bren arm versus 62.9% in the chemotherapy arm, predominantly hematologic in nature and effectively managed by standard supportive care. The rate of TEAEs leading to treatment discontinuation was low (1.9% vs. 0.5%). TEAEs leading to death occurred in 6 patients (2.9%) in the iza-bren arm and 2 patients (1.0%) in the chemotherapy arm. Per independent ILD adjudication committee, one (0.5%) case of Grade 2 ILD occurred in the iza-bren arm. No new safety signals were observed.

Phase II Clinical Trial of Iza-bren as Monotherapy for Locally Advanced or Metastatic UC (NCT05785039)

This is a Phase II clinical study to evaluate the safety, tolerability, PK and efficacy of iza-bren for injection in patients with multiple solid tumors such as locally advanced or metastatic UC. The primary endpoint for this trial is ORR by investigator's assessment, and the secondary endpoints are DCR, PFS, DoR and safety.

Trial Design. This study includes patients with locally advanced or metastatic UC who have a performance status score of 0 or 1 according to the ECOG and have measurable disease per RECIST v1.1. These patients must have failed standard therapy or have no feasible treatment available. During the trial, patients were assigned into three treatment arms based on dosing, all of which were performed on a 21-day cycle. As of the data cut-off date (June 30, 2024), 34 patients received iza-bren at 2.2 mg/kg D1D8 Q3W, four patients received iza-bren at 2.5 mg/kg D1D8 Q3W, and three were treated with iza-bren at 2.75 mg/kg D1D8 Q3W. Treatment continued until disease progression or the development of intolerable toxicity.

Trial Status. This study was initiated in April 2023 in China and is expected to be completed in 2026 in terms of reaching primary endpoints. As of June 30, 2024, a total of 41 patients had been enrolled in this trial. In light of the promising outcomes, we initiated a Phase III registrational trial for recurrent or metastatic UC (NCT06857175) in March 2025.

Efficacy Data. As of the data cut-off date (June 30, 2024), there were 27 response-evaluable patients with locally advanced or metastatic UC administered with iza-bren at 2.2 mg/kg dose level D1D8 Q3W. Findings showed that these 27 patients with a median of two prior treatment lines achieved the ORR of 40.7%, cORR of 33.3%, DCR of 96.3% and the 6-month DoR of 100%. The mDoR and mPFS have not been reached as of the data cut-off date.

The preliminary efficacy of iza-bren is particularly pronounced in patients with previously treated UC, with notable results observed in second-line treatment. 12 of the total evaluable patients have received one prior line of chemotherapy via platinum-based therapy or an ADC, showing an ORR of 75%, cORR of 75.0%, DCR of 100%, and 6-month DoR rate of 100%, after administered with iza-bren as of the data cut-off date. The mDoR and mPFS had not been reached as of the data cut-off date.

Safety Data. As of the data cut-off date (June 30, 2024), iza-bren showed favorable safety profile at 2.2 mg/kg D1D8 Q3W in the treatment of UC. The most common TRAEs were hematological toxicities, which were manageable, and the non-hematological toxicities were mostly Grade 1 or 2. No drug-related death was observed. The incidence and severity of toxicities related to EGFR and HER3 targeting were relatively low. No cases of ILD were observed, and no new safety signals were identified during the study.

Phase Ib/II and Phase II Clinical Trials of Iza-bren as Monotherapy for OC (NCT05803018, NCT05990803)

We evaluate the safety, efficacy, and PK profile of iza-bren as monotherapy in patients with recurrent or metastatic gynecologic cancers and other solid tumors in one Phase Ib/II study (NCT05803018) and one Phase II study (NCT05990803). In the Phase Ib study, the primary endpoint is RP2D, and the secondary endpoints include TEAE, ORR, DCR, DoR, PK and immunogenicity. In the Phase II study, the primary endpoint is ORR while the secondary endpoints include PFS, DCR, DoR, TEAE, PK and immunogenicity.

Trial Design. Eligible subjects in these studies must have recurrent or metastatic gynecological cancers confirmed by histopathology and/or cytology, with measurable disease as defined by RECIST v1.1 and an ECOG performance status of 0 or 1. They must have failed to standard therapy or without feasible standard treatment. All enrolled subjects were dosed on a D1D8 Q3W schedule, while divided into three cohorts receiving 2.0, 2.3, and 2.5 mg/kg iza-bren, respectively. As of July 31, 2025 (the data cut-off date), 96 patients with OC who have progressed on at least one line of platinum-based chemotherapy were enrolled and treated with iza-bren at 2.0 (N=10), 2.3 (N=60), 2.5 (N=26) mg/kg D1D8 Q3W.

Trial Status. The two clinical trials were initiated in June 2023 (NCT05803018) and November 2023 (NCT05990803) in China, respectively, and both are expected to be completed in 2026 in terms of reaching primary endpoints.

Efficacy Data. As of July 31, 2025, 81.3% of the total patients (78/96) had tumor shrinkage and the median shrinkage was -42.9% (range: -91.3% to -0.1%). In all population (N=96), ORR was 53.1%, cORR was 46.9%, mDoR was 8.5 months, mPFS was 7.0 months, median follow up for OS was 12.5 months, and mOS had not been reached.

As of July 31, 2025, data from the 2.3 mg/kg D1D8 Q3W cohort exhibited more compelling efficacy, with the cORR of 55.0%, mDoR of 8.5 months, and mPFS of 8.3 months. In this 2.3 mg/kg D1D8 Q3W cohort, a total of 49 patients (81.7%) had platinum-resistant OC, where the cORR was 49.0%, mDoR was 8.2 months, and mPFS was 7.0 months. In the remaining 11 patients with platinum sensitive OC, cORR was 81.8%, mDoR has not been reached, and mPFS was 14.0 months.

Safety Data. Iza-bren demonstrated a manageable safety profile in patients with OC who have progressed on at least one line of platinum-based chemotherapy. As of July 31, 2025, TRAEs occurred in all patients, and Grade ≥3 TRAEs occurred in 87.5% of patients. Most common Grade 3 and above AEs were hematologic toxicities, which were effectively managed with standard supportive care.

Clinical Development Plan

Our iza-bren is the world's first EGFR × HER3 bispecific ADC approved for commercialization. We are advancing the clinical development of iza-bren with the aim of making it a backbone treatment for a broad range of solid tumors. Our development strategy focuses on four key priorities outlined below:

- *Demonstrating pan-tumor efficacy*: We are evaluating iza-bren across more than 10 epithelial cancers where it has shown promising efficacy and manageable safety, with the goal of demonstrating broad applicability across multiple solid tumor indications.

- *Targeting large-market opportunities while leveraging near-term commercial and registrational milestones:* We focus our long-term development on major cancer types with immense market potential, such as NSCLC and BC. Concurrently, we are leveraging our advanced regulatory progress in early-to-market indications: we received NDA approvals for NPC and ESCC in June and July 2026, respectively, and our NDA submission for TNBC had been accepted by the NMPA as of the Latest Practicable Date. This dual-track strategy allows us to achieve rapid commercialization while establishing a robust foundation for broader market expansion.

- *Evaluating across modalities and treatment lines*: We are developing iza-bren as both monotherapy and in combination with immuno-oncology therapies, targeted therapies and chemotherapy. In 1L settings, we plan to evaluate iza-bren with PD-(L)1 therapies to potentially replace chemotherapy in indications where PD-(L)1-based combinations are standard of care, and with TKIs to potentially establish new standards in TKI-treated indications. We are also continuing development in late-line settings and advancing into neoadjuvant and adjuvant therapies.

- *Conducting global clinical trials to reach the worldwide market*: Under our global license and collaboration agreement with BMS, SystImmune and BMS have initiated, and plan to continue launching late-stage global studies of iza-bren globally across multiple solid tumors.

As of the Latest Practicable Date, we were conducting over 45 clinical trials for iza-bren in China and overseas. These include (i) 14 Phase III clinical trials of various cancers in China, including NSCLC, SCLC, BC, ESCC, NPC, UC and OC three of which had supported key regulatory milestones comprising conditional approval for NPC, approval for ESCC and acceptance for filing of the NDA for TNBC; (ii) three global pivotal Phase II/III registrational trials for TNBC, NSCLC and UC; (iii) two additional Phase II/III registrational trials in China; (iv) 21 Phase II trials; and (v) six Phase Ib or Phase I/II trials. In addition, a global Phase III clinical trial for EGFRmut NSCLC is expected to be initiated in September 2026.

Material Communications with Competent Authorities

China

Monotherapy. We received the IND approval from the NMPA in October 2021 for the initiation of iza-bren's first-in-human clinical trial in patients with locally advanced or metastatic solid tumors in China as monotherapy. Under the IND approval, we were permitted to conduct clinical evaluation of iza-bren across multiple types of solid tumors as monotherapy, while further advancement into Phase III or potentially registrational trials in China required subsequent formal communications with the CDE. We have subsequently initiated over 20 clinical trials to explore iza-bren's potential as monotherapy across a broad range of solid tumor indications, including NSCLC, SCLC, BC, GIC, NPC, UC, OC, HNSCC and gynecological malignancies, among others. As of the Latest Practicable Date, we received NDA approvals for NPC and ESCC, and our NDA submission for TNBC had been accepted by the NMPA.

- *NPC.* The NPC cohort of our Phase I trial in patients with locally advanced or metastatic solid tumors (NCT05194982) generated the foundational data supporting our clinical trials for NPC. We initiated this Phase I trial in November 2021. The Phase Ia (dose escalation) part was completed in September 2022, and the Phase Ib (dose expansion) stage for NPC cohort was completed in July 2023 in terms of reaching primary endpoints. Based on promising Phase I data from the NPC cohort as of July 2023, we

submitted a pre-Phase III communication request to the CDE in July 2023 to discuss the proposed Phase III trial design. The CDE agreed to our proposed pivotal trial design in October 2023, expressing no major concerns regarding the preliminary Phase I results or the proposed Phase III protocol.

We subsequently initiated our Phase III registrational trial for treating NPC in December 2023. In recognition of its outstanding efficacy, iza-bren monotherapy for the treatment of recurrent or metastatic NPC was granted breakthrough therapy designation by the CDE in April 2024. The ORR primary endpoint of the Phase III trial was achieved in March 2025. Based on these data, we submitted a pre-NDA communication request to the CDE in June 2025, and upon receiving confirmation, submitted our NDA application for NPC in July 2025. This NDA was formally included in the Priority Review Program by the CDE in September 2025. In June 2026, we obtained the NDA conditional approval. As of the Latest Practicable Date, the follow-up for OS, the other primary endpoint, remained ongoing.

- *ESCC.* The ESCC cohort of our Phase I trial in patients with locally advanced or metastatic gastrointestinal tumor and other solid tumors (NCT05262491) generated the foundational data supporting our clinical trials for ESCC. We initiated this Phase I trial in February 2022. The Phase Ia (dose escalation) stage was completed in July 2022, and the Phase Ib (dose expansion) stage for ESCC was completed in November 2023, in terms of reaching primary endpoints. Based on the ESCC cohort data from the Phase I trial as of November 2023, we submitted a pre-Phase III communication request to the CDE in December 2023. The CDE agreed to our proposed pivotal Phase III trial design in March 2024, expressing no major concerns regarding the preliminary Phase I results or the proposed Phase III protocol.

  We initiated this Phase III trial in March 2024. Iza-bren monotherapy for the second-line treatment of ESCC was granted breakthrough therapy designation by the CDE in October 2024. The dual primary endpoints (PFS and OS) of this Phase III trial were reached in October 2025. We submitted a pre-NDA communication request to the CDE in December 2025, and upon receiving confirmation, submitted our NDA application for ESCC in the same month. In July 2026, we received the NDA approval from the NMPA.

- *TNBC.* The TNBC cohort of our Phase I trial in patients with unresectable locally advanced or metastatic BC and other solid tumors (NCT05470348) generated the foundational data supporting our clinical trials for TNBC. We initiated this Phase I trial in August 2022. The Phase Ia (dose escalation) stage was completed in December 2022, and the Phase Ib (dose expansion) stage for TNBC was completed in December 2023 in terms of reaching primary endpoints. Based on the TNBC cohort data from the Phase I trial as of December 2023, we submitted a pre-Phase III communication request to the CDE in January 2024. In April 2024, the CDE expressed no major concerns on the preliminary results of TNBC cohort and no objection to our commencement of the Phase III trial. We subsequently initiated this Phase III registrational trial in June 2024, and the dual primary endpoints (PFS and OS) were reached in January 2026. We submitted a pre-NDA communication request to the CDE in March 2026, and upon receiving confirmation, submitted our NDA for TNBC in May 2026. As of the Latest Practicable Date, the NDA had been accepted for filing by the NMPA.

Combination therapies. Following the initial IND approval for iza-bren monotherapy in October 2021, we submitted and obtained separate IND approvals from the NMPA for multiple combination therapy regimens to support the expansion of iza-bren's clinical development program in combination settings. In March 2023, we received IND approvals for iza-bren in combination with SI-B003, our anti-PD-1/cytotoxic T lymphocyte-associated antigen-4 ("**CTLA-4**") bispecific antibody, across multiple tumor types including NSCLC, NPC, SCLC, HNSCC, BC, UC, gynecological cancers and GIC. In April 2023, we received IND approvals for iza-bren in

combination with osimertinib in NSCLC. In April 2024, we received IND approvals for iza-bren in combination with PD-(L)1 monoclonal antibodies in NSCLC, NPC, SCLC, HNSCC, TNBC, GIC and UC, and in April 2025, further IND approvals for the same combination across cervical/endometrial cancer, HCC, RCC and BTC. In 2025 and 2026, we received further IND approvals for iza-bren in combination with TKI-based regimens for cervical/endometrial cancer, HCC, RCC and BTC, as well as for iza-bren in combination with abiraterone and/or olaparib for CRPC. These IND approvals have established the regulatory foundation for iza-bren's extensive Phase II combination therapy program, which is evaluating iza-bren in combination with ICIs, TKIs and other targeted agents across more than 10 solid tumor indications in both first-line and later-line settings.

Pre-Phase III communications. As of the Latest Practicable Date, iza-bren was being evaluated in 14 Phase III trials in China, encompassing both monotherapy and combination therapy across multiple indications, including NSCLC, SCLC, HR+/HER2- BC, TNBC, ESCC, BTC, UC and OC, as well as maintenance therapy setting. We also initiated two Phase II/III registrational trials evaluating iza-bren as perioperative therapy for EGFR-mutant NSCLC and in combination with a PD-1 inhibitor as first-line treatment for ESCC. All of these trials were initiated following formal communications with the CDE and their designs reflected feedback received from the CDE, in accordance with applicable regulatory requirements. The CDE did not raise any major concerns or objections to the proposed trial designs for any of these registrational or potentially registrational programs.

We did not receive any major concerns or objections from the above-mentioned regulatory authorities with respect to the clinical development plans for iza-bren.

The U.S.

SystImmune received the IND approval from the FDA in June 2023 for the initiation of iza-bren's first-in-human clinical trials in patients with metastatic or unresectable NSCLC and other solid tumors in the U.S. as monotherapy. We initiated the Phase I trial in August 2023. Following the execution of our agreement with BMS in December 2023, the FDA approved the INDs held by BMS for four trials between September 2024 and July 2025. These include one Phase I/IIa trial evaluating iza-bren combinations in advanced solid tumors (NCT06618287) and three Phase II/III trials across EGFR-mutant NSCLC (NCT07100080), TNBC and ER-low/HER2-negative BC (NCT06926868), and UC (NCT07106762). As of the Latest Practicable Date, all the trials were ongoing. In addition, following communications with the FDA, a protocol for a proposed global Phase III trial evaluating iza-bren in combination with osimertinib as first-line treatment for EGFR-mutant NSCLC was submitted to the FDA in June 2026. As of the Latest Practicable Date, the FDA did not raise major concerns or objections regarding the proposed design of this Phase III trial. The trial is expected to be initiated in September 2026. BMS and SystImmune will continue to maintain close communications with competent authorities at key milestones of iza-bren's clinical development.

License and Collaboration Agreement with Bristol-Myers Squibb Company

For details, see "— License and Collaboration Agreement with Bristol-Myers Squibb Company."

IZA-BREN MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

T-Bren (HER2 ADC), Our Core Product

Overview

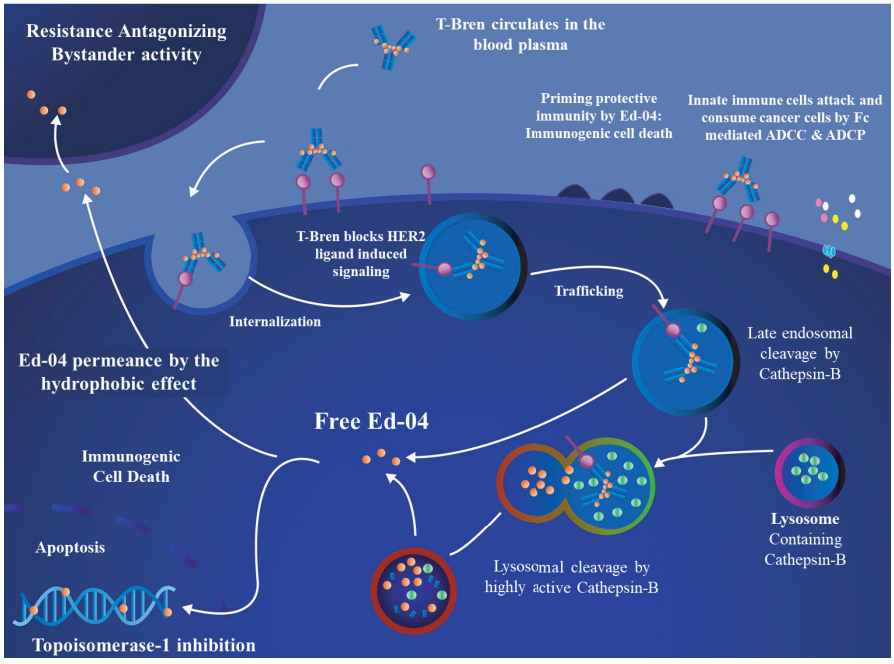
T-Bren is an innovative HER2-specific ADC with best-in-class potential. As a next-generation candidate in the HER2 ADC industry, T-Bren has validated its broad development potential in multiple HER2-expressing solid tumors, including NSCLC, BC, UC, GIC, gynecological cancers and digestive tract tumors. It is currently being evaluated as a single agent and in combination settings in 18 clinical trials in China and overseas, including eight Phase III and one Phase II/III registrational trials. It is the second Core Product generated from our HIRE-ADC platform to enter Phase III clinical development, demonstrating the repeatable productivity of our mature ADC discovery and development engine beyond iza-bren.

Mechanism of Action

HER2 is a transmembrane receptor tyrosine kinase belonging to the ErbB family, which also includes HER1 (EGFR), HER3, and human epidermal growth factor receptor 4 ("**HER4**"). Unlike the other family members, HER2 does not bind EGF-like ligands directly; instead, it activates downstream signaling by forming heterodimers with other ErbB receptors, regulating cell proliferation and survival. HER2 is overexpressed in various cancers, including BC, GC, lung cancer, and OC. Studies indicate that approximately 15-30% of BC patients exhibit HER2 gene amplification and overexpression.

T-Bren is engineered by conjugating a humanized HER2 antibody, trastuzumab, to our novel Topo1 inhibitor Ed-04 via a cleavable linker at a DAR of 8. Upon binding to HER2 on tumor cells, T-Bren is internalized and releases Ed-04 in the lysosomes, inducing cell death. In addition, the antibody component inhibits HER2 downstream signaling, while the Fc portion mediates antibody-dependent cell-mediated cytotoxicity ("**ADCC**"), together enhancing anti-tumor activity.

Mechanism of Action of T-Bren



Competitive Advantages

Novel ADC design with best-in-class potential. T-Bren incorporates our proprietary Topo1 inhibitor Ed-04 and a cleavable, highly stable linker designed to improve hydrophilicity and reduce aggregation, supporting potent antitumor activity with a manageable safety profile.

Superior preclinical efficacy versus marketed HER2 ADCs. In CDX tumor models, T-Bren demonstrated enhanced tumor suppression compared with certain marketed HER2 ADCs. Specifically, T-Bren showed superior anti-tumor activity versus both T-DM1 and Enhertu in a HER2+ BC model, exhibited greater efficacy than Enhertu in two HER2-low cancer models insensitive to T-DM1, and induced potent bystander effects in a mixed HER2+/HER2-low model with tumor inhibition superior to T-DM1 and comparable to Enhertu.

Encouraging clinical activity across HER2-expressing cancers. Building on the promising preclinical findings, T-Bren has demonstrated encouraging clinical activity and manageable safety in our clinical trials. Based on interim data as of July 31, 2025, T-Bren achieved an ORR of 86.7%, cORR of 82.2%, DCR of 97.8%, mPFS of 18.0 months, and mDoR of 19.4 months in 45 patients with HER2+ BC, with 12-month and 18-month OS rates of 93.1% and 85.5%, respectively. T-Bren also showed promising results in 60 patients with HR+/HER2- BC (ORR and cORR of 70.0%, DCR of 95.0%) and TNBC (ORR and cORR of 55.6%, DCR of 77.8%). Beyond BC, T-Bren achieved an ORR of 55.3% and cORR of 47.4% in 76 evaluable patients with previously treated HER2+ or HER2-low advanced GC/GEJ cancer. In a pooled analysis of two Phase II studies in HER2-expressing OC, T-Bren achieved a cORR of 52.5% and a nine-month PFS rate of 54.7%. These results highlight T-Bren's encouraging performance in heavily pretreated HER2-expressing cancers with manageable safety and tolerability.

Market Opportunity and Competition

For the market information of major proposed indications covered by T-Bren, see "Industry Overview — The Oncology Drug Market — Breast Cancer." As of the Latest Practicable Date, eight ADCs were approved for BC, among which five were HER2 ADCs. As of the same date, 17 ADC candidates were in Phase III or beyond clinical development for BC, among which 10 were HER2 ADC candidates.

Summary of Clinical Trial Data

The table below summarizes the trials for T-Bren in China:

Indication	Type of Therapy	Trial phase	Trial start date	(Expected) trial end year[(1)]
BC				
Locally advanced or metastatic HER2+ BC (NCT06316531)	Mono	Phase III	May 2024	(2026)
HER2-low recurrent/metastatic BC (NCT06957886)	Mono	Phase III	May 2025	(2027)
HER2+ BC (adjuvant) (NCT06830889)	Mono	Phase III	June 2025	(2031)
HER2+ recurrent or metastatic BC (first-line treatment) (NCT07518173)	Combo with pertuzumab	Phase III	April 2026	(2029)
HER2+ BC (neoadjuvant) (NCT06891833)	Combo with pertuzumab with or without taxane	Phase II/III	June 2025	(2028)

Indication	Type of Therapy	Trial phase	Trial start date	(Expected) trial end year[(1)]
Unresectable locally advanced or metastatic HER2+ BC (NCT06445400)	**Combo with pertuzumab; combo with pertuzumab and docetaxel**	**Phase II**	**June 2024**	**July 2025[(2)]**
Locally advanced or metastatic HER2+/HER2-low BC and other solid tumors (NCT05461768)	**Mono**	**Phase I**	**August 2022**	**(2026)[(3)]**
Other Solid Tumors				
HER2+ GC/GEJ cancer (NCT07152405)	Mono	Phase III	September 2025	(2027)
HER2mut NSCLC (NCT07178795)	Mono	Phase III	September 2025	(2027)
HER2-expressing locally advanced or metastatic BTC (NCT07606599)	Mono	Phase III	July 2026	(2028)
HER2-expressing platinum-resistant recurrent epithelial OC, fallopian tube cancer and primary peritoneal cancer (NCT07545460)	Mono	Phase III	2026Q3	(2028)
Locally advanced or metastatic HER2+ GC/GEJ cancer (NCT06423885)	Combo with PD-1 monoclonal antibody; combo with PD-1 monoclonal antibody and capecitabine	Phase II	December 2024	(2026)
Locally advanced or metastatic HER2-overexpressing non-squamous NSCLC (NCT07264816)	Combo with pembrolizumab	Phase II	February 2026	(2027)
Locally advanced or metastatic HER2-expressing urinary and GICs (NCT06031584)	**Mono**	**Phase Ib/II**	**January 2024**	**(2026)**
HER2-expressing gynecologic malignancies (NCT06131450)	Mono	Phase Ib/II	February 2024	(2026)
Locally advanced or metastatic HER2mut NSCLC (NCT06114511)	Mono	Phase Ib/II	April 2024	(2026)
Locally advanced or metastatic digestive tract tumors and other solid tumors (NCT05631964)	**Mono**	**Phase I**	**January 2023**	**(2026)**

Notes: (1) denotes estimated primary completion year; (2) primary endpoints of this trial were reached in July 2025; (3) primary endpoints of HER2+ BC and HER2-low BC cohorts were reached in December 2023 and November 2024, respectively.

The table below summarizes the trials for T-Bren outside China:

Indication	Type of Therapy	Trial phase	Trial start date	(Expected) trial end year[(1)]
HER2-expressing solid tumors (NCT06293898)	Mono	Phase I	February 2024	(2028)

Note: (1) denotes estimated primary completion year.

Key clinical trial results are summarized as below. The relevant trials are marked in bold in the table above. These selected trials established the preliminary clinical efficacy and safety of T-Bren for the relevant indications.

The First-in-Human Phase I Trial and Trial on BC

Phase I Clinical Trial of T-Bren as Monotherapy for Locally Advanced or Metastatic BC and Other Solid Tumors (NCT05461768)

This open-label and single-arm Phase I study is designed to evaluate T-Bren safety, tolerability, pharmacokinetic characteristics, and initial efficacy in patients with locally advanced or metastatic BC and other solid tumors. The primary endpoints are DLT, MTD and RP2D, and the secondary endpoints are TEAE, PK parameters, ORR, DCR, OS, PFS, and DoR. The exploratory endpoints are biomarker assessment and neutralizing antibodies.

Trial Design. This study includes patients with locally advanced or metastatic HER2-positive/low-expressing BC and other solid tumors who have a performance status score of 0 or 1 according to the ECOG, and have at least one measurable lesion per RECIST v1.1. These patients must have been previously treated with at least one line of therapy, have adequate organ and marrow function, and have either no brain metastases or stable brain metastases at screening. This Phase I consists of Phase Ia (dose escalation) and Phase Ib (dose expansion) stages. During dose-escalation stage, subjects received T-Bren in two different schedules, either D1 Q3W across nine dosage levels of 2.6 mg/kg, 3.2 mg/kg, 3.8 mg/kg, 4.4 mg/kg, 5.0 mg/kg, 5.6 mg/kg, 6.2 mg/kg, 6.8 mg/kg and 7.4 mg/kg, or a fixed dosage of 1.0 mg/kg D1D8 Q3W. In the dose-expansion phase, subjects were treated at doses of 3.8 mg/kg, 4.4 mg/kg and 5.0 mg/kg D1 Q3W.

Trial Status. This study was initiated in August 2022 in China and is expected to be completed in 2026 in terms of reaching primary endpoints. In November 2023, the Phase Ia (dose escalation) was completed. The Phase Ib (dose expansion) parts for HER2+ BC and HER2-low BC reached primary endpoints in December 2023 and November 2024, respectively.

The Phase Ib (dose expansion) part for GC/GEJ cohort reached primary endpoints in March 2025. For details regarding key clinical trial results for GC/GEJ, see "— Phase I and II Clinical Trials of T-Bren as Monotherapy for Previously Treated HER2+ Advanced GC or Gastroesophageal Junction Adenocarcinoma (GEJ)." Below is a summary of key clinical trial results for BC in the Phase I trial. As of July 31, 2025, a total of 199 BC patients had been treated with at least one dose of T-Bren.

Efficacy Data. As of the data cut-off date (July 31, 2025), there were 137 patients with locally advanced or metastatic HER2-expressing BC administered with T-Bren at 4.4 mg/kg dose level D1 Q3W. Among these patients, the ORR was 72.8%, cORR was 71.3%, mDoR was 13.9 months, and mPFS was 14.1 months. T-Bren also demonstrated promising efficacy across various BC subtypes, especially in the HER2+ BC subgroup, at the 4.4 mg/kg D1 Q3W dose level: In 45 patients with HER2+ BC, the ORR was 86.7%, cORR was 82.2%, DCR was 97.8%, mDoR was 19.4 months,

mPFS was 18.0 months, and the 12 and 18-month OS rate was 93.1% and 85.5%, respectively. In 60 patients with HR+/HER 2- BC, the ORR was 70.0%, cORR was 70.0%, DCR was 95.0%, mDoR was 13.7 months, mPFS was 15.2 months, and the 12 and 18-month OS rate was 85.9% and 72.6%, respectively. In 27 patients with TNBC, the ORR was 55.6%, cORR was 55.6%, DCR was 77.8%, mDoR was 5.8 months, mPFS was 7.2 months, and the 12 and 18-month OS rate was 83.9% and 75.5%, respectively.

Safety Data. As of the data cut-off date (July 31, 2025), the observed toxicities were predominantly hematologic. The most common Grade 3 TRAEs were hematologic toxicities, including anemia (50.8%), leukopenia (39.7%), neutropenia (49.2%), and thrombocytopenia (35.2%). Six ILD cases (3%) were reported, including four at Grade 1 to 2, and two at Grade 3. The MTD was 5.6 mg/kg D1 Q3W, and the RP2D for BC was set to be 4.4 mg/kg D1 Q3W.

Phase II Clinical Trial of T-Bren in Combination with Pertuzumab for Unresectable Locally Advanced or Metastatic HER2+ BC (NCT06445400)

This is a Phase II clinical study designed to evaluate the efficacy, safety and tolerability of T-Bren as monotherapy and in combination with pertuzumab in treatment-naïve patients with unresectable locally advanced or metastatic HER2+ BC. The primary endpoints of this trial are ORR, combination RP2D and combination regimen. The secondary endpoints include PFS, DCR, DoR and TEAEs. The exploratory endpoints include PK, immunogenicity and OS.

Trial Design. Eligible patients in this study must have histologically or cytologically confirmed unresectable locally advanced or metastatic HER2+ BC, defined as IHC 3+ or IHC 2+/ISH+, at least one measurable lesion per RECIST v1.1, and an ECOG performance status of 0 or 1. Eligible patients must be treatment-naïve in the unresectable locally advanced or metastatic setting and must have either no brain metastases or stable brain metastases at screening. The study includes two cohorts. In Cohort A, patients receive T-Bren monotherapy at 4.4 mg/kg on D1 Q3W. In Cohort B, patients receive T-Bren at 4.4 mg/kg on D1 Q3W in combination with pertuzumab, with pertuzumab administered at an initial dose of 840 mg followed by 420 mg on D1 Q3W.

Trial Status. This study was initiated in China in June 2024, and the primary endpoints were reached in July 2025. Based on the data from this Phase II trial, we initiated the Phase III registrational trial of T-Bren in combination with pertuzumab as first-line treatment for HER2+ BC (NCT07518173) in April 2026 and is currently ongoing.

Efficacy Data. As of the data cut-off date (March 1, 2026), all 83 enrolled patients were included in the efficacy analysis, with a median follow-up of 13.1 months. In the overall population, T-Bren as monotherapy or in combination with pertuzumab achieved an ORR of 90.4%, a cORR of 88.0% and a DCR of 98.8%. Median DoR and median PFS had not been reached, and the 12-month PFS rate and 12-month OS rate were 87.8% and 97.5%, respectively. In Cohort A, T-Bren monotherapy achieved an ORR of 93.0%, a cORR of 88.4% and a DCR of 100.0%, with a 12-month PFS rate of 83.8% and a 12-month OS rate of 100.0%. In Cohort B, T-Bren in combination with pertuzumab achieved an ORR and cORR of 87.5%, a DCR of 97.5%, a 12-month PFS rate of 90.8% and a 12-month OS rate of 95.0%.

Safety Data. T-Bren as monotherapy or in combination with pertuzumab demonstrated a manageable safety profile in treatment-naïve patients with HER2-positive unresectable locally advanced or metastatic BC. Grade ≥3 TRAEs were effectively managed through standard supportive care. The TRAE-related treatment discontinuation rate was 4.8%, and the dose reduction rate was 50.6%. No treatment-related death or ILD event was reported.

GC/GEJ

Phase I and II Clinical Trials of T-Bren as Monotherapy for Previously Treated HER2+ Advanced GC or GEJ

These open-label, multicenter Phase I and II studies comprised three studies (NCT05461768, NCT05631964, NCT06031584), which enrolled patients with previously treated HER2+ or HER2-low advanced GC/GEJ cancer. All enrolled patients received T-Bren at doses ranging from 2.6 mg/kg to 7.4 mg/kg Q3W. For studies NCT05461768 and NCT05631964, the primary endpoints were DLT, MTD, and RP2D, and the secondary endpoints included safety, ORR, DCR, DoR, PK, PFS, OS, and immunogenicity. For study NCT06031584, the primary endpoints were RP2D and ORR, while the secondary endpoints included safety, DCR, DoR, PFS, PK profile, and immunogenicity.

Trial Design. These studies enroll patients with inoperable, locally advanced or metastatic HER2+ or HER2-low GC/GEJ cancer and other GI tumors. Eligible patients had ECOG performance status 0–1, at least one measurable lesion per RECIST v1.1, adequate organ and marrow function, and had failed, had no access to, or were not suitable for standard therapy. During dose escalation, patients received T-Bren intravenously at doses ranging from 2.6 to 7.4 mg/kg Q3W. In the dose-expansion phase, patients were treated at 3.8, 4.4, 5.0, and 5.6 mg/kg Q3W.

Trial Status. The three studies were initiated in August 2022 (NCT05461768), January 2023 (NCT05631964) and January 2024 (NCT06031584), respectively. Their primary endpoints are expected to be reached in 2026. Based on the data from these three trials, we initiated a Phase III trial (NCT07152405) evaluating T-Bren monotherapy for HER2+ locally advanced or metastatic GC/GEJ after failure of first-line anti-HER2 therapy in September 2025, which is currently ongoing.

Efficacy Data. As of the data cut-off date (July 31, 2025), 76 response-evaluable patients with previously treated HER2+ or HER2-low advanced GC/GEJ cancer had received T-Bren across multiple dose levels. The overall ORR was 55.3% and cORR was 47.4%, with a mDoR of 7.4 months, mPFS of 8.4 months after a median follow-up of 9.0 months, median follow-up for OS of 10.4 months and mOS not yet been reached. Notably, at the 5.0 mg/kg D1 Q3W dose level, the ORR was 57.6% and cORR was 48.5%. Tumor shrinkage was observed in 89.4% (59/66) of patients, with a median (range) reduction of -44.5% (-100.0 to -1.0).

Safety Data. As of the data cut-off date (July 31, 2025), TRAEs were observed in 98.7% of patients, with Grade ≥3 TRAEs reported in 86.8%. The most common toxicities were hematologic, including anemia (89.5%), leukopenia (86.8%), thrombocytopenia (80.3%), and neutropenia (78.9%). The median time to resolution of Grade 3 or 4 neutropenia was 5–6 days, and most patients experienced only one episode. Two Grade 2 treatment-related ILD, including one at 5.0 mg/kg D1Q3W and one at 6.2 mg/kg D1Q3W, were reported.

Clinical Development Plan

T-Bren is our second Core Product and a key demonstration of the repeatable productivity of our HIRE-ADC platform beyond iza-bren. Based on its encouraging clinical activity in HER2-expressing BC, UC and GC/GEJ, and its advancement into multiple pivotal Phase III registrational trials, our development strategy for T-Bren is to establish a broad HER2-targeted pan-tumor franchise. We are advancing T-Bren in later-line monotherapy settings, in combination regimens, and in earlier lines of therapy — including first-line, neoadjuvant, and adjuvant settings — with the aim of capturing large-market HER2-expressing indications while demonstrating the scalability of our ADC discovery and development engine.

As of the Latest Practicable Date, we were conducting 18 clinical trials for T-Bren in China and overseas, including eight Phase III and one Phase II/III registrational trials. In monotherapy, we are advancing Phase III trials for HER2+ pan-tumor indications, including BC, GC/GEJ, NSCLC, BTC and OC. In combination settings, we are conducting a Phase III trial of T-Bren with pertuzumab for first-line HER2+ BC.

Material Communications with Competent Authorities

China

Monotherapy. We received IND approval from the NMPA in July 2022 for the initiation of T-Bren's clinical trials for solid tumors as monotherapy. Under the IND approval, we were permitted to conduct clinical evaluation of T-Bren across multiple types of solid tumors as monotherapy, while further advancement into Phase III or potentially registrational trials in China required subsequent formal communications with the CDE. We subsequently initiated Phase I, Phase Ib/II or Phase II trials in China to explore T-Bren's potential across various solid tumors, including BC, GIC, gynecologic cancers, urinary and gastrointestinal tumors, digestive tract tumors and NSCLC, among others.

Combination therapies, adjuvant and neoadjuvant treatments. We submitted and obtained separate IND approvals from the NMPA for multiple combination therapy regimens to support the expansion of T-Bren's clinical development in combination settings. Following the primary completion of the HER2+ BC cohort in our Phase I clinical trial of T-Bren as a monotherapy for BC (NCT05461768), in April 2024, we obtained IND approval for T-Bren in combination with pertuzumab in HER2+ BC. In addition, in the same month, we also obtained IND approvals of T-Bren in combination with PD-1 monoclonal antibody in GC/GEJ and NSCLC. In January and February 2025, we received additional IND approvals from the NMPA to initiate T-Bren's clinical trials for adjuvant and neoadjuvant treatments of HER2+ BC.

Pre-Phase III communications. Based on the encouraging Phase I data, we have completed pre-Phase III communications with the CDE and initiated Phase III registrational trials across over five major indications. All Phase III trials were initiated following the completion of pre-Phase III communications, and the CDE did not raise any major concerns or objections to the proposed trial designs.

- BC. Apart from a Phase III trial for adjuvant treatment of HER2+ BC, we are conducting three Phase III trials for T-Bren in BC in China: two clinical trials assessing T-Bren as a monotherapy and one clinical trial assessing T-Bren as part of a combination therapy. We obtained no objection from the NMPA to the commencement of the two monotherapy Phase III clinical trials based on the results obtained from the Phase I clinical trial (NCT05461768) described above under "Phase I Clinical Trial of T-Bren as Monotherapy for Locally Advanced or Metastatic BC and Other Solid Tumors (NCT05461768)."

    - (1) HER2+ BC (second-line and beyond monotherapy). The primary endpoints for the HER2+ BC cohort in our Phase I trial (NCT05461768) had been reached as of December 2023. Based on the data from this cohort, we submitted a pre-Phase III communication request to the CDE in December 2023. In March 2024, the CDE expressed no major concerns on the preliminary results of HER2+ BC cohort and no objection to our commencement of the Phase III trial. The Phase III trial (NCT06316531) was initiated in May 2024. Patient enrollment has been completed and the trial is in follow-up visit stage.

    - (2) HER2-low BC (second-line and beyond monotherapy). The primary endpoints for the HER2-low BC cohort in our Phase I trial (NCT05461768) had been reached as of November 2024. Based on the data from this cohort, we submitted a pre-Phase III communication request to the CDE in February 2025. In April 2025,

the CDE expressed no major concerns on the preliminary results of HER2-low BC cohort and no objection to our commencement of the Phase III trial. The Phase III trial (NCT06957886) was initiated in May 2025 and is currently ongoing.

- (3) HER2+ BC (first-line combination with pertuzumab). We initiated our Phase II trial in unresectable locally advanced or metastatic HER2+ BC (NCT06445400) in June 2024. The primary endpoints of this trial had been reached as of July 2025, and based on the data from this trial, we submitted a pre-Phase III communication request in November 2025. In December 2025, the CDE expressed no major concerns on the preliminary results of Phase II combination trial and no objection to our commencement of the Phase III trial. The Phase III trial (NCT07518173) was initiated in April 2026 and is currently ongoing.

- GC/GEJ. We enrolled patients with previously treated HER2+ or HER2-low expressing advanced GC/GEJ cancer in three Phase I or Phase Ib/II trials (NCT05461768, NCT05631964, NCT06031584). Based on data as of March 2025, we submitted a pre-Phase III communication request in June 2025. In August 2025, the CDE expressed no major concerns on the preliminary results of these Phase I and Phase Ib/II trials and no objection to our commencement of the Phase III trial. The Phase III trial (NCT07152405) evaluating T-Bren monotherapy for HER2+ locally advanced or metastatic GC/GEJ after failure of first-line anti-HER2 therapy was initiated in September 2025 and is currently ongoing.

- Other indications. We also submitted pre-Phase III communication requests for (1) HER2-mutant NSCLC in June 2025, (2) HER2-expressing platinum-resistant recurrent epithelial OC, fallopian tube cancer and primary peritoneal cancer in January 2026, and (3) HER2-expressing BTC in February 2026. The CDE did not raise any major concerns or objections to the proposed trial designs for any of these registrational programs. These Phase III trials are currently ongoing.

The U.S.

We received IND approval from the FDA in December 2023 for the initiation of T-Bren's clinical trials for HER2-expressing solid tumors as monotherapy in the U.S. We initiated the Phase I trial in February 2024.

We plan to maintain close communications with the NMPA and FDA at key milestones of T-Bren's ongoing clinical development, including pre-NDA communications for our registrational programs as pivotal trial data mature. We did not receive any major concerns or objections from the above-mentioned regulatory authorities with respect to the clinical development plans for T-Bren.

T-BREN MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

BL-M14D1 (DLL3 ADC)

BL-M14D1 is an innovative DLL3-directed ADC designed for the treatment of advanced SCLC, neuroendocrine neoplasms and other solid tumors. DLL3 is overexpressed in up to 80% of SCLC and other neuroendocrine neoplasms, with low expression in normal tissues, making it an attractive therapeutic target for ADC-based approaches. SCLC is an aggressive form of lung cancer that accounts for approximately 15% of all lung cancer cases, with a global incidence of approximately 372.6 thousand cases in 2025 and an expected increase to approximately 560.9 thousand cases by 2035, according to CIC. Neuroendocrine carcinoma ("**NEC**") represents a heterogeneous group of malignancies with a growing incidence and limited effective treatment options beyond first-line therapy, with an estimated 86.4 thousand new cases globally in 2025, according to CIC.

BL-M14D1 is developed on our HIRE-ADC platform, comprising a human anti-DLL3 monoclonal antibody conjugated to our potent topoisomerase I inhibitor Ed-04 via a stable enzyme-cleavable linker. Upon binding to DLL3 on tumor cells, BL-M14D1 is internalized and delivers its cytotoxic payload Ed-04 intracellularly, inducing tumor cell death. The released Ed-04 can also exert bystander killing effects on neighboring tumor cells, and the Fc portion of the antibody can mediate ADCC effects, further enhancing antitumor activity.

In our Phase I trial to evaluate BL-M14D1 as monotherapy in patients with locally advanced or metastatic SCLC, NEC and other solid tumors, BL-M14D1 has demonstrated promising antitumor activity with a tolerable safety profile. As of the data cut-off date (March 1, 2026), among SCLC patients, BL-M14D1 achieved an ORR of 71.4% (cORR of 60.7%), a DCR of 94.0%, and an mPFS of 7.1 months. Among NEC patients, the ORR was 55.9% (cORR 38.2%), DCR was 94.1%, and the 6-month PFS rate was 56.7%. The most common TRAEs were hematologic and clinically manageable, with only 2.4% of patients discontinuing treatment due to TRAEs. These results were presented as an oral presentation at the 2026 ASCO Annual Meeting.

We initiated this Phase I clinical trial in China in August 2024 and expect to complete this trial in 2026. In addition, we are conducting a Phase I clinical trial of BL-M14D1 in the U.S. for locally advanced or metastatic SCLC and neuroendocrine tumors, and expect to complete this trial in 2027. In July 2026, we also initiated a Phase II trial in China evaluating BL-M14D1 in combination with atezolizumab for ES-SCLC, which we expect to complete in 2027. We also initiated a Phase III multi-regional clinical trial evaluating BL-M14D1 in combination with atezolizumab versus standard-of-care therapy in patients with previously untreated ES-SCLC in the same month. Standard-of-care therapy consists of carboplatin plus etoposide chemotherapy and atezolizumab, followed by maintenance treatment with atezolizumab with or without lurbinectedin. We plan to enroll approximately 550 patients with advanced ES-SCLC. This is our first independently initiated global Phase III trial. We expect to complete this global trial in 2030.

BL-M14D1 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

BL-M05D1 (Claudin 18.2 ADC)

BL-M05D1 is an innovative Claudin 18.2-targeted ADC and is currently being evaluated in three clinical trials across China and the U.S. Claudin 18.2 is predominantly expressed in the gastric mucosa and typically absent from other healthy tissues; however, its overexpression has been identified in 30% to 50% of GC, pancreatic cancer and BTC cases, making it an attractive therapeutic target. GC is one of the most prevalent and lethal cancers globally, with an estimated 1,036.8 thousand new cases and approximately 660 thousand deaths worldwide in 2025, according to CIC. In China, GC incidence reached approximately 335.5 thousand cases in 2025 representing a substantial addressable patient population with unmet medical needs, particularly in the second-line and beyond setting where effective treatment options remain limited.

BL-M05D1 comprises an in-house developed Claudin 18.2 monoclonal antibody conjugated to our potent topoisomerase I inhibitor, Ed-04, via a cathepsin B cleavable linker with a DAR of 8. Upon binding to Claudin 18.2, BL-M05D1 is internalized and trafficked to lysosomes, where the linker is cleaved to release Ed-04, inducing tumor cell death. The Fc portion of the antibody can also mediate ADCC/complement-dependent cytotoxicity ("**CDC**") effects, further enhancing antitumor activity. BL-M05D1 is designed with a high degree of specificity for Claudin 18.2, and our proprietary linker ensures stability in the bloodstream and controlled payload release upon internalization, maximizing therapeutic efficacy while minimizing systemic toxicity.

In our Phase I clinical trial, BL-M05D1 has demonstrated promising antitumor activity with a tolerable safety profile across multiple Claudin 18.2-expressing tumor types. As of the data cut-off date (March 30, 2026), BL-M05D1 achieved an ORR of 41.5% (cORR of 37.7%), an mPFS of 5.5 months and an mOS of 12.8 months in GC/GEJ; an ORR of 26.3% (cORR of 23.7%), an mPFS of

4.4 months and an mOS of 14.2 months in pancreatic cancer; and an ORR of 42.5% (cORR of 32.5%), an mPFS of 5.7 months and mOS not reached in BTC. The most common TRAEs were hematologic and clinically manageable, with no new safety signals observed. These results were presented at the 2026 ASCO Annual Meeting.

We are currently conducting three clinical trials for BL-M05D1 in China and the U.S. In addition to the Phase I trial in China, we initiated a Phase I clinical trial in the U.S. in July 2025 for Claudin 18.2-expressing locally advanced or metastatic solid tumors, which is currently in the Phase Ia stage. Based on the Phase I data in GC/GEJ cohort, we initiated a Phase III registrational trial in May 2026 in China to evaluate BL-M05D1 as monotherapy for Claudin 18.2+ advanced GC/GEJ. We expect this Phase III trial to be completed in 2029.

BL-M05D1 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

BL-M11D1 (CD33 ADC)

BL-M11D1 is an innovative CD33 specific ADC. BL-M11D1 is currently being evaluated in four clinical trials in the U.S. and China for hematologic malignancies, including relapsed/refractory acute myeloid leukemia ("**AML**") and myelodysplastic syndromes.

CD33 is a transmembrane receptor expressed on cells of myeloid lineage and is broadly overexpressed in hematologic malignancies. Approximately 85% to 90% of AML patients express CD33 on their leukemia cells, supporting CD33 as a promising selective therapeutic target in AML. AML is the most common acute leukemia in adults, with an estimated 155 thousand new cases globally and 19 thousand new cases in China in 2025, according to CIC. Despite advances in treatment, the prognosis for relapsed or refractory AML patients remains poor, with limited effective therapies available and a five-year survival rate of approximately 33%, representing a significant medical need.

BL-M11D1 consists of gemtuzumab, a CD33-targeting monoclonal antibody with a wild-type Fc region that can mediate ADCC, conjugated to our novel Topo1 inhibitor, Ed-04, via a cathepsin B-cleavable linker with a DAR of 10. Upon binding to CD33 on tumor cells, BL-M11D1 is internalized through endocytosis and releases Ed-04 in lysosomes through enzymatic cleavage. Ed-04 blocks DNA synthesis and induces tumor cell death, while the Fc region of BL-M11D1 further enhances tumor cell killing through ADCC. Our preclinical studies showed that BL-M11D1 may offer better tolerability and a wider therapeutic window, compared with gemtuzumab ozogamicin, a marketed CD33 ADC.

In our Phase I monotherapy trial in China, BL-M11D1 demonstrated encouraging anti-leukemic activity in patients with relapsed/refractory AML. As of the efficacy data cut-off date (July 25, 2024), the ORR, including complete remission, complete remission with incomplete count recovery ("**CRi**") and morphologic leukemia-free state ("**MLFS**"), was 14.3%, 40.0% and 50.0% at the 1.65 mg/kg, 2.2 mg/kg and 2.75 mg/kg dose levels, respectively. One complete remission was sustained for over six months. As of the safety data cut-off date (September 30, 2024), BL-M11D1 exhibited an acceptable safety profile. No Grade 3 or higher organ injury or veno-occlusive disease ("**VOD**") was observed. Together with its overall manageable safety profile, the absence of observed VOD to date may support the future clinical evaluation of BL-M11D1 in broader AML treatment settings. The Phase I trial was initiated in August 2023, and is expected to be completed in 2026.

In addition, we have initiated a Phase I clinical study for BL-M11D1 for the treatment of patients with relapsed/refractory AML in the U.S., and we expect to complete this trial in 2026. Beyond as monotherapy, we are also exploring the combination potential of BL-M11D1 with cytarabine and daunorubicin or venetoclax and azacitidine for the treatment of AML in China. We

initiated a Phase II/III trial in March 2026 and expect to complete the trial in 2027. We are also conducting a Phase Ib/II trial of BL-M11D1 as monotherapy for relapsed/refractory myelodysplastic syndromes in China, which was initiated in May 2026 and is expected to be completed in 2028.

BL-M11D1 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Other HIRE-ADC Candidates

We are also advancing other HIRE-ADC candidates, including:

BL-B16D1. BL-B16D1 is an innovative bispecific ADC with a proprietary new-generation payload developed on our platform. We are currently conducting three Phase I clinical trials for BL-B16D1 in China. The first trial, for the treatment of HNSCC and other solid tumors, initiated patient enrollment in June 2024. The other two trials, including one for the treatment of solid tumors and one for BC and solid tumors, were initiated in July and August 2024, respectively. The Phase Ia stages of all three trials have been completed and the Phase Ib stages are ongoing. All three clinical trials are expected to be completed in 2026.

BL-M08D1. BL-M08D1 is an innovative ADC developed on the same proprietary small-molecule technology platform as iza-bren, sharing the identical linker-toxin architecture. As of the Latest Practicable Date, BL-M08D1 was undergoing two Phase I clinical trials in China, targeting relapsed or refractory lymphoid malignancies and locally advanced or metastatic solid tumors, respectively. The Phase Ia stages of both trials have been completed and the trials are expected to be completed in 2027 and 2026, respectively.

BL-M09D1. BL-M09D1 is an innovative ADC developed from the same proprietary small molecule technology platform as iza-bren, sharing the same linker-toxin technology. As of the Latest Practicable Date, we were conducting two Phase I clinical trials of BL-M09D1 for the treatment of locally advanced or metastatic gastrointestinal malignancies, NSCLC and other solid tumors in China. The Phase Ia stages of both trials have been completed, and both trials are expected to be completed in 2027.

BL-M24D1. BL-M24D1 is an innovative ADC for the treatment of solid tumors. As of the Latest Practicable Date, we were conducting four Phase I clinical trials of BL-M24D1 as monotherapy in China, covering locally advanced or metastatic NSCLC, GIC, HNSCC and other solid tumors, as well as recurrent or refractory multiple myeloma and other hematologic malignancies. The Phase Ia stages of all these trials are ongoing, and the trials are expected to be completed in 2027.

BL-B16D1, BL-M08D1, BL-M09D1 AND BL-M24D1 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Biologics Portfolio Empowered by GNC Platform

GNC (Guidance Navigation & Control) is our proprietary, self-developed platform focused on multi-specific antibody development. It is designed to develop multi-specific antibodies with symmetrical/asymmetrical structures that can simultaneously target multiple different antigens. Multi-specific GNC molecules developed on this platform coordinate interactions among several immune-related protein domains to synergistically and comprehensively modulate the immune system. These GNC compounds guide, navigate, and control the immune cells, ultimately leading to a targeted elimination of pathogenic cells and the restoration of immune homeostasis. We are committed to advancing clinical trials for our first-generation GNC drug candidate, GNC-038 (CD3 × 4-1BB × PD-L1 × CD19), focusing on severe autoimmune diseases.

GNC-038 (CD3 × 4-1BB × PD-L1 × CD19)

GNC-038 is an innovative, recombinant humanized tetra-specific antibody that targets CD3, 4-1BB, PD-L1 and CD19. According to CIC, GNC-038 is the first tetra-specific therapeutic antibody to enter clinical development and be tested in human globally.

CD3 is a T cell co-receptor essential for T cell activation and function. CD3-targeted therapies aim to redirect T cells to tumor cells, enabling the immune system to recognize and eliminate them. 4-1BB (CD137) is a costimulatory receptor on T cells that enhances T cell proliferation and survival, thereby strengthening the targeted immune responses. PD-L1 is an immune checkpoint protein and modulating the PD-1/PD-L1 pathway can help regulate immune overactivation and reshape the inflammatory microenvironment. CD19 is broadly expressed on B cells from early development through maturity including the autoreactive B cells responsible for producing auto-antibodies in autoimmune diseases, making it an attractive therapeutic target for redirected T-cell cytotoxicity.

This multi-target design enables GNC-038 to coordinate T-cell redirection, costimulatory activation, immune checkpoint modulation to effectively deplete pathogenic B cells within a single molecule. By deeply clearing these autoreactive B cells, GNC-038 has the potential to achieve an "immune reset" and provide more potent and sustained therapeutic responses for autoimmune diseases than conventional therapies. In our preclinical studies, GNC-038 effectively drives T cell-mediated killing of target B cells and modulates cytokine release, suggesting its potential to safely and effectively restore immune balance in patients with severe autoimmune conditions.

We are advancing two Phase I clinical trials for GNC-038 in China in autoimmune indications, rheumatoid arthritis and systemic lupus erythematosus. These trials are expected to be completed in 2027.

GNC-038 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Biologics Portfolio Empowered by SEBA Platform

Our "Specificity Enhanced Bispecific Antibody," or SEBA, platform is our proprietary, self-developed bispecific antibody platform. SEBA molecules are able to not only block growth signals that cancer cells rely on for survival, but also induce greater immune system activity for greater potency and selectivity while minimizing off-target effects. Products developed from our SEBA platform include SI-B001 (EGFR × HER3 bispecific antibody), SI-B003 (PD-1 × CTLA-4 bispecific antibody) and SI-B036.

SI-B001 (EGFR × HER3 bispecific antibody)

SI-B001, also known as izalontamab, is a potentially first-in-class EGFR × HER3 bispecific antibody. According to CIC, SI-B001 is currently the only clinical-stage bispecific antibody in the world that simultaneously targets EGFR and HER3.

SI-B001 is a tetravalent bispecific antibody comprising two binding domains for each of EGFR and HER3. It is designed with a spatial configuration that enables HER3 binding only after successful engagement of EGFR. This conditional binding minimizes HER3 binding in normal tissues and promotes selective accumulation in tumor cells co-expressing EGFR and HER3, thereby enhancing tumor inhibition while reducing effects on normal tissues compared with a combination of two monoclonal antibodies. Mechanistically, SI-B001 simultaneously inhibits signaling from EGFR × EGFR homodimers and EGFR × HER3 heterodimers and their downstream pathways, induces internalization and degradation of EGFR and HER3 on tumor cells, and can mediate ADCC effects through its wild-type Fc region. For details on the biological roles of EGFR and HER3, see "— HIRE-ADC Platform — iza-bren (EGFR × HER3 bispecific ADC) — Mechanism of Action."

Clinical studies have demonstrated SI-B001's encouraging antitumor activity and manageable safety in HNSCC. In a Phase II trial evaluating SI-B001 in combination with paclitaxel in patients with recurrent or metastatic HNSCC who had progressed on prior PD-(L)1 therapy, SI-B001 plus paclitaxel achieved an ORR of 58.2%, a DCR of 82.4%, an mDoR of 3.9 months and an mPFS of 5.4 months as of the same data cut-off date. In addition, updated HNSCC data from an expanded cohort were presented at the 2026 ASCO Annual Meeting, showing an ORR of 52.9% (confirmed ORR 41.2%), a DCR of 73.5%, an mPFS of 5.4 months and an mOS of 11.2 months. In patients with only one prior line of therapy, the ORR was 53.8% (confirmed ORR 46.2%) and mOS was 17.9 months.

We are advancing four clinical trials for SI-B001 in China in HNSCC and NSCLC in combination settings, including in combination with chemotherapy and SI-B003. All these trials were in follow-up visit stage as of the Latest Practicable Date.

SI-B001 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

SI-B003 (PD-1 × CTLA-4 bispecific antibody)

SI-B003 is a bispecific antibody targeting both PD-1 and CTLA-4, designed to restore antitumor immune function by simultaneously blocking two key immune checkpoint pathways. PD-1 signaling on T cells leads to immune suppression and enables cancer cells to evade immune detection, while CTLA-4 is crucial for regulatory T cell ("**Treg**") function and inhibits antitumor immunity. By binding to both PD-1 and CTLA-4 on tumor-infiltrating lymphocytes, SI-B003 inhibits the checkpoint-mediated downregulation of T cell activation and proliferation, restoring a sustained cytotoxic T-lymphocyte-mediated immune response against tumor cells. As a dual checkpoint inhibitor, SI-B003 has demonstrated promising efficacy that outperforms individual PD-1 or CTLA-4 inhibitors, and as monotherapy has shown encouraging efficacy and favorable safety profiles in patients with various solid tumors. Notably, SI-B003's Fc region has been redesigned to minimize toxicity by reducing the potential for ADCC. SI-B003 is also positioned as a key component in combination therapies alongside SI-B001 and iza-bren, where the combination is expected to achieve synergistic antitumor effects.

We are currently conducting one Phase I clinical trial for SI-B003 as monotherapy for advanced solid tumors in China. The Phase I trial was initiated in November 2020. As of the Latest Practicable Date, the database lock had been completed. We are exploring the combination therapy of SI-B003 with our other pipeline drug candidates. For details, see "— HIRE-ADC Platform — iza-bren (EGFR × HER3 bispecific ADC) — Summary of Clinical Trial Data" and "— SEBA Platform — SI-B001 (EGFR × HER3 bispecific antibody)."

SI-B003 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Other SEBA Candidates

We are also advancing other bispecific antibody candidates, including SI-B036. We initiated a Phase I clinical trial evaluating SI-B036 in locally advanced or metastatic solid tumors as monotherapy in June 2026. This trial is expected to be completed in 2028.

SI-B036 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Biologics Portfolio Empowered by HIRE-ARC Platform

Leveraging our expertise in antibody and ADC technologies, we have established a proprietary platform for the development of ARCs, the HIRE-ARC platform, which integrates the precise antibody-mediated targeted delivery with the potent tumor-killing capabilities of radionuclides. Compared to traditional RDCs, ARC therapies offer enhanced target specificity, improved tumor accumulation, and greater ability to overcome drug resistance.

BL-ARC001 is our first innovative ARC drug candidate developed on the HIRE-ARC platform, with full proprietary intellectual property rights. BL-ARC001 is a potentially first-in-class ARC labeled with the radioisotope ^{177}Lu, designed for the treatment of relapsed or refractory malignant solid tumors. We obtained the IND approval from the NMPA for BL-ARC001 in September 2025, and are currently conducting two Phase I clinical trials in China: one for locally advanced or metastatic gastrointestinal tumors and other solid tumors which was initiated in November 2025, and one for locally advanced or metastatic solid tumors which was initiated in December 2025. Both trials are currently in the Phase Ia stage.

BL-ARC002 is our next-generation ARC drug candidate, featuring a novel linker-radionuclide integration unit platform, designed for the treatment of relapsed or refractory malignant tumors. We obtained the IND approval from the NMPA for BL-ARC002 in March 2026, and initiated a Phase I clinical trial in China for locally advanced or metastatic solid tumors in May 2026. This trial is currently in the Phase Ia stage.

BL-ARC001 AND BL-ARC002 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Our Generics and Traditional Chinese Medicine Products

During the Track Record Period, we generated a portion of our revenue from the sales of 31 approved generics (covering a wide range of therapeutic areas such as anesthesia, parenteral nutrition, pediatric and anti-infective drugs) and traditional Chinese medicine products with over 100 specifications. As of the Latest Practicable Date, we had submitted four generic drug applications for production registration with the NMPA and expect additional products to be approved for commercialization in the future. Revenue from our marketed generics and traditional Chinese medicine products has played a crucial role in financially supporting our innovative drug development. Moving forward, the R&D and commercialization of our innovative drugs will serve as our core strategic focus and primary growth driver.

The following table summarizes our major generics and traditional Chinese medicine products, which contributed over 5% of our total revenue from the sales of pharmaceutical products in any of 2024, 2025 or the three months ended March 31, 2026:

Therapeutic Area	Product	Sample Picture	Type	Indication	Inclusion in NRDL[1]	Participation in VBP	Retail Price Range[3] (RMB)
Generic Drugs							
Anesthesia Drugs	Leweijing 乐维静® (Propofol Injectable Emulsion (丙泊酚乳状注射液))		Prescription only	Short-acting intravenous general anaesthetic for the induction and maintenance of general anaesthesia in adult and pediatric patients over the age of one month	Yes, Part A	Yes[2]	1.8-48.7
	Leweitai 乐维泰® (Propofol Medium and Long Chain Fat Emulsion Injection (丙泊酚中/長鏈脂肪乳注射液))		Prescription only	Short-acting general anesthetic for the induction and maintenance of general anesthesia in adult and pediatric patients over the age of one month, and for sedation in patients over 16 years of age undergoing mechanical ventilation in intensive care	Yes, Part B	Yes[2]	4.5-193.8
	Shuweijing 舒维静® (Sevoflurane for Inhalation (吸入用七氟烷))		Prescription only	Inhalational anesthetic indicated for the induction and maintenance of general anesthesia in adult and pediatric patients, including both inpatient and outpatient settings	Yes, Part B	Yes[2]	263.8-1,305.0
Parenteral Nutrition Drugs	Tianze 天泽® (Medium and Long Chain Fat Emulsion Injection (中/長鏈脂肪乳注射液))		Prescription only	For the supplementation of energy and essential fatty acids when oral or enteral nutrition is not possible or sufficient	Yes, Part B	Yes[2]	13.0-79.7
	Bailineng 百利能® (Structural Fat Emulsion Injection (C6-24) (結構脂肪乳注射液))		Prescription only	As a component of parenteral nutrition to provide energy and essential fatty acids	Yes, Part B	Yes[2]	193.7-195.7

Therapeutic Area	Product	Sample Picture	Type	Indication	Inclusion in NRDL[(1)]	Participation in VBP	Retail Price Range[(3)] (RMB)
Pediatric Drugs	Leyeping 乐液平® and Pujikang 朴吉康® (Glucose Electrolyte Effervescent Tablet (葡萄糖電解質泡騰片))	 	Prescription only	Prevention and treatment of mild to moderate dehydration due to diarrhea and vomiting, as well as due to prolonged and strenuous physical activity	No	No	44.9-540.0
Traditional Chinese Medicine							
	Astragalus Granule (黃芪顆粒)		Prescription/ over-the-counter ("**OTC**")	Prescription: Qi-deficiency, diuretic, toxin-drainage and pus discharge, and muscle growth. Used in treating shortness of breath, palpitation, defecation, spontaneous sweating, swelling, prolonged diarrhea, prolapse of anus, prolapse of uterus, carbuncle and gangrene, sores that do not heal for an extended period of time OTC: Qi-deficiency. For shortness of breath, palpitation, spontaneous sweating	Yes, Part B	No	20.2-498.0

Notes: (1) The NRDL comprises Part A and Part B. Patients purchasing pharmaceuticals included in Part A of the NRDL are entitled to reimbursement of the entire amount of the purchase price, while patients purchasing pharmaceuticals included in Part B of the NRDL are required to pay a deductible amount and obtain reimbursement for the remainder of the purchase price. The amount of the deductible differs from region to region in the PRC. In principle, the NRDL was subject to a dynamic adjustment entitled to once a year. (2) See "— Generic Drugs" for details of the relevant products' participation in the VBP schemes. (3) Retail price range represents the lowest retail price and highest retail price of the relevant product during the Track Record Period, covering respective specifications.

The following table sets forth our revenue contribution from the sales of our major generics and traditional Chinese medicine products for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)				*(Unaudited)*			
Major anesthesia drugs								
Leweijing	131,869	27.1	83,487	22.0	10,484	17.3	21,384	23.2
Leweitai	26,337	5.4	21,858	5.8	3,792	6.3	5,721	6.2
Shuweijing	46,009	9.5	40,956	10.8	6,142	10.2	13,013	14.1
Major parenteral nutrition drugs								
Tianze	27,245	5.6	19,610	5.2	4,192	6.9	3,751	4.1
Bailineng	968	0.2	21,131	5.6	2,954	4.9	8,344	9.1
Major pediatric drugs								
Leyeping and Pujikang	20,158	4.1	22,959	6.0	5,526	9.1	6,110	6.6
Other chemical drugs								
Anti-infectives	21,473	4.4	17,890	4.7	2,636	4.4	2,977	3.2
Others	48,219	9.9	56,185	14.8	9,482	15.6	12,937	14.0
Traditional Chinese medicine								
Astragalus granule	146,312	30.1	84,077	22.1	13,641	22.5	15,838	17.2
Other traditional Chinese medicines	18,169	3.7	11,922	3.0	1,656	2.8	1,906	2.3
Total	**486,759**	**100.0**	**380,075**	**100.0**	**60,505**	**100.0**	**91,981**	**100.0**

The following table sets forth the sales volume and average selling price of our major generics and traditional Chinese medicine products for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	('000 units)	*(RMB/ unit)*	*('000 units)*	*(RMB/ unit)*	*('000 units)*	*(RMB/ unit)*	*('000 units)*	*(RMB/ unit)*
Leweijing	15,292	8.6	10,710	7.8	1,380	7.6	2,722	7.9
Leweitai	2,725	9.7	2,556	8.6	453	8.4	692	8.3
Shuweijing	116	396.6	101	405.5	13	472.5	33	394.3
Tianze	990	27.5	717	27.4	144	29.1	139	27.0
Bailineng	6	161.3	140	150.9	19	155.5	57	146.4
Leyeping and Pujikang	654	30.8	931	24.7	197	28.1	210	29.1
Astragalus granule	5,329	27.5	3,149	26.7	518	26.3	587	27.0

Note: Average selling price is calculated by dividing revenue by sales volume.

During the Track Record Period, the sales volume and average selling price of our major generics and traditional Chinese medicine products were affected by various regulatory regimes including the centralized tender process and the VBP, both governing the purchase of drugs by public hospitals and public medical institutions. See "— Pricing — Centralized Tender Process and Volume-based Procurement" for more details.

Generic Drugs

Anesthesia Drugs

As of the Latest Practicable Date, our major anesthesia-related product portfolio consisted of three approved products: (i) propofol injectable emulsion, (ii) propofol medium and long chain fat emulsion injection, and (iii) sevoflurane for inhalation. For details of the competitive landscape of our major anesthesia-related products, see "Industry Overview — Generics and Traditional Chinese Medicines — Generic Medicines — Anesthesia."

Leweijing 乐维静® (propofol injectable emulsion)

Our propofol injectable emulsion, under the brand name Leweijing (乐维静®), was first approved by the NMPA in September 2001. Multiple authoritative guidelines have recommended propofol hydrochloride injection for sedation therapy, highlighting its potential for widespread clinical adoption and sustained market growth. We provide Leweijing in three specifications, including 10ml:0.1g, 20ml:0.2g, and 50ml:0.5g. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Leweijing amounted to RMB131.9 million, RMB83.5 million, RMB10.5 million and RMB21.4 million, respectively, representing 27.1%, 22.0%, 17.3% and 23.2% of our total revenue from the sale of pharmaceutical products for the respective periods. Our propofol injectable emulsion has been covered under the National Reimbursement Drug List of China ("**NRDL**") since 2004. It has also been included in the 2018 National Essential Drug List of China ("**NEDL**"). Leweijing was also included in the ninth batch of the national VBP scheme. The scheme was implemented from March 2024 and runs until December 2027, superseding the earlier provincial and provincial-alliance VBP schemes in which Leweijing had participated. As of March 31, 2026, Leweijing was sold in 31 provinces across China primarily through in-hospital channel.

Leweitai 乐维泰® (propofol medium and long chain fat emulsion injection)

Our propofol medium and long chain fat emulsion injection, under the brand name Leweitai (乐维泰®), was first approved by the NMPA in July 2014. We provide Leweitai in four specifications, including 10ml:0.1g, 20ml:0.2g, 50ml:0.5g, and 100ml:1.0g. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Leweitai amounted to RMB26.3 million, RMB21.9 million, RMB3.8 million and RMB5.7 million, respectively, representing 5.4%, 5.8%, 6.3% and 6.2% of our total revenue from the sale of pharmaceutical products for the respective periods. Our propofol medium and long chain fat emulsion injection has, since its approval for marketing, been covered under the NRDL by reference to its generic names. Leweitai was included in the national follow-on VBP scheme, which was implemented in March 2026 and has a procurement cycle running until December 31, 2028. This national follow-on VBP scheme superseded the previous VBP schemes in which Leweitai had participated. As of March 31, 2026, Leweitai was sold in 31 provinces across China primarily through in-hospital channel.

Shuweijing 舒维静® (sevoflurane for inhalation)

Our sevoflurane for inhalation, under the brand name of Shuweijing 舒维静®, was first approved by the NMPA in May 2023. We provide sevoflurane in two specifications, including 120 mL and 250 mL bottles compatible with standard vaporizers. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Shuweijing amounted to RMB46.0 million, RMB41.0 million, RMB6.1 million and RMB13.0 million, respectively, representing 9.5%, 10.8%, 10.2% and 14.1% of our total revenue from the sale of pharmaceutical products for the respective periods. Our sevoflurane for inhalation has, since its approval for marketing, been covered under the NRDL by reference to its generic names. As of the Latest Practicable Date, Shuweijing was included in selected provincial and provincial-alliance VBP schemes covering more than 10 provincial-level regions, with the latest cycle running until August 2027. Shuweijing is

currently participating in the twelfth batch of the national VBP scheme in 2026, the results of which had not yet been announced as of the Latest Practicable Date. As of March 31, 2026, our sevoflurane for inhalation was sold in 29 provinces across China primarily through in-hospital channel.

Parenteral Nutrition Drugs

As of the Latest Practicable Date, our parenteral nutrition drug portfolio mainly comprised two products, medium and long chain fat emulsion injection and structural fat emulsion injection. For details of the competitive landscape of our major parenteral nutrition drugs, see "Industry Overview — Generics and Traditional Chinese Medicines — Generic Medicines — Parenteral Nutrition."

Tianze 天泽® (medium and long chain fat emulsion injection)

Our medium and long chain fat emulsion injection, under the brand name Tianze (天泽®), was first approved by the NMPA in August 2012. The medium and long chain fat emulsion injection has been highlighted as an ideal parenteral nutrition drug for preventing oxidative stress, which downregulates inflammatory responses and maintains organ function. We provide Tianze (天泽®) in four specifications, including 100ml:20%, 250ml:10%, 250ml:20%, and 500ml:10%. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Tianze amounted to RMB27.2 million, RMB19.6 million, RMB4.2 million and RMB3.8 million, respectively, representing 5.6%, 5.2%, 6.9% and 4.1% of our total revenue from the sale of pharmaceutical products for the respective periods. Our medium and long chain fat emulsion injection has, since its approval for marketing, been covered under the NRDL by reference to its generic names. It has also been included in the 2018 NEDL. Tianze was included in the national follow-on VBP scheme, which was implemented in March 2026 and has a procurement cycle running until December 31, 2028. This national follow-on VBP scheme superseded the previous VBP schemes in which Tianze had participated. As of March 31, 2026, Tianze was sold in 27 provinces across China primarily through in-hospital channel.

Bailineng 百利能® (structural fat emulsion injection (C6-24))

Our structural fat emulsion injection (C6-24), under the brand name Bailineng (百利能®) was first approved by the NMPA in June 2024. It is indicated as a component of parenteral nutrition to provide energy and essential fatty acids. We provide Bailineng in one specification, namely, 250ml: 20%. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Bailineng amounted to RMB1.0 million, RMB21.1 million, RMB3.0 million and RMB8.3 million, respectively, representing 0.2%, 5.6%, 4.9% and 9.1% of our total revenue from the sale of pharmaceutical products for the respective periods. Our structural fat emulsion injection (C6-24) has, since its approval for marketing, been covered under the NRDL by reference to its generic names. Bailineng was not included in any national VBP scheme. It was included in selected provincial and provincial-alliance VBP schemes across more than 20 provincial-level regions, with procurement cycles ending between December 2026 and March 2028. As of March 31, 2026, Bailineng was sold in 26 provinces across China, primarily through in-hospital channels.

Pediatric Drugs

As of the Latest Practicable Date, our pediatric drug portfolio mainly comprised one product, namely glucose electrolyte effervescent tablet. For details of the competitive landscape of our pediatric drugs, see "Industry Overview — Generics and Traditional Chinese Medicines — Generic Medicines — Pediatric Drugs."

Leyeping 乐液平® and Pujikang 朴吉康® (glucose electrolyte effervescent tablet)

Glucose electrolyte effervescent tablet is oral rehydration product used to replenish fluids and electrolytes and support the management of dehydration associated with diarrhea and other causes. Our glucose electrolyte effervescent tablet, under the brand name Leyeping (乐液平®) and Pujikang

(朴吉康®), was first approved by the NMPA in June 2013. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Leyeping and Pujikang amounted to RMB20.2 million, RMB23.0 million, RMB5.5 million and RMB6.1 million, respectively, representing 4.1%, 6.0%, 9.1% and 6.6% of our total revenue from the sale of pharmaceutical products for the respective periods. Glucose electrolyte effervescent tablet was not included in any national or provincial VBP scheme. As of March 31, 2026, Leyeping and Pujikang were sold in 27 provinces across China through both in-hospital and outside-of-hospital channels.

Traditional Chinese Medicine

As of the Latest Practicable Date, our traditional Chinese medicine product portfolio mainly comprised one product, namely astragalus granule. For details of the competitive landscape of astragalus granule, see "Industry Overview — Generics and Traditional Chinese Medicines — Traditional Chinese Medicines."

Astragalus granule

Astragalus granule is an essential product for improving overall health and resilience against chronic ailments. Our astragalus granule was first approved by the NMPA in October 2002. This dominant market presence underscores the efficacy and widespread acceptance of our astragalus granule in clinical practice. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from sales of Astragalus granule amounted to RMB146.3 million, RMB84.1 million, RMB13.6 million and RMB15.8 million, respectively, representing 30.1%, 22.1%, 22.5% and 17.2% of our total revenue from the sale of pharmaceutical products for the respective periods. Our astragalus granule has been covered under the NRDL since 2004. It was not included in any national or provincial VBP scheme. As of March 31, 2026, our astragalus granules was sold in 30 provinces across China through both in-hospital and outside-of-hospital channels.

LICENSE AND COLLABORATION AGREEMENT WITH BRISTOL-MYERS SQUIBB COMPANY

Overview

On December 11, 2023, we entered into an exclusive license and collaboration agreement with Bristol-Myers Squibb Company ("**BMS**"), effective as of February 8, 2024 (the "**BMS Agreement**"), under which we and BMS will conduct a global strategic license of and collaboration on iza-bren, a bispecific ADC which targets both EGFR and HER3 (the "**Licensed Product**"). Under the BMS Agreement, BMS agreed to pay to us a US$800 million upfront payment and up to US$500 million in contingent near-term payments. In addition, we are eligible to receive additional payments of up to US$7.1 billion contingent upon the achievement of certain development, regulatory and sales performance milestones for a total potential consideration of up to US$8.4 billion. Under the agreement, four joint committees have been established to govern and coordinate the collaboration. BMS and SystImmune will develop iza-bren in the United States in accordance with the global development plan and budget overseen by the joint steering committee and joint development committee. Commercialization of iza-bren in the United States will be conducted pursuant to a commercialization plan and budget jointly developed and finalized by BMS and SystImmune through the joint steering committee and joint commercialization committee. The parties will share certain global development expenses and profits and losses in the U.S., and we retained exclusive rights to develop and commercialize the Licensed Product in Chinese Mainland where BMS will receive a royalty on net sales, and we granted BMS an exclusive license to develop and commercialize the Licensed Product in the rest of the world ("**ROW**") where we will receive a tiered royalty on net sales, subject to certain specified conditions and limitations. As of the signing of the BMS Agreement, we had conducted multiple Phase I/II clinical trials of the Licensed Product in Chinese Mainland, targeting a wide range of solid tumors including, among others, NSCLC, SCLC, BC, HNSCC, NPC and EC, and SystImmune had initiated a Phase I study of the Licensed Product in the U.S. The U.S. Phase I study is currently investigating NSCLC, SCLC, BC, EC and NPC.

Background of the Transaction

BMS, an Independent Third Party, is a leading global biopharmaceutical company focused on discovering, developing and delivering transformational medicines for patients facing serious diseases, including in the area of oncology, among other areas. BMS is renowned for its robust clinical development capabilities, extensive sales and distribution network and a comprehensive oncology portfolio. After reviewing our publicly available clinical data, BMS initiated discussions about a potential collaboration on the Licensed Product. Recognizing the complexity and significant costs associated with developing a pan-tumor treatment such as the Licensed Product, we entered into the BMS Agreement on December 11, 2023. We believe this collaboration allows us to combine resources to expedite development and commercialization while effectively managing the associated costs and risks.

Development and Commercialization by Geographical Regions

In Chinese Mainland, we will have the exclusive right to develop and commercialize the Licensed Product at our cost and will have the final decision-making authority with respect to the conduct of such development and commercialization activities, subject to certain specified conditions and limitations. In the ROW, BMS will have the exclusive right to develop and commercialize the Licensed Product at its cost and will have the final decision-making authority with respect to the conduct of such development and commercialization activities, subject to certain specified conditions and limitations.

In the U.S., pursuant to the BMS Agreement, we and BMS have established a joint steering committee as a forum to oversee and coordinate the parties' activities with regard to the development, manufacture and commercialization of the Licensed Product in the U.S. The joint steering committee will also coordinate and resolve specified issues relating to each party's activities related to the development, manufacture and commercialization of the Licensed Product in each party's respective territories that may adversely affect the development, manufacture and commercialization of the Licensed Product in the U.S.

In addition to the joint steering committee, we and BMS have also established (a) a joint development committee, which will oversee and coordinate the development of the Licensed Product in the U.S. and to resolve disputes regarding safety concerns with respect to the development of the Licensed Products in Chinese Mainland and ROW, (b) a joint finance committee, which will facilitate and coordinate the reporting of financial information under the BMS Agreement and (c) a joint commercialization committee, which will oversee and coordinate the commercialization of the Licensed Product in the U.S. and review and coordinate pricing, discounting and reimbursement matters in Chinese Mainland. Each of the foregoing committees consists of equal representation from us and BMS and operates under the oversight and decision-making authority of the joint steering committee.

Development and Commercialization Activities in the U.S.

In the U.S., SystImmune and BMS shall develop the Licensed Product in accordance with the global development plan as determined by the joint development committee, and share the relevant global development costs according to an agreed-upon percentage, with SystImmune's share being less than 50%. The joint development committee will review the global development plan for the purpose of considering appropriate amendments to the plan, which sets out, among other things: (a) the targeted indications, proposed clinical studies and related protocols; (b) the estimated timeline and budget; and (c) the allocation of development responsibilities between the parties. All development activities in the U.S. may be conducted jointly by BMS and SystImmune, primarily by either party, or outsourced to a third-party, as determined by the joint development committee based on each party's resources and capabilities with the intent of not duplicating efforts. The parties have

agreed on the initial global development plan and budget. Currently, SystImmune is designated by the joint development committee as the party responsible for conducting the ongoing global, multi-center, dose escalation, dose expansion Phase I clinical trial of the Licensed Product in the U.S.

Prior to the anticipated date of the regulatory approval for the Licensed Product in the U.S., SystImmune and BMS will, through the joint steering committee and joint commercialization committee, jointly develop and finalize a commercialization plan and budget which will govern the commercialization of the Licensed Product in the U.S. BMS will have the lead role for commercialization of the Licensed Product in the U.S. and SystImmune has a right to participate in certain commercialization activities in the U.S. that are allocated to it under the commercialization plan.

Manufacturing

For each party's development activities under the BMS Agreement, we are initially responsible for the manufacture and supply of the Licensed Product pursuant to a clinical supply agreement entered between us and BMS, which includes a supply schedule consistent with the global development plan and budget. We will manufacture such Licensed Product via our facilities in Chinese Mainland and will ship such Licensed Product to BMS's designated location in accordance with the terms under such clinical supply agreement. BMS has the right to request a transfer of the manufacturing technology. If BMS exercises the right, following completion of the technology transfer and subject to BMS's reasonable determination, BMS will be responsible for the manufacture and supply of the Licensed Product for the development activities in the U.S. and the ROW, and, upon our request and approval from the joint development committee, for the development activities in Chinese Mainland. In 2025, we completed such manufacturing technology transfer of the then-current manufacturing process. For commercialization in Chinese Mainland, we will be responsible for the manufacturing and supply of the Licensed Product, subject to certain rights retained by BMS and specified conditions. For commercialization in the U.S. and ROW, we will manufacture and supply a percentage of BMS's requirements of linker and payload for the Licensed Products; and BMS will be responsible for the manufacturing and supply of the finished Licensed Product subject to certain specified conditions, provided that the parties shall discuss in good faith using us as a source for supply.

Commercial Terms

Pursuant to the BMS Agreement, on March 7, 2024, we received a non-refundable and non-creditable upfront payment of US$800 million from BMS, which is not subject to any further conditions, and BMS is required to pay up to US$500 million in contingent near-term payments, which payment amounts are adjusted based on when each prescribed milestone is achieved. Specifically, SystImmune is eligible to receive a one-time nonrefundable milestone payment of US$250 million upon the initiation of the first Phase II or Phase III trial of the Licensed Product as 1L or 2L treatment in the U.S. on or before December 31, 2025 ("First Clinical Trial Milestone"), and another one-time nonrefundable milestone payment of US$250 million upon the initiation of the first Phase III trial of the Licensed Product as 1L treatment in the U.S. on or before December 31, 2026 ("Second Clinical Trial Milestone"). Such milestones were established through mutual agreement.

In this context, "initiation" means, with respect to a clinical trial, the first dosing of the first human subject in such clinical trial. Three global Phase II/III trials have been publicly disclosed and patient dosing started on or before December 31, 2025 (NCT06926868, NCT07100080 and NCT07106762). The first dosing of the first patient in any of these clinical trials qualified as a milestone event that would trigger the First Clinical Trial Milestone, and we have recognized as revenue in 2025 based on the BMS Agreement and relevant accounting policy. Based on the current pace of clinical progress for iza-bren and the anticipated market entry timetable, we reasonably anticipate that SystImmune will be eligible to receive the Second Clinical Trial Milestone. In

addition to the Second Clinical Trial Milestone, SystImmune is also eligible to receive up to an aggregate of US$7.1 billion contingent upon the achievement of certain specified regulatory and sales performance milestones for a total potential consideration of up to US$8.4 billion.

BMS is also required to pay SystImmune tiered royalties based on a percentage of aggregate annual net sales of the Licensed Product in ROW ranging from high single-digit to low double-digits, subject to certain customary reductions and a royalty floor. Such royalties are payable on a country-by-country basis from the first commercial sale of such Licensed Product in such country until the latest of (a) the expiration of all valid claims of certain licensed patents and joint patents covering the composition of matter of the Licensed Product in its entirety or its antibody portion in such country, (b) the tenth anniversary of the first commercial sale of such Licensed Product in such country, and (c) the expiration of regulatory exclusivity for such Licensed Product in such country. Under the BMS Agreement, we are required to pay BMS a single-tier royalty of a mid-single-digit percentage of aggregate annual net sales of such Licensed Product in Chinese Mainland. Further, under the BMS Agreement, SystImmune and BMS will share net profits/losses related to the sales of the Licensed Product in the U.S. according to certain agreed-upon percentages, with SystImmune's share being less than 50%, which percentage is higher than SystImmune's proportion of the shared development costs in the U.S.

Intellectual Property

Under the BMS Agreement, each party retains the sole and exclusive ownership of its respective intellectual property rights, including all intellectual property rights that are solely developed by such party, its affiliates or its and its affiliates' sublicensees under the BMS Agreement or are owned or otherwise controlled by such party, its affiliates of its or its affiliates' sublicensees independent of the BMS Agreement. The parties will jointly own any intellectual property rights that are developed jointly by the parties under the BMS Agreement. BMS has the first right to prosecute, maintain, defend and enforce against any infringement by a competing product, certain specified licensed patent rights and joint patents in the U.S. and the ROW, but we have the first right to prosecute, maintain, defend and enforce against any infringement by a competing product, any licensed patent rights and joint patents in Chinese Mainland.

Dispute Resolution

If there is any dispute between the parties (a) with respect to approval of the development of the Licensed Product in Chinese Mainland or ROW in a dose, formulation or indication that is not substantially similar to the dose, formulation or indication for which the Licensed Product is being developed under the development plan and budget or for which it receives regulatory approval in the U.S., subject to certain specified exceptions, we and BMS will have final decision-making authority in our respective territories, (b) with respect to any action proposed by us in Chinese Mainland or by BMS in ROW, for which the other party raises a concern that such proposed action has a material adverse impact on the development or commercialization of the Licensed Product in the U.S., such dispute shall be resolved by the expedited dispute resolution procedures set forth in the BMS Agreement, which is an expedited arbitration procedure where the parties will jointly select an independent, impartial and conflicts-free neutral to preside in the resolution of issues with specific timeframe for each step and deadlines as prescribed in the BMS Agreement; and (c) with respect to all other issues under the purview of the joint steering committee, if such issues cannot be resolved through a collaborative process, BMS shall have the final decision-making authority except for (i) amending the global development plan and budget to allocate activities to us without our consent, (ii) amending the aggregate budget under the global development plan and budget or the commercialization plan for the U.S. without our consent, (iii) developing any fixed dose combination product of the Licensed Product with another active ingredient controlled by BMS or its affiliates or sublicensees in the U.S. or certain European countries without our consent, and (iv) determining whether any action of a party is reasonably expected to have materially negative impact

on the development or commercialization of the Licensed Product in the other party's respective territory (collectively, the "Exclusion Matters"). For the Exclusion Matters, BMS may not exercise final decision-making authority without our consent.

Termination

Unless earlier terminated by either party, the BMS Agreement will expire on the later of (a) the expiration of all of our and BMS's royalty payment obligations in Chinese Mainland and ROW, respectively or (b) upon BMS's and SystImmune's mutual agreement to cease all exploitation of the Licensed Product in the U.S. Each Party has the right to terminate the BMS Agreement for the other party's certain specified uncured material breach or insolvency. We may terminate the BMS Agreement in its entirety if BMS or any of its affiliates and its and their sublicensees commences a legal action challenging the validity, enforceability or scope of any of certain specified patent rights that are owned or otherwise controlled by us. BMS may terminate the BMS Agreement, in its entirety or on a country-by-country basis, without cause by giving us at least 90 days' prior written notice, if such termination is before the first commercial sale of the Licensed Product in the U.S. or ROW, or at least 6 months' prior written notice, if such termination is thereafter, subject to our right to extend the effective date of such termination up to a specified time period. In addition, BMS may terminate the BMS Agreement immediately by written notice to us if such termination is necessary to protect the safety of patients due to a material safety issue.

RESEARCH AND DEVELOPMENT

Research and development is a fundamental pillar of our business and will continue to be critical to our future growth and our ability to remain competitive in the global biopharmaceutical market. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses were RMB1,442.8 million, RMB2,513.7 million, RMB494.9 million and RMB694.8 million, respectively. In particular, our research and development expenses attributable to our Core Products were RMB745.8 million, RMB1,800.4 million, RMB326.5 million, and RMB488.9 million during the same periods, respectively, accounting for 51.7%, 71.6%, 66.0% and 70.4% of our total research and development expenses in the corresponding periods. Our in-house R&D capabilities revolve around our four core technology platforms: HIRE-ADC, GNC, SEBA and HIRE-ARC, which in turn serve as the foundation for our continued drug innovation. These platforms underpin our capabilities in ADCs and bispecific and multi-specifics and can be applied for a broad range of oncological indications and other diseases.

Our R&D Capabilities

Our R&D Facilities

We currently have three R&D facilities, namely our SystImmune R&D Center in Seattle, U.S., our Baili Pharm R&D Center and Baili-Bio R&D Center in Chengdu, Sichuan Province, PRC. These facilities collaborate closely to drive the development of innovative therapeutics from early discovery to clinical application, ensuring that our drug development remains robust, efficient, and geared towards meeting global healthcare needs.

Our SystImmune R&D Center in Seattle, U.S., with a gross floor area ("**GFA**") of approximately 1,300 sq.m., focuses on early-stage innovation, including antibody discovery, engineering, high-throughput screening, humanization and optimization. Our Baili-Bio R&D Center in Chengdu, with a GFA of approximately 3,500 sq.m., takes charge of the advanced development stages of innovative drug candidates, including preclinical pharmacology and toxicology evaluations, pilot-scale process development, quality research and clinical studies in China. Our Baili Pharm R&D Center in Chengdu, with a GFA of approximately 2,800 sq.m., focuses on the R&D of complex generic drug candidates, covering chemical formulations in anesthesia, parenteral nutrition, pediatric and anti-infectives drugs.

Our R&D Team

Aiming to validate innovative ideas efficiently and cost-effectively, we have structured our R&D capabilities across U.S. and China. As of March 31, 2026, we had an R&D team of 1,702 members across our offices in China and the U.S., accounting for approximately 52.0% of our total employees. As of the same date, 88.5% of our R&D staff focused on innovative drug discovery and development, while 11.5% focused on the R&D of generics and traditional Chinese medicines. Over 450 of them held a master's or higher degree, mainly in medical science, pharmacology, biology, and chemistry. Our R&D team covers the entire R&D cycle for innovative drugs, with members drawn from leading multinational companies and domestic biopharmaceutical companies, such as Merck, Eli Lilly, Pfizer, Novartis, Amgen, Sanofi, Hengrui and BeiGene, and renowned research institutes such as MD Anderson Cancer Center and Fred Hutchinson Cancer Center, as well as the FDA. The following table sets forth the composition of our in-house R&D team as of March 31, 2026.

R&D Department	Number	% of total
Preclinical Research	542	31.8
Clinical Development	1,147	67.4
Regulatory Affairs	13	0.8
Total	**1,702**	**100.0%**

Our R&D team is spearheaded by Dr. Zhu Yi, the visionary founder of our Group, who also serves as the chairman of the Board, the executive director, general manager and Chief Scientific Officer of our Company. With over three decades of experience in the healthcare industry, Dr. Zhu's academic journey began with a bachelor's degree in radio physics from Sichuan University (四川大學) in 1984, followed by a master's degree in biology from Fudan University (復旦大學) in 1987, and culminating in a doctoral degree in management from Sichuan University (四川大學) in 2008. Before establishing our Group, Dr. Zhu taught in the Department of Microbiology and Immunology at West China University of Medical Sciences (華西醫科大學) (currently known as West China Medical Center of Sichuan University (四川大學華西醫學中心)) from 1987 to 1990. In addition to Dr. Zhu Yi, core members of our innovative drug R&D team include Dr. Jonathan Cheng, CMO of SystImmune, who previously served as SVP and therapeutic area oncology head leading the late-stage clinical development of several key oncology treatments; Dr. Jahan Khalili, SVP and head of immune-oncology at SystImmune, with deep expertise in tumor immunology from MD Anderson Cancer Center; Dr. Zhu Hai, executive director and CTO & CDO of SystImmune, who previously served as a researcher at the FDA's Center of Drug Evaluation and Research; Mr. Zhuo Shi, executive director and GM of Baili-Bio, with over 14 years of experience in the biopharmaceutical industry and Dr. Wan Weili, deputy GM and GM of our Chengdu R&D Centers, who leads our ADC linker-payload platform and active pharmaceutical ingredient ("**API**")/formulation R&D. For further details of each person's biographies, please refer to "Directors and Senior Management."

Our U.S. subsidiary, SystImmune, has established a scientific advisory committee consisting of eight globally renowned oncology clinical experts, Dr. Hope Rugo, Dr. Sara Tolaney, Dr. Pasi Jänne, Dr. Helena A. Yu, Dr. Thomas Powles, Dr. Hossein Borghaei, Dr. Lillian Siu and Dr. Zev Wainberg. These advisors are leading physicians and researchers from premier academic medical centers in the United States, with deep expertise in BC, lung cancer and ADC-based therapeutics, which are the key therapeutic areas of our Core Products. They provide strategic guidance on our clinical development programs, including clinical trial design and clinical data interpretation. Notwithstanding the foregoing, all day-to-day R&D activities, including drug discovery, preclinical research, process development, clinical trial execution and regulatory submissions, are independently conducted and managed by our in-house R&D team.

Embracing a paradigm of project-oriented governance and matrix-style management, our R&D teams integrate their specialized knowledge to develop projects from conception to fruition under the leadership of project managers. Each R&D project begins with research and evaluation

conducted by key members from each technology platform, and will take into account factors such as clinical value, market trends, competitive landscape, and technological barriers, to select product candidates for approval. These proposals are then carefully scrutinized and assessed for approval by a committee comprising leaders from each technology platform. For projects that are approved for further development, we designate a project manager, who will establish and lead a core project R&D team comprising of members from pharmaceutical research, pharmacology and toxicology research, process development, and quality control within the technology platforms. This core team then develops detailed R&D plans and strategies to ensure the smooth execution of the R&D project in a time- and cost-efficient manner.

Collaboration with Third Parties

Collaboration with external R&D partners is a major component of our R&D strategy. Our strong in-house R&D capabilities, proven track record, and established manufacturing and commercial operations make us a preferred partner in the pharmaceutical market. We have joint R&D collaborations with universities and research institutions. We maintain strong cooperative relationships with a variety of trial sites (i.e., hospitals) and principal investigators ("**PIs**") to support our clinical trials for different indications at various stages. Our medical and clinical trial team is tasked with formulating trial protocols and selecting and engaging trial sites and PIs to carry out these trials. The PIs, who are generally physicians or researchers at the trial sites, lead the clinical trial activities for our drug candidates.

We do not have direct agreements with PIs other than confidentiality agreements to ensure they meet confidentiality obligations. In accordance with the laws and regulations, we enter into clinical trial cooperation agreements with the clinical trial sites that the PIs belong to and settle the fees and expenses with those sites. The below sets forth key terms of our framework agreements with clinical trial sites on clinical trial cooperation:

- ***Trial Materials***. We furnish the clinical trial sites with trial protocols and other trial-related documents, investigational drugs, consumables, and necessary research funding.

- ***Monitoring and Compliance***. We appoint qualified monitors to oversee the adherence to Good Clinical Practice ("**GCP**") standards, review protocol deviated cases, and review clinical data to protect the safety of subjects and ensure the integrity of trial results.

- ***Qualification of PI***. The clinical trial site is responsible for reviewing the qualifications of PIs and their research team to ensure their qualification.

- ***Data Management and Reporting***. The clinical trial site shall organize all related trial documents and provide us with accurate case report forms and other required written materials. These materials must comply with the clinical research protocol, national regulations, and our requirements as stipulated in the agreement.

- ***Costs and Funding***. We typically cover the expenses for trial participants, typically include the costs of medical examinations and treatment, and compensation for time and effort to participants, such as their meals and travel costs.

- ***Confidentiality***. The clinical trial site is obliged to maintain the confidentiality of the agreements and any trial-related materials.

- ***Intellectual Property***. We retain full intellectual property rights and associated interests over all case report forms, original records, trial content and results, and any other technical data generated during the clinical trial at the clinical trial site. The clinical trial site is prohibited from using or transferring these materials without our explicit permission.

- ***Insurance and Liability***. We provide clinical trial liability insurance for participants, as mandated by law. In the event of trial-related injuries, both parties shall share responsibility for economic compensation and other consequences based on the degree of fault.

- ***Termination***. Typically, we have the right to terminate the clinical trial provided we give the prior written notice to the clinical trial site.

While we primarily rely on our in-house capabilities in managing and conducting preclinical and clinical studies of our pipeline drug candidates, in line with industry practice, we also engage domestic and international contract research organizations ("**CROs**") and site management organizations ("**SMOs**") to support our internal team.

Our in-house team conducts most of our preclinical drug R&D activities and clinical development activities, while engaging contractors for tasks that are either not cost-effective to manage internally or require specialized licenses and qualifications. In the preclinical stage, we internally develop our drug candidates from discovery to IND submission. We mainly engage preclinical CROs to conduct toxicology studies on animals, which require specific licenses and qualifications, along with certain testing activities related to CMC. In the clinical stage, our internal clinical development team handle most of the critical functions of a clinical trial, including the trial design, clinical research monitoring, data monitoring and analysis, as well as decision-making, thereby ensuring the quality and efficiency of our clinical trials. We mainly involve SMOs to coordinate patient screening and enrollment and support the day-to-day site management, and also engages some contractors to test clinical samples. Additionally, we engaged clinical CROs in the U.S. to provide a comprehensive suite of services to support the implementation and management of our ongoing clinical trials. At the trial's inception, we had limited INDs abroad and were in the early stage of establishing our clinical operations capacity in the U.S. As the number of international trials has grown, we have progressively enhanced our in-house clinical research capabilities in the U.S.

We have established a comprehensive mechanism for the selection, evaluation, and management of these partnerships, ensuring compliance while reducing R&D costs and enhancing the efficiency of our development efforts. Based on the service requirements of each project, we typically select at least two or more CROs to participate in competitive bidding and negotiations, and have alternatives in place for each service supplier. We generally enter into framework agreements with CROs and we have executed statements of work on a project basis. The below sets forth key terms of our framework agreements with CROs:

- ***Service***. The CROs provide us with specified services related to product development, including clinical trial management, patient recruitment, data collection and analysis, monitoring and reporting, among others, according to the project requirements agreed in advance.

- ***Term***. The CROs shall deliver their product development services at an acceptable quality within the specified timeframe, typically ranging from one and a half years to five years.

- ***Payments***. We typically pay CROs an initial payment upon the execution of the agreement and make subsequent payments contingent upon the CRO meeting specific project milestones. We generally reconcile all payments against the deliverables provided by the CRO at the conclusion of the project.

- ***Intellectual property rights***. All intellectual property rights arising from the product development project and any derivative intellectual property rights therein shall be owned by us.

- ***Confidentiality***. The CROs shall comply with Good Clinical Practice (GCP) guidelines to protect participant privacy and shall not disclose any trial-related information, including trial plans, progress reports, or related data, to unauthorized personnel or entities, as stipulated in the contract.

- ***Quality assurance***. In the event of any issues, the CRO shall be required to implement corrective actions within a specified timeframe, ensuring compliance with GCP guidelines and the predefined acceptance standards of the project.

- ***Allocation of liability***. CROs must adhere to all applicable laws, regulations, and industry standards throughout the research process. Generally, CROs shall indemnify us losses resulting from their negligence, intentional misconduct or breach of its obligations under the agreement.

MANUFACTURING

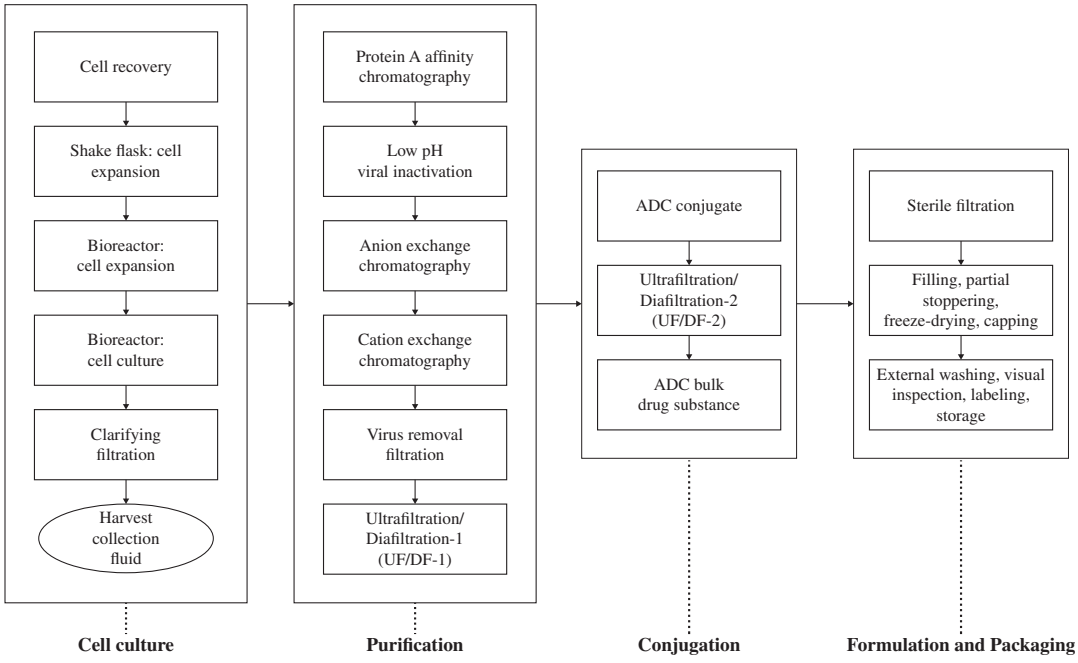
Manufacturing Process

We manufacture all of our innovative drug candidates as well as our generic drugs and traditional Chinese medicines on our own, which are in a variety of dosage forms, including injections, tablets, capsules, and granules. As part of our manufacturing operations, we continuously devise strategies to efficiently manage costs, maintain quality standards, and ensure consistent market supply.

We operate different production processes for our pharmaceutical products and APIs.

Innovative Biologics

Our biologics drug candidates under development mainly include ADCs, bispecific and multi-specific antibodies. The typical production process for ADCs is illustrated in the following flowchart:



Generic Drugs and Traditional Chinese Medicines

We manufacture our marketed drug products in a variety of dosage forms, each following Good Manufacturing Practice ("**GMP**")-compliant production processes:

- ***Fat emulsion injections.*** Including propofol medium and long chain fat emulsion injection, propofol injectable emulsion, and medium and long chain fat emulsion injection, the production process primarily involves weighing and dispensing of raw materials, emulsification and homogenization, sterile filtration, filling and sealing, and sterilization, visual inspection, labelling and packaging.

- ***Injectable products.*** Including dexmedetomidine hydrochloride injection, the production process primarily involves preparation of drug solution, sterile filtration, filling and sealing, sterilization, visual inspection, labelling and packaging.

- ***Lyophilized powder injection products.*** The production process primarily involves preparation of drug solution, sterile filtration, filling, vacuum freeze-drying, capping, visual inspection and packaging.

- ***Granules, tablets, and capsules.*** Including astragalus granules and ornidazole capsules, the production process primarily involves preprocessing and ingredient preparation of raw and auxiliary materials. For granules, the process proceeds through granulation, drying, whole granule classification, bulk mixing, testing and packaging. For tablets, the process additionally involves tableting and coating after granulation. For capsules, the process involves capsule filling after ingredient preparation, followed by encapsulation, testing and packaging.

- ***APIs.*** The majority of the APIs used in our drug products are obtained through our own chemical synthesis processes, primarily involving synthesis, refinement, dispensing and packaging.

Manufacturing Facilities

We currently have five manufacturing facilities, housing a total of 29 production lines for our major approved drugs. Our Baili-Bio Base is dedicated to the production of innovative biologics, while our Guorui Base, Baili Base, Hiatt/Jingxi Base and Tianze Base are primarily used for the production of generic drugs and traditional Chinese medicine products. We currently own the major production equipment used in our manufacturing process. We strictly carry out maintenance and repair work in compliance with applicable requirements and we replace or upgrade our production equipment when necessary to enhance productivity. During the Track Record Period and up to the Latest Practicable Date, we obtained production licenses for all of our production bases and marketing approvals for each of our marketed products.

Innovative Biologics

We have established several production workshops for our innovative drugs in our Baili-Bio Base in Chengdu, Sichuan Province, which forms a robust foundation for the commercial production of our innovative drugs and our ongoing clinical studies. As of March 31, 2026, our manufacturing team focusing on the production of innovative biologics in our Baili-Bio Base consisted of over 500 employees. With a GFA of approximately 36,000 sq.m., our Baili-Bio Base houses various workshops, covering the full cycle of cell culture, antibody purification, ADC conjugation, filling, lyophilisation and packaging.

We have established cell culture and purification workshops for the production of high-quality antibodies. Our cell culture workshop features six 2,000 L bioreactors and one 1,000 L bioreactor for large-scale cell growth, with single-use bioreactors that reduce cross-contamination between batches. Our purification workshop houses protein purification chromatography systems and ultrafiltration equipment for efficient antibody separation and purification.

Our ADC conjugation workshop features a 1,000 L conjugation reactor and automated conjugation systems for efficient ADC conjugation, together with ultrafiltration and isolator systems. Our facility is designed to produce more than 100 batches of ADC bulk drug substance annually.

We have two preparation production lines for final product filling and lyophilization. With advanced, fully automated production equipment such as automatic vacuum freeze dryer (自動真空冷凍乾燥機), standing ultrasonic cleaning machine (立式超聲波清洗機), and tunnel sterilization dryer (隧道式滅菌乾燥機), we possess advanced large-scale production capabilities for lyophilized powder injections. The annual production capacity of our Baili-Bio Base is approximately 1,000 thousand bottles of final products, including approximately 500 thousand bottles dedicated to iza-bren, sufficient to support commercial-scale production of our innovative drugs as well as approximately 100 clinical trials, depending on the candidate drug being produced. We are confident that with the current production capacity of our Baili-Bio Base, we are prepared to support IND applications, clinical trials and commercialization for our Core Products and other pipeline drug candidates.

Our commercialized innovative drug, iza-bren, is available as a lyophilized powder for injection in a specification of 120 mg per vial. Iza-bren is currently manufactured at our Baili-Bio Base, which serves as the production facility for the commercial supply of iza-bren worldwide.

To further support the clinical trials and commercialization of our innovative drugs, we are expanding our Baili-Bio Base and plan to initiate technical upgrade of our Jingxi Base. In addition, we are planning the construction of two new production facilities: (i) a dedicated production facility for ARCs in Chengdu, and (ii) an integrated biotech campus in Shanghai with a planned site area of approximately 90,000 sq.m. for R&D and manufacturing. During the Track Record Period, we engaged one CDMO with requisite qualifications for handling and manufacturing radioactive pharmaceutical products solely for the manufacture of our ARC drug candidates.

Generic Drugs and Traditional Chinese Medicines

We have strategically established an "API — finished pharmaceutical products" manufacturing platform for generic drugs and traditional Chinese medicines through synergy among four facilities: Hiatt/Jingxi Base for intermediates and chemical APIs, Guorui Base for injection products and oral preparation products, Baili Base for oral solid preparations and freeze-dried powder injection products and Tianze Base for oral solid preparations. These production facilities are fully equipped with advanced automated equipment such as boiling granulator (沸騰制粒機), liquid filling and capping machine (液體灌裝旋蓋聯體機), standing ultrasonic washing machine (立式超聲波清洗機), tunnel sterilization dryer (隧道式滅菌乾燥機), high-pressure homogenizer (高壓均質機) and YK-160 Pharmaceutical Swing Pellet Granulator Machine (YK160搖擺式顆粒機), and double layered glass reactor (雙層玻璃反應釜).

As of the Latest Practicable Date, our manufacturing facilities for generic drugs and traditional Chinese medicines occupied an aggregate site area of approximately 174,341 sq.m. and had an aggregate GFA of approximately 90,142 sq.m, housing a total of 29 production lines for our major approved drugs. The following table sets forth a summary of our manufacturing facilities for our generic drugs and traditional Chinese medicines as of the Latest Practicable Date.

Facility	Location	Site Area	GFA	Major Products Produced
		(sq.m.)	*(sq.m.)*	
Guorui Base	Leshan, Sichuan Province	77,389	50,086	Propofol injectable emulsion, dexmedetomidine hydrochloride injection, propofol medium and long chain fat emulsion injection, medium and long chain fat emulsion injection, etomidate medium/long chain fat emulsion injection and structural fat emulsion injection
Baili Base	Wenjiang, Sichuan Province	60,000	16,482	Astragalus granule, ornidazole capsule, chaihuang granule, glucose electrolyte effervescent tablet, ribavirin granule, racecadotril granule, sevoflurane for inhalation and guanfacine hydrochloride tablet
Hiatt/Jingxi Base	Qionglai, Sichuan Province	33,349	19,478	Propofol crude drugs, sevoflurane crude drugs, sevoflurane API, etomidate API, structural oil, guanfacine hydrochloride API, as well as certain APIs for iza-bren
Tianze Base	Lhasa, Xizang Autonomous Region	3,602	4,096	Glucose electrolyte effervescent tablet and enalapril maleate oral solution

The following table sets forth the designed production capacity, actual production volume and utilization rates of the production lines which are used in these facilities by formulation types as of the dates and for the periods indicated.

		As at/For the year ended December 31,						As at/For the three months ended March 31,		
		2024			2025			2026		
Production lines	Unit	Designed production capacity[1]	Production volume[1]	Utilization rate (%)[2]	Designed production capacity[1]	Production volume[1]	Utilization rate (%)[2]	Designed production capacity[1]	Production volume[1]	Utilization rate (%)[2]
Large Volume Injections[3]	'0,000 vials	900	1,187	131.9%[3]	900	1,238	137.6%[3]	225	252	112.0%[3]
Small Volume Injections[4]	'0,000 vials	2,000	411	20.5%[4]	2,000	637	31.8%[4]	500	70	14.1%[4]
Capsules	'0,000 pills	15,750	655	4.2%	15,750	637	4.0%	756	121	16.0%[7]
Tablets	'0,000 tablets	14,000	418	3.0%	14,000	1,122	8.0%[5]	1,434	189	13.2%[7]
Granules	'0,000 bags	66,400	29,930	45.1%	66,400	13,116	19.8%[6]	12,445	3,318	26.7%[7]

Notes:

(1) Designed production capacity relates to the designed annual production capacity of our production facilities in operation at the end of the period, which may not be a constant variable throughout the period. Our annual production volume equals to the quantity of finished drug products stored in our warehouse after production during the indicated period.

(2) Utilization rates in 2024 and 2025 are calculated as the production volume for the year divided by the production capacity for the years. Utilization rates for the three months ended March 31, 2026, are calculated as the production volume for the period divided by a quarter of the total production capacity for the year.

(3) Large volume injections refer to injections with a specification of 50ml, 100ml, 250ml and 500ml. Following the inclusion of Leweijing's 50ml:0.5g specification in the ninth batch of the national VBP scheme at the end of 2023, demand for this specification increased significantly in 2024 and continued into 2025 and the three months ended March 31, 2026, driven by the sustained procurement volumes under the VBP scheme. As a result, our production mix shifted toward smaller-volume vials (50ml) and away from larger-volume specifications throughout these periods. Since our designed production capacity is measured in number of vials based on the historical specification mix, the same total volume of output, when filled into smaller vials, yields a greater number of vials than the designed capacity assumed, resulting in utilization rates exceeding 100% in 2024, 2025 and the three months ended March 31, 2026.

(4) Small volume injections refer to injections with a specification less than 50ml. The utilization rate of our small volume injection production line increased from 20.5% in 2024 to 31.8% in 2025, primarily driven by increased market demand for etomidate medium/long chain fat emulsion injection. The utilization rate subsequently decreased from 31.8% in 2025 to 14.1% in the three months ended March 31, 2026, primarily due to a subsequent decline in market demand for this product, resulting in minimal production.

(5) The utilization rate of our tablet production line increased from 3.0% in 2024 to 8.0% in 2025, primarily driven by increased market demand for Leyeping and Pujikang.

(6) The utilization rate of our granule production line decreased from 45.1% in 2024 to 19.8% in 2025, primarily due to decreased market demand for ribavirin granule, resulting in lower production volume of this product.

(7) The utilization rates of our capsule, tablet and granule production lines were relatively low in 2024 and 2025, reflecting changes in market demand for the relevant products during these periods. In response, we decommissioned certain production workshops at our Baili Base commencing in January 2026, which reduced the designed annual production capacity for capsules from 157.5 million pills to 7.6 million pills, for tablets from 140 million tablets to 14.3 million tablets, and for granules from 664 million bags to 124.5 million bags. As a result, the utilization rates of these production lines increased in the three months ended March 31, 2026.

We meticulously monitor our production capacity in real-time and dynamically make adjustments based on current conditions and future projections. We also plan to establish new production lines to meet the ever-evolving market demand for our generic drugs and traditional Chinese medicines as needed.

Supply Chain Management

We have a dedicated procurement team overseeing our supply chain management in alignment with GMP standards. We have stringent supplier selection procedures in place, requiring suppliers to hold all necessary licenses and permits and to pass our assessment in terms of product quality, corporate management, reputation and pricing. Only suppliers that pass our comprehensive evaluation, which includes on-site audits, document review and sample inspection are included in our qualified supplier list, from which we source our raw materials. We routinely assess supplier performance and remove those that fail to meet our requirements. For established products with stable demand, our procurement team makes annual tender procurement plans based on material requirements from the production department. For new products and major raw materials with significant price fluctuations, the procurement team manages procurement in response to demands from the production or research departments. During the Track Record Period, we did not experience any material shortage of or delay in the supply of raw materials. We believe that adequate alternative sources for such supplies exist, and we have developed alternative sourcing strategies for these supplies.

SALES AND MARKETING

Commercialization of our Innovative Drugs

As of the Latest Practicable Date, iza-bren had received NDA approvals from the NMPA for the treatment of NPC in June 2026 and ESCC in July 2026, while the NDA application for TNBC had been accepted by the NMPA. The year 2026 marks the inaugural year of our innovative drug commercialization. To support the commercialization of iza-bren in Chinese Mainland, we are building a dedicated commercialization team with specialized expertise in oncology that operates independently from the sales and marketing team for our generic drugs and traditional Chinese medicine products. This team encompasses key commercial functions, including compliance, commercial operations, government affairs and market access, medical affairs and marketing, and is responsible for delivering specialized medical information and conducting academic promotion to healthcare professionals at target hospitals, which are primarily Class III hospitals and leading cancer centers where the target patient populations for iza-bren's approved indications are concentrated. As of the Latest Practicable Date, this team comprised over 600 professionals with specialized expertise and relevant experience in oncology. As of the same date, all of our commercialization professionals for iza-bren are in-house employees, and we have not engaged any contract sales organizations ("**CSOs**"). We believe that the oncology commercialization expertise we are building through the launch of iza-bren will provide a scalable foundation to support the future commercial launch of additional innovative drug candidates from our pipeline and advance our growth into a globally competitive, commercial-stage biopharmaceutical company.

As of the Latest Practicable Date, we had grown iza-bren's commercial coverage to span 30 provincial-level regions and 161 cities across Chinese Mainland, with access through over 450 direct-to-patient pharmacies located in proximity to major hospitals and leading cancer centers. We are actively pursuing hospital admissions to further broaden patient access.

Sales and Marketing of Our Generic Drugs and Traditional Chinese Medicine Products

During the Track Record Period, we generated a portion of our revenue from the sales of 31 approved generics (covering a wide range of therapeutic areas such as anesthesia, parenteral nutrition, pediatric and anti-infective drugs) and traditional Chinese medicine products. We generate demand for our generic drugs and traditional Chinese medicine products mainly through our in-house sales and

marketing team, which conducts comprehensive marketing activities to promote our products. In addition, we have built strong collaborations with local promoters and distributors to enhance the brand recognition and market acceptance of our products.

In-House Sales and Marketing Team

We have established a comprehensive sales and marketing system that spans over 30 provinces and 200 cities across China, which ensures that our products reach all major markets as well as urban, county, and township areas. As of March 31, 2026, our dedicated sales and marketing team for generic drugs and traditional Chinese medicine products comprised of 149 experienced professionals with strong sales capabilities and experience to support systematic planning and efficient network operations. Our sales and marketing team is responsible for product positioning research, market planning, business policy formulation, academic education activities, product tendering, price maintenance, sales contract management, and all other critical supporting functions. We regularly provide in-house and external trainings to enhance the industry knowledge and marketing skills of our sales and marketing team.

Marketing Activities

We organize, sponsor and participate in a wide variety of academic conferences, seminars and symposia to enhance our brand recognition. We also engage in routine academic discussion with medical experts and other healthcare professionals in our target therapeutic areas. In addition, collaborating with leading academic institutions and research organizations to conduct clinical trials increases our visibility.

To supplement our in-house sales and marketing capabilities, we engage third-party promoters to collect market data and provide research and consultation services, which effectively guides our future product promotion plans and resource allocation for market expansions. Further, we continuously enhance and refine our marketing strategies for generic drug products to align with national policies and regulatory requirements. Our robust marketing infrastructure and dedicated team efficiently cater to diverse market segments, including both the prescription drug market and OTC drug market where we reinforce our established product brands and increase the market penetration of our approved products.

We carry out the marketing activities in strict compliance with relevant laws and regulations in PRC. We have never engaged in any form of payment or commercial bribery to any medical institutions, regulatory agencies, or healthcare professionals through organizing or sponsoring academic conferences, seminars, or other promotional activities. Furthermore, we have never paid any fees to other entities or individuals through promotion service providers. During the Track Record Period and up to the Latest Practicable Date, neither we nor any of our directors or senior management have been penalized by regulatory authorities for commercial bribery, nor have they been investigated by the PRC authorities or found guilty by the PRC courts for such conduct. Also, there are no legal proceedings related to commercial bribery involving us. We believe anti-corruption campaigns targeting China's medical sector launched by the PRC authorities will not have a significant adverse impact on us.

Sales

We generate substantially all of our revenue from the sales of generic drugs and traditional Chinese medicine products primarily by selling our products to distributors who, in turn, sell our products to hospitals, pharmacies and other medical institutions. We also sell directly to retail pharmacy chains. Our sales strategy is in line with the industry norm in the pharmaceutical industry, according to CIC. The following table sets forth a breakdown of our revenue from the sales of generic drugs and traditional Chinese medicine products by distribution channels for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)				*(unaudited)*			
Distributors	483,783	99.4	375,600	98.8	59,341	98.1	91,292	99.3
Direct sales to retail pharmacies	2,976	0.6	4,475	1.2	1,164	1.9	689	0.7
Total	**486,759**	**100.0**	**380,075**	**100.0**	**60,505**	**100.0**	**91,981**	**100.0**

Distributors

We primarily sell our generic drugs and traditional Chinese medicine products through third-party distributors, who are our direct customers and are responsible for subsequently selling and delivering our products to hospitals, pharmacies, and other medical institutions. We believe our distribution strategy helps extend our coverage in a cost-effective manner while retaining proper control over our distribution network and marketing and promotion activities.

Distribution Network

Our distributors include hundreds of nationally known pharmaceutical distributors with widespread sales presence across the country, as well as regional distributors with deep market penetration within specific geographic areas, all of which are located in China. As of the Latest Practicable Date, our distribution network comprised of over 800 distributors across more than 30 provinces and over 200 cities. This extensive network and close collaboration with distributors have cultivated a dynamic, open marketing system that effectively stimulates cooperation and sales, ensuring strong sales capabilities across various regional and local markets. In 2024, 2025 and the three months ended March 31, 2025 and 2026, sales to our distributors amounted to approximately RMB483.8 million, RMB375.6 million, RMB59.3 million and RMB91.3 million, which approximately accounted for 99.4%, 98.8%, 98.1% and 99.3% of our revenue from the sale of pharmaceutical products, respectively.

To the best knowledge of our Directors, all of our distributors during the Track Record Period and up to the Latest Practicable Date were independent third parties; and none of our distributors transacted with us during the Track Record Period and up to the Latest Practicable Date are controlled by our former or current employees, uses our brand or name, or has received any material advance or financial assistance from us.

The following table sets forth the movement of the number of our distributors for the periods indicated below.

	Year ended December 31,		Three months ended March 31,
	2024	2025	2026
Number of distributors at the beginning of the period	1,742	1,449	1,218
Addition of new distributors[1]	345[3]	270[3]	71[3]
Termination of existing distributors[2]	638[5]	501[5]	508[5]
Net increase/(decrease) in distributors	(293)	(231)	(437)
Number of distributors at the end of the period	1,449	1,218	781

Notes:

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

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

(3) The distribution agreements we enter with distributors generally have a term of one year. In 2024, 2025 and the three months ended March 31, 2026, distributors who had at least one transaction with us in the respective year and did not have any transaction with us in the immediately preceding year amounted to 345, 270 and 71, respectively, primarily due to our increasing need to engage distributors mainly for distributing, in line with the growth of market demand, our major products Leweijing, Xinbolin, astragalus granule and sevoflurane for inhalation, as well as other products such as structural fat emulsion injection and dexmedetomidine hydrochloride and sodium chloride injection.

(4) We expect that certain distributors who had at least one transaction with us in 2025 but did not have any transaction with us in the three months ended March 31, 2026 will work with us during the remainder of the year.

(5) In 2024, 2025 and the three months ended March 31, 2026, distributors who did not have any transaction with us in the respective year and had at least one transaction with us in the immediately preceding year amounted to 638, 501, and 508, respectively, primarily due to (i) the inclusion of the compound of Leweijing in the ninth batch of national VBP scheme in November 2023, under which Leweijing is mainly supplied for seven provinces, (ii) the suspension of online listing of medium and long chain fat emulsion injection on the centralized procurement platforms in certain provinces, and (iii) the discontinuation of cooperation for certain specifications of our generic drugs and traditional Chinese medicines in certain distribution channels.

Distributor Management

Each business division of our sales and marketing team is responsible for the overall management of distributors of the specific products within its responsibility, ranging from selecting, monitoring, reviewing and managing risks associated with our distributors. We choose our distributors based on their demonstrated distribution capabilities, knowledge of their respective markets, financial stability, creditworthiness, and operational scale. All distributors must hold the necessary licenses and permits for pharmaceutical sales and distribution. Additionally, our distributors are required to comply with the latest GSP standards for cold-chain storage and transportation, ensuring that our products are delivered safely and promptly to the targeted medical institutions and pharmacies.

Terms of Distribution Agreements

We have a seller-buyer relationship with our distributors under the buy-out sale model. We retain no ownership over the products that we sell to them, and all significant risks and rewards associated with these products are transferred to them upon delivery to and acceptance by them. We enter into distribution agreements with our distributors. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. The following sets forth salient terms of our distribution agreements:

- ***Term.*** The typical duration of distribution agreements is one year.

- ***Designated distribution area.*** Distributors are generally not allowed to sell or distribute our products outside of their designated distribution areas.

- ***Exclusivity.*** Distributors are granted the distributorship of specified certain types of products in their designated distribution areas generally on a non-exclusive basis.

- ***Sales target and minimum purchase requirement.*** Our agreements with distributors generally do not specify an agreed annual sales target or minimum annual purchase amount.

- ***Resale price management.*** We generally do not control the prices at which our distributors resell our products to their customers.

- ***Inventory level.*** We generally do not require our distributors to maintain a minimum inventory level. We have the right to take stock of distributors' inventory of the products sold by us from time to time.

- ***Return of products.*** Our distributors are required to inspect the products on delivery. Returns and exchanges are generally not allowed except for defective products or damages.

- ***Access to information.*** We require major distributors to provide us with access to information at our request, usually on a monthly basis, including providing us with sales data of our products or with access to such information through their information technology system.

- ***Credit terms.*** We generally grant our major distributors credit terms of 30 to 120 days, with longer terms granted to selected distributors with whom we have built a strong business and financial track record. We also require prepayments for product deliveries to our distributors in certain instances.

- ***Confidentiality.*** Both parties have non-disclosure obligations and undertake to only use each other's trade secrets and other business information to the extent necessary and not to disclose such trade secrets or other business information to any third party.

- ***Termination.*** We may terminate the distribution agreements in the event of, among others, (i) any material breach by our distributors, such as sales outside of their designated distribution areas and providing falsified sales data; or (ii) any other breach by our distributors that is not remedied within a prescribed time-period.

Prevention of Cannibalization and Channel Stuffing

We believe that our sales correspond to actual market demand and therefore our products are at low risk of channel stuffing in our distribution network, because:

(i) We generally do not have mandatory sales targets for distributors, which we believe encourages distributors to order based on actual market demand and sales forecasts.

(ii) We adopt a sales model that transfer the full ownership of the goods at the time of acceptance, and normally there are no return rights for unsold inventory during the contract term, except for product defects, incorrect deliveries, damages, or policy-related factors. This model shifts the responsibility and risk of unsold inventory to the distributors. Since their capital is tied up in the inventory, the distributors are incentivized to order based on actual sales demand, thus reducing holding costs and the risk of obsolescence. Our cumulative amount of actual product return for the revenue recognized during the Track Record Period, as measured subsequent to the Track Record Period and up to June 30, 2026, was RMB7.2 million, accounting for 0.8% of the total revenue from the sales of pharmaceutical products, which was in line with prevailing industry practices as advised by CIC.

(iii) During the Track Record Period, a substantial majority of our pharmaceutical products were sold through distributors, primarily via VBP schemes and online listing on the centralized drug procurement platforms, which together provided a high degree of transparency and certainty in sales volume and pricing. Consequently, the role of our distributors for these products was primarily logistical, focusing on delivering products according to the orders placed by public hospitals, which reduced the incentive for distributors to overstock.

We have implemented a multifaceted approach to minimize the risk of sales cannibalization among our distributors. We enforce geographic limitations, which clearly specify the designated distribution areas in our distribution agreements for each of our distributors and forbid sales beyond these zones. Together with the detailed information regarding the flow of monthly sales of our products through our major distributors, we diligently oversee their sales to end customers or sub-distributors (if any), and spot any abnormalities in a timely manner. Once we detect such sales anomalies, including cross-regional or cross-channel sales, we will immediately require our distributors to halt all sales and shipments, and return their stock to us. If, under these circumstances, distributors continue to sell the products externally, we will impose penalties for the unauthorized sales, including financial sanctions and potential termination of distribution agreements.

We have also adopted various measures to avoid channel stuffing. According to our distribution agreements, product returns are not allowed unless there is a product quality issue, which helps us to minimize channel stuffing risk. We regularly sample for different products and review information including sales and/or inventory data from our distributors, and may request further information if we identify any irregularities. We also consider purchase volumes, historical data, regulatory changes, and other market factors to monitor our product sales. Further, we actively adjust our sales strategy and geographic or product coverage of each distributor based on market demand and each distributor's capacity. During the Track Record Period and up to the Latest Practicable Date, we did not notice any unusually large procurements that were inconsistent with distributors' past practices, nor did we notice any abnormally high inventory level of our distributors.

Anti-corruption and Anti-bribery Measures

Distributors are subject to anti-corruption and anti-bribery obligations pursuant to the terms of our distribution agreements, under which distributors (i) are required to comply with PRC laws and regulations, including anti-corruption and anti-bribery laws and regulations; and (ii) shall bear integrity obligation. See "— Risk Management and Internal Controls."

Implication of and Compliance with the "Two-Invoice System"

We are subject to the "Two-Invoice System" in China, under which invoices are issued by drug manufacturers to drug distributors on a one-off basis while invoices are issued by drug distributors to medical institutions on a one-off basis. Public medical institutions are required to adopt the "Two-Invoice System," while private medical institutions are encouraged but not required to adopt the "Two-Invoice System." Pharmaceutical manufacturers and distributors who fail to implement the two-invoice system may be disqualified from attending future bidding events or providing distribution for hospitals and blacklisted for drug procurement practices.

In our agreements with distributors, we specify the regions and types of end-customer, such as hospitals, pharmacies and clinics, to which each distributor is authorized to sell our products. Under the circumstances where public hospitals are the end-customers, which are subject to the Two-Invoice System, we strictly comply with the "Two-Invoice System" and our distributors can only sell our products directly to public hospitals without involving any sub-distributors, as required by the relevant policy. Some of our prescription drug products, such as Leweijing, Leweitai and Tianze, are predominantly sold to public hospitals and therefore such sales are subject to the Two-Invoice System.

Under the circumstances where the end-customers are not public hospitals but pharmacies, clinics and private hospitals, since the Two-Invoice System is not required to be adopted, we do not prohibit our distributors to engage sub-distributors. Some of our distributors may use sub-distributors to extend the product reach due to the typically large number and scattered distribution of pharmacies, clinics and private hospitals, which is in line with the industry norm, according to CIC. For some of our non-prescription drug products, such as astragalus granule, the majority of end-customers are private hospitals, pharmacies and other medical institutions, which are not subject to the Two-Invoice System. Generally, we do not have contractual relationships with

sub-distributors engaged by our distributors, who hold primary supervisory responsibilities over their respective sub-distributors. We enter into agreements with a small number of sub-distributors, whom we consider responsible for distribution in key locations while handling a substantial quantity of sales. We entered into agreements with 188, 123 and 98 sub-distributors in 2024, 2025 and the three months ended March 31, 2026, respectively.

We have implemented a series of internal control measures to monitor the implementation of the Two-Invoice System across different areas, ensuring our ongoing adherence to relevant rules, regulations and policies. For example, we provide training to our management and sales and marketing teams to enhance their understanding of the Two-Invoice System and related regulations, and we require our sales and marketing teams to adjust distribution strategies promptly according to the latest implementation status of the Two-Invoice System. We also closely communicate with distributors to gain insight into the distribution of products. Generally, we request the identities of their end-customers or sub-distributors from our major distributors monthly, and we typically require those with sub-distributors to provide us with the identities of end-customers of their sub-distributors as well. Should we detect any violations, we will enforce stringent penalties, including but not limited to suspension of the distributor's contract, liquidated damages, and potential legal action.

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

Direct Sales to Retail Pharmacies

For around 1% of our revenue from sales of generic drugs and traditional Chinese medicine products during the Track Record Period, we sell our products directly to major domestic pharmaceutical retail chains enterprises, which then allocate these products to the affiliated retail outlets operated by them. We support our direct sales customers in the external promotion and display of our products and conduct regular training sessions for pharmacy sales staff. As of December 31, 2024, 2025 and March 31, 2026, the number of our direct sales customers amounted to 28, 27 and 19, respectively. We enter into standard framework agreements with our direct sales customers, and/or sales contracts on an annual basis. Pursuant to the direct sales agreements, we are responsible for the delivery of our products to our direct sales customers at our own cost. Generally, we do not allow product returns or exchanges except for defective products, which is subject to approval by our designated personnel. Our major direct sales customers are required to regularly confirm their inventory levels with us to avoid the sale of expired products. We typically grant our major direct sales customers a credit term of 30 to 90 days and direct sales customers typically pay us via wire transfer or bank acceptance bills.

Logistics Arrangement

We generally engage third-party logistics service providers to transport our products to our distributors and other direct customers. We have entered into logistics service agreements with these providers, pursuant to which they are responsible for furnishing comprehensive logistics services, encompassing storage, secondary packaging, and timely shipment to specified destinations. Our prerequisites mandate that such logistics service providers maintain contemporary pharmaceutical storage and distribution facilities. Moreover, they must hold third-party pharmaceutical logistics qualifications sanctioned by competent authorities. Pursuant to the logistics arrangements, these providers bear responsibility for any loss, damage, or contamination of transported drugs resulting from their negligence during the provision of logistics services. Breach of contract by the logistics providers, including failure to meet these obligations, may result in the imposition of liquidated damages.

PRICING

We formulate and implement a reasonable pricing strategy for our commercialized products. In determining our prices, we prioritize patient accessibility. We also take into account the applicable regulations and policies on the pharmaceutical industry, including medical insurance reimbursement standards and regulation of medical and pricing practices, as well as our R&D, production and marketing costs and expenses, the perceived value of products, our market share and the competitive landscape.

We are dedicated to closely monitoring new policies affecting the pricing of pharmaceuticals in China and formulating strategies to stay competitive and profitable.

Centralized Tender Process and Volume-based Procurement

The centralized tender process and volume-based procurement ("**VBP**") are two distinct but interrelated mechanisms in China's pharmaceutical procurement system, both aimed at reducing healthcare costs and increasing access to medications. The centralized tender process is a provincial or regional system used in China for public hospitals to purchase most medications at the bid prices. The procurement volume under centralized tender process is not guaranteed, and depends on hospital preferences and market demand. The VBP is a national or regional procurement mechanism that leverages large-volume government procurement to lower the prices of the selected medications. The VBP typically guarantees a large procurement volume, which encourages pharmaceutical companies to offer lower prices in exchange for assured sales. If a drug is included in VBP, its prices and sales volume to public hospitals will primarily be determined through the VBP scheme. Once a VBP cycle ends or for provinces not participating in VBP, such drugs can still be procured through the centralized tender process. If a drug does not win bids in VBP, it may still be procured through the centralized tender process, but it may experience a sharp decline in demand as public hospitals prioritize purchasing VBP-winning drugs. Out of the VBP scope, public hospitals primarily procure drugs at bid prices determined through the centralized tender process based on their needs.

Centralized Tender Process

The centralized tender process is held in different regions across China with varying terms and procedures. Generally, pharmaceutical companies bid to have their drugs listed on an online procurement platform operated at provincial or regional level, where public hospitals can choose to purchase the listed drug at the negotiated prices. We, as the pharmaceutical manufacturer and the holder of marketing authorizations for drugs covered by the centralized procurement program, submit bids in a centralized tender process to supply our applicable products to these institutions at specified prices. These bids are generally considered based on, among other things, price competitiveness, product quality, clinical effectiveness, as well as qualifications and reputation of the manufacturer. If we are successful in winning bids in a centralized tender process, the relevant products will be sold to the public medical institutions at the bid prices, which is the primary determinant of prices at which we sell our products to our distributors. The centralized tender process has created pricing pressure among substitute products.

We actively participate in the centralized tender process, carefully considering various factors, including the trade-off between price levels and sales volumes. The centralized tender process presents both challenges and opportunities for us. Challenges include potential declines in revenue and profit for products that do not win bids, loss of market share in regions where we fail to secure bids, and the pressure to adjust prices, which can affect profit margins. However, by leveraging our product differentiation bidding strategy, opportunities arise from cost and efficiency advantages from reduced selling and marketing expenses and expanded market access through successful bids. Our success in the centralized tender process relies on differentiating our products and pricing bids profitably, supported by national-level recognitions and quality evaluations.

VBP

Prices of certain pharmaceutical products in China sold to public hospitals and public medical institutions are affected by the VBP scheme. The VBP scheme aims to achieve a lower price of pharmaceuticals with mature, high-volume clinical usage and sufficient market competition through a competitive bidding process for large-volume procurement. The VBP scheme has rolled out at both national and regional levels.

The national VBP is a centralized procurement system to secure large volumes of essential drugs at significantly lower prices. Drugs selected for national VBP must have one originator and at least six manufactures of generic versions that pass consistency evaluation with the originator to ensure competition in the bidding process. Pharmaceutical companies compete to win bids by offering a substantial price reduction. By centralizing the procurement process, this mechanism also minimizes the role of distributors and intermediaries, improving efficiency and transparency of supply to public hospitals. As a result, the inclusion in the national schemes generally exerts substantial downward pricing pressure of the selected drugs. Its impact on the sales volume of a bid-winning drug depends on such drug's market share among its drug class prior to the implementation of such national schemes. Specifically, the national VBP scheme for pharmaceuticals imposes certain limitations on the number of provinces each winning bidder are entitled to supply. Therefore, pharmaceutical manufacturers which have a smaller market share prior to winning the VBP bid will usually experience a bump in sales volume. For pharmaceutical manufacturers which have a large market share, however, their sales volume may decrease after winning the bid in national VBP scheme for pharmaceuticals, as they have to share a smaller market with the other winning bidders. For drugs in the same drug class that are not included in such scheme (i.e. they do not win the bidding), they typically lose significant market share in public hospitals, while they are not mandatorily required to lower selling prices to align with the low-priced bid-winning drugs. A national VBP scheme typically lasts for a term ranging from one to three years.

Following the completion of national VBP schemes, continuation procurement often follows at provincial or regional level to stabilize the supply and pricing structure. If a drug was not previously included in the national schemes, it may participate in the continuation procurement. So far, the national government has never initiated a new round of national VBP after the drugs enter provincial continuation procurement stage. Besides, provincial governments also roll out VBP schemes at provincial or regional level to complement the national schemes. Similar to national VBP, the provincial VBPs exert downward pressure on drug price with a guaranteed procurement volume.

During the Track Record Period, a number of our products were subject to national or provincial VBP schemes. For example, Leweijing and Leiweitai participated in provincial VBP schemes and later in the national VBP scheme. In addition, Shuweijing, Tianze and Bailineng participated in provincial VBP schemes as of the Latest Practicable Date. For further details, see "— Our Portfolio Assets — Our Generics and Traditional Chinese Medicine Products." While the VBP scheme sometimes allows us to sell our products in larger volumes, it typically exerts downward pressure on the prices at which we sell our products to our distributors. To mitigate such impact, we continue to diversify our product portfolio by introducing new marketed drugs.

NRDL

The NRDL sets forth the payment standard for drugs under the basic medical insurance, work-related injury insurance and maternity insurance funds. The National Healthcare Security Administration of the PRC, together with other government authorities, have the power to determine the drugs included in the NRDL. As of March 31, 2026, certain of our generic drugs and traditional Chinese medicine products were included in the NRDL, including Leweijing, Leweitai, Tianze, Shuweijing, Bailineng, and astragalus granule. To achieve this, our products undergo a rigorous evaluation and approval procedure based on the NRDL's selection criteria. Being part of

the NRDL has substantial implications for our company as it determines the medical insurance reimbursement standards for our products. However, this may also lead to a decrease in the price of our products in certain provinces due to the transparent, multi-party negotiation mechanism for pricing. In addition, we are actively pursuing NRDL inclusion for iza-bren to enhance patient accessibility and broaden market reach. Iza-bren for the NPC indication has passed the eligibility review in the annual NRDL adjustment process, and we expect to participate in the NRDL price negotiation for this indication in the third quarter of 2026. We are also evaluating the potential inclusion of iza-bren in the Commercial Health Insurance Innovative Drug List as a supplementary payment channel.

NEDL

The NEDL aims at promoting essential drugs sold to patients at fair prices in the PRC and ensuring that the general public in the PRC has equal access to the essential drugs. The selection of drugs listed in the NEDL shall be in accordance with the principles of necessity for prevention and treatment, safety and effectiveness, reasonable price, easy to use and clinical preference. Propofol injectable emulsion and medium and long chain fat emulsion, covering two of our marketed products, were included in the 2018 NEDL. While it ensures that our products are deemed essential and are therefore more likely to be purchased even in times of economic downturn, this process can also exert downward pressure on our pricing strategy. The prices at which we can sell our products may decrease due to the fixed or maximum retail prices set by the NEDL.

Our pricing strategy and regulation are a delicate balance of participation in these four mechanisms. We strive to meet the criteria in each process, but we also must navigate the potential downward pressure on our pricing.

QUALITY CONTROL AND ASSURANCE

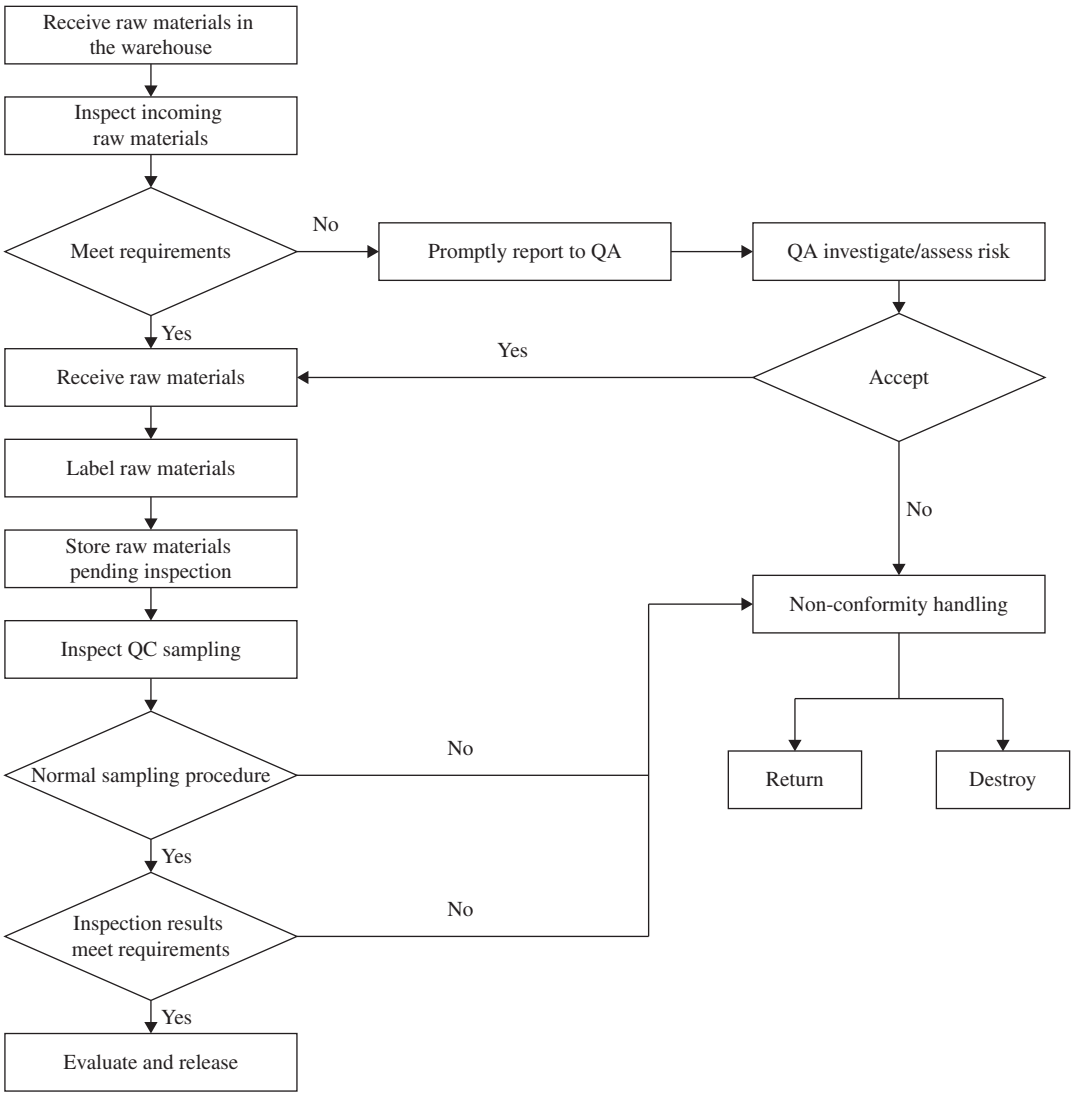
We have implemented comprehensive quality control procedures and protocols that span across the entire production lifecycle from raw material sourcing till the final products are delivered to customers. In strict compliance with the laws and regulations, including but not limited to, Pharmaceutical Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》) and GMP for Medical Products Standards (《藥品生產質量管理規範》), we have established a comprehensive pharmaceutical quality management system. We have established an organizational structure including an independent quality management department that fulfills both Quality Assurance ("**QA**") and Quality Control ("**QC**") roles. Our Qualified Person ("**QP**") is responsible for independently ensuring that each batch of our pharmaceutical products meets all quality and regulatory standards before distribution. For details about our major licenses, permits and approvals, please see "— Licenses, Permits and Approvals."

Supply Chain Quality Control

We have adopted a comprehensive supplier management procedure. The QA department, in collaboration with relevant departments, conducts quality evaluations of all suppliers providing raw materials, including both on-site and off-site quality audits. Only suppliers who pass our evaluation are included in our approved supplier list. For details about our supply chain management, please see "— Manufacturing — Supply Chain Management."

Our QC personnel conducts sampling inspections of the materials procured in batches, and issues inspection reports indicating whether the materials meet quality standards within specified time limits. The QA personnel reviews these inspection reports alongside the material acceptance records and testing records to conduct a material audit assessment. Based on the assessment result, our quality management department head decides whether to approve the release of materials. We store the materials that are approved for release by category according to specified storage conditions and use such materials within their designated shelf lives.

The following flow chart illustrates our raw material quality control procedures:



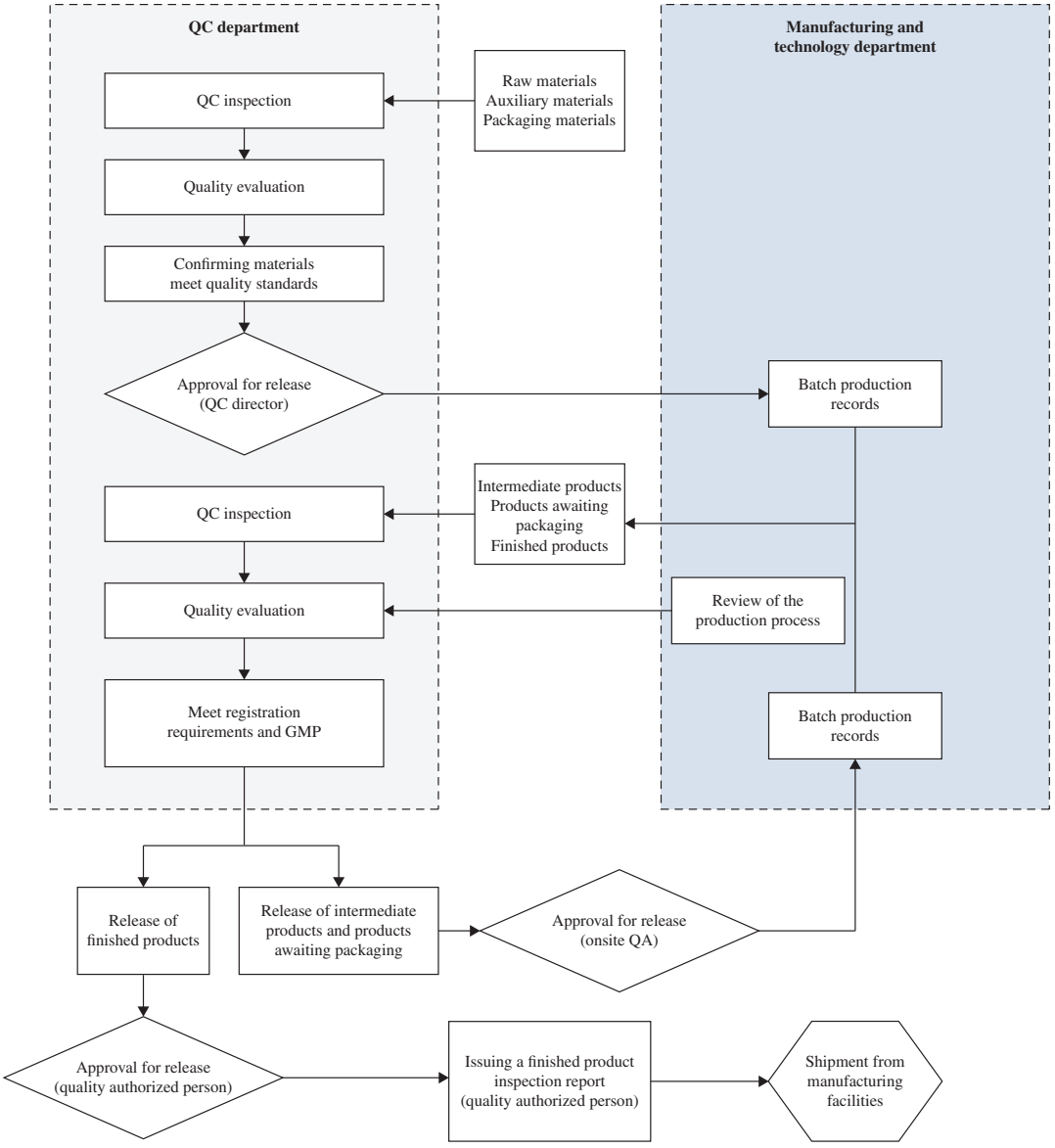
Manufacturing Quality Control

All of our manufacturing processes are conducted in accordance with our detailed production instructions, protocols and the GMP standards. Our QA personnel conduct rigorous quality monitoring at each stage of the production process. Upon completion of batch production, QC personnel collect and test samples, and the QA department conducts comprehensive audits evaluating inspection results, process compliance, deviation handling, and change management before issuing release or non-release notices.

Finished Product Quality Control

Upon completion of finished products in the production workshop, QC personnel collect and test samples and issue inspection reports. The QA department reviews batch production records, packaging records, and related deviation records to ensure each batch meets quality standards consistent with registration requirements and GMP. Only products accompanied by QA-issued certificates of compliance and release orders are released for shipment.

The following flow chart illustrates our quality control procedures for our in-process and final products:



After-sales Supervision

We have implemented a thorough management framework to oversee the quality and safety of our products in the post-marketing phase, including product complaints, product recalls, adverse drug reaction reporting, and monitoring. To this end, we have adopted a series of procedures, such as Product Complaint Handling Standard Operating Procedure, Recall Standard Operating Procedure, and Adverse Drug Reaction Reporting and Monitoring Standard Operating Procedure. We have staffed specialized personnel responsible for monitoring and reporting adverse drug reactions. These personnel systematically collect and meticulously record adverse reactions, regularly conduct drug safety risk assessments, and compile and submit safety update reports.

PRODUCT RETURNS

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

We generally do not accept any product returns and exchanges, except for defective products, incorrect deliveries, damages, or policy-related factors. The primary responsibility for handling returns and exchanges lies with the respective business divisions, with support from the finance department, the quality control department and warehouses. Typically, the return process begins with a return request submitted by the business manager of the business division, and the business manager will coordinate the return with the distributors for the subsequent transportation to our warehouses after obtaining the approval of the head of that business division and our finance department. Upon arrival, our warehouse staff inspects the returned goods against the commercial delivery note, followed by a quality inspection and final review by the quality control department. For defective products, we are fully responsible for the cost of return and replacement of these products. For details of the return policy with our distributors, see "— Sales and Marketing — Sales — Distribution — Distributor Management." We have also implemented detailed procedures on how to handle quality complaints and provide for the contingency for any adverse patient reaction to our products. In addition, our sales and marketing team is responsible for following up customer complaints to ensure that they have been dealt with appropriately.

During the Track Record Period, when the product returns occurred and were accepted, the amount of actual product returns would offset the sales revenue. We estimated the future sales return of the products sold based on the historical experience and recorded refund liability for the expected returns, and simultaneously recognized an asset for the right to returned goods asset. As of December 31, 2024, 2025 and March 31, 2026, our refund liabilities amounted to RMB9.7 million, RMB7.6 million and RMB8.2 million, respectively; our right to returned goods assets amounted to RMB6.4 million, RMB4.8 million and RMB5.3 million, respectively. The cumulative amount of actual product return for the revenue recognized during the Track Record Period, as measured subsequent to the Track Record Period and up to June 30, 2026, was RMB7.2 million, accounting for 0.8% of the total revenue from the sales of pharmaceutical products, which was in line with the industry practice as advised by CIC. During the Track Record Period and up to the Latest Practicable Date, the amounts of our product returns and exchanges did not have a material adverse effect on our operations of business, and we had not experienced any material complaint or product liability or other legal claims from our customers due to problems associated with the quality of our products.

SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of CROs and suppliers of raw materials, equipment, devices and construction services. We primarily procure our raw materials within the PRC, with a minor portion sourced from the United States. We select our suppliers by considering cost and their capability, quality, reputation, delivery and regulatory compliance.

Purchases from our five largest suppliers in each period during the Track Record Period were RMB217.2 million, RMB422.0 million and RMB105.9 million in 2024, 2025 and the three months ended March 31, 2026, respectively, representing 15.8%, 16.6% and 16.5% of our total purchases for the corresponding periods. Purchases from our largest supplier in 2024, 2025 and the three months ended March 31, 2026 were RMB73.2 million, RMB205.9 million and RMB37.2 million, respectively, representing 5.3%, 8.1% and 5.8% of our total purchases for the corresponding periods. Our suppliers generally provide us credit terms of 30 to 270 days, and we generally settle with them by bank transfer and bills. The following table sets forth details of our five largest suppliers for each year/period during the Track Record Period.

Suppliers	Background	Products/ Services Purchased	Commencement of Business Relationship	Purchase Amount	% of Total Purchase
				(RMB in thousands)	
For the year ended December 31, 2024					
Supplier A	A joint stock company established in 2010 and headquartered in Shanghai, primarily focusing on providing medical science technology consulting and development services, with a registered capital of RMB105.7 million	R&D services	2018	73,189	5.3
Supplier B	A U.S.-based leading global provider of advanced analytics, technology solutions, and clinical research services, ranking among the top 10 global CROs by revenue in 2025	R&D services	2023	46,161	3.3
Supplier C	A public hospital located in Guangzhou, Guangdong, with an initial capital of RMB260.2 million	R&D services	2019	37,256	2.7
Supplier D	A public hospital located in Shanghai, with an initial capital of RMB168.46 million	R&D services	2021	30,519	2.2
Supplier E	A limited liability company established in 2003 and headquartered in Shanghai, primarily focusing on pharmaceutical R&D services, including clinical trial management, regulatory consulting, and data management	R&D services	2023	30,036	2.2
Total				**217,161**	**15.8**
For the year ended December 31, 2025					
Supplier B	A U.S.-based leading global provider of advanced analytics, technology solutions, and clinical research services, ranking among the top 10 global CROs by revenue in 2025	R&D services	2023	205,869	8.1
Supplier F	A limited liability company established in 2006 and headquartered in Chengdu, Sichuan province, primarily focusing on providing human resources services and information resource services	Human resource management services	2021	92,373	3.6
Supplier D	A public hospital located in Shanghai, with an initial capital of RMB168.46 million	R&D services	2021	46,561	1.8
Supplier G	A joint stock company established in 1993 and headquartered in Shanghai, primarily focusing on providing pharmaceutical companies with process services and consumables, core equipment, and integrated engineering solutions. Supplier G is listed on the Shenzhen Stock Exchange, with a registered capital of RMB765.8 million	Equipment	2007	40,034	1.6
Supplier C	A public hospital located in Guangzhou, Guangdong, with an initial capital of RMB260.2 million	R&D services	2019	37,160	1.5
Total				**421,997**	**16.6**

Suppliers	Background	Products/ Services Purchased	Commencement of Business Relationship	Purchase Amount	% of Total Purchase
				(RMB in thousands)	
For the three months ended March 31, 2026					
Supplier F	A limited liability company established in 2006 and headquartered in Chengdu, Sichuan province, primarily focusing on providing human resources services and information resource services	Human resource management services	2021	37,157	5.8
Supplier H	A limited liability company established in 2017 and headquartered in Shenzhen, Guangdong province, primarily focusing on providing clinical trial drugs for biopharmaceutical enterprises	Drugs used in clinical trials	2023	20,002	3.1
Supplier B	A U.S.-based leading global provider of advanced analytics, technology solutions, and clinical research services, ranking among the top 10 global CROs by revenue in 2025	R&D services	2023	18,350	2.9
Supplier I	A limited liability company established in 2010 and headquartered in Taizhou, Jiangsu province, primarily focusing on mechanical and electrical equipment installation and building installation engineering	Engineering services	2025	15,817	2.5
Supplier J	A social organization established in Beijing in 2018, primarily dedicated to public science popularization and public welfare research related to public health	Marketing and promotion services	2025	14,614	2.3
Total				**105,940**	**16.5**

To the best of our knowledge, (i) all of our five largest suppliers for each year/period during the Track Record Period are independent third parties, and (ii) none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date has any interest in any of our five largest suppliers for each year/period during the Track Record Period.

CUSTOMERS

During the Track Record Period, our revenue was derived from license fee income and sales of pharmaceutical products. In 2024 and 2025, our revenue was primarily derived from license fee, while in the three months ended March 31, 2026, our revenue was primarily derived from sales of pharmaceutical products, mainly to third-party distributors. We sell a substantial portion of our products to third-party distributors in the PRC, who are our direct customers and are responsible for subsequently selling and delivering our products to hospitals, other medical institutions and pharmacies. We generally grant credit terms of 30 to 120 days to our major distributors, and they generally settle with us by bank transfer and bills.

Our revenue from our five largest customers in each period during the Track Record Period, calculated on the group level with entities controlled by the same group combined together, were RMB5,537.8 million, RMB2,306.9 million and RMB47.7 million in 2024, 2025 and the three months ended March 31, 2026, respectively, representing 95.1%, 91.5% and 50.7% of our total revenue for the corresponding periods. Our revenue from our largest customer in each period during the Track Record Period were RMB5,334.3 million, RMB2,136.9 million and RMB18.1 million, respectively, representing 91.6%, 84.8% and 19.2% of our total revenue for the corresponding

periods. For risks related to customer concentration, see "Risk Factors — Risks Relating to Our Reliance on Third Parties — We depend on a limited number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in sales to, one or more of our major customers would materially and adversely affect our business, result of operations and financial condition." The following table sets forth details of our five largest customers for each year/period during the Track Record Period.

Customers	Background	Products/ Services/ License Provided	Commencement of Business Relationship	Revenue Contribution	% of Total Revenue
				(RMB in thousands)	
For the year ended December 31, 2024					
BMS	A multinational pharmaceutical company headquartered in the U.S. BMS is a leading global pharmaceutical company with US$48.2 billion in revenue in 2025	Licensing of iza-bren	2023	5,334,291	91.6
Customer A	A joint stock company established in 2003 and headquartered in Shanghai, primarily focusing on sale of pharmaceuticals and medical devices. Customer A is listed on the Hong Kong Stock Exchange, with a registered capital of RMB3,120.7 million	Pharmaceutical products	2008	78,360	1.3
Customer B	A joint stock company established in 2007 and headquartered in Beijing, primarily focusing on sale of pharmaceuticals. Customer B is listed on the Hong Kong Stock Exchange, with a registered capital of RMB19,646.5 million	Pharmaceutical products	2011	70,112	1.2
Customer C	A joint stock company established in 1994 and headquartered in Shanghai, primarily focusing on sale of pharmaceuticals. Customer C is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, with a registered capital of RMB3,702.8 million	Pharmaceutical products	2010	28,777	0.5
Customer D	A state-owned enterprise established in 2000 and headquartered in Chongqing, primarily engaged in investment and management of chemical and pharmaceutical assets, with a registered capital of RMB4,041.5 million	Pharmaceutical products	2010	26,243	0.5
Total				**5,537,783**	**95.1**
For the year ended December 31, 2025					
BMS	A multinational pharmaceutical company headquartered in the U.S. BMS is a leading global pharmaceutical company with US$48.2 billion in revenue in 2025	Licensing of iza-bren	2023	2,136,918	84.8
Customer B	A joint stock company established in 2007 and headquartered in Beijing, primarily focusing on sale of pharmaceuticals. Customer B is listed on the Hong Kong Stock Exchange, with a registered capital of RMB19,646.5 million	Pharmaceutical products	2011	63,578	2.5
Customer A	A joint stock company established in 2003 and headquartered in Shanghai, primarily focusing on sale of pharmaceuticals and medical devices. Customer A is listed on the Hong Kong Stock Exchange, with a registered capital of RMB3,120.7 million	Pharmaceutical products	2008	62,821	2.5

Customers	Background	Products/ Services/ License Provided	Commencement of Business Relationship	Revenue Contribution	% of Total Revenue
				(RMB in thousands)	
Customer C	A joint stock company established in 1994 and headquartered in Shanghai, primarily focusing on sale of pharmaceuticals. Customer C is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, with a registered capital of RMB3,702.8 million	Pharmaceutical products	2010	22,786	0.9
Customer D	A state-owned enterprise established in 2000 and headquartered in Chongqing, primarily engaged in investment and management of chemical and pharmaceutical assets, with a registered capital of RMB4,041.5 million	Pharmaceutical products	2010	20,819	0.8
Total				**2,306,922**	**91.5**
For the three months ended March 31, 2026					
Customer A	A joint stock company established in 2003 and headquartered in Shanghai, primarily focusing on sale of pharmaceuticals and medical devices. Customer A is listed on the Hong Kong Stock Exchange, with a registered capital of RMB3,120.7 million	Pharmaceutical products	2008	18,064	19.2
Customer B	A joint stock company established in 2007 and headquartered in Beijing, primarily focusing on sale of pharmaceuticals. Customer B is listed on the Hong Kong Stock Exchange, with a registered capital of RMB19,646.5 million	Pharmaceutical products	2011	14,782	15.7
Customer C	A joint stock company established in 1994 and headquartered in Shanghai, primarily focusing on sale of pharmaceuticals. Customer C is listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, with a registered capital of RMB3,702.8 million	Pharmaceutical products	2010	6,032	6.4
Customer D	A state-owned enterprise established in 2000 and headquartered in Chongqing, primarily engaged in investment and management of chemical and pharmaceutical assets, with a registered capital of RMB4,041.5 million	Pharmaceutical products	2010	5,297	5.6
Customer E	A joint stock company established in 1993 and headquartered in Kunming, Yunnan province, primarily focusing on sale of pharmaceuticals and medical devices. Customer E is listed on the Shenzhen Stock Exchange, with a registered capital of RMB1,784.3 million	Pharmaceutical products	2007	3,531	3.8
Total				**47,705**	**50.7**

To the best of our knowledge, (i) all of our five largest customers for each year/period during the Track Record Period are independent third parties, and (ii) none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date has any interest in any of our five largest customers for each year/period during the Track Record Period.

COMPETITION

We operate in a competitive industry, facing potential competition from many others working to develop therapies and products targeting the same indications and markets, such as multinational biopharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies. In our innovative biologics business, our drug candidates may, upon marketing approval, face competition from existing drugs and other drug candidates directed against the same molecular targets, mechanisms and indications, as an increasing number of biotechnology and multinational pharmaceutical companies commit substantial resources to our modalities of focus. In our generics and traditional Chinese medicine business, we face competition from other domestic manufacturers, including in the centralized tender process and the VBP scheme, where pricing pressure and competing bidders have affected, and may continue to affect, the sales volume, pricing and market share of such products. We believe that the primary competitive factors in our markets include the identification of promising targets, mechanisms, and pathways for drug development, molecule screening and design, efficacy and safety of drug candidates, manufacturing efficiency, and commercialization, as well as, for our generics and traditional Chinese medicine products, price competitiveness, product quality, clinical effectiveness, and manufacturer qualifications and reputation in centralized tender and VBP processes. We believe our continued success will depend on our following capabilities: the capability to develop innovative products and advanced technologies, including our proprietary HIRE-ADC, SEBA, GNC and HIRE-ARC platforms; the capability to apply technologies to all production lines; the capability to develop an extensive product portfolio spanning both our innovative biologics pipeline and our generics and traditional Chinese medicine business; the capability to maintain a highly efficient operational model; the capability to attract, retain and cultivate talent; the capability to maintain high quality standards; the capability to obtain and maintain regulatory approvals; and the capability to effectively market and promote products, including through our differentiated bidding strategy in centralized tender and VBP processes.

EMPLOYEES

As of March 31, 2026, we had a total of 3,271 full-time employees with 3,118 employees located in China and the rest in the U.S. The following table sets forth a breakdown of our employees by function as of March 31, 2026:

Function	Number	% of Total
R&D	1,702	52.0
Manufacturing	723	22.1
General and Administrative	697	21.3
Sales and Marketing	149	4.6
Total	**3,271**	**100.0**

We enter into standard labor, confidentiality and non-compete agreements with our employees. As of the Latest Practicable Date, our employees were represented by a labor union. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

We provide our employees with a diverse array of professional development opportunities and foster a performance-driven environment. We have a comprehensive talent development mechanism that nurtures employees from entry-level to expert proficiency. Every new employee undergoes comprehensive and systematic onboarding training tailored to their specific roles and responsibilities. We provide both internal and external training for our technical staff, which enables us to foster a diversified, multi-level, and well-structured talent pool. To motivate our R&D personnel to improve their work efficiency and expedite project progress while ensuring the quality of project deliverables, we have also implemented various measures such as Performance Management Measures and Invention and Innovation Reward Measures. These policies form a comprehensive talent incentive system that includes both short-term performance rewards and long-term career advancement opportunities.

We believe we offer our employees competitive compensation packages, reflecting our stakeholder-centric ethos which we believe leads to sustainable and durable growth. As required by PRC regulations, we participate in various government statutory employee benefit plans, including social insurance, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident funds. Additionally, for certain of our employees in Chengdu, we provide supplementary insurance through the Chengdu Medicare (惠蓉保補充保險) to support their health and well-being. We also adhere to legal requirements by offering maternity leave, paternity leave, and other related benefits. We ensure a safe working environment that complies with safety standards, and we provide daily meal subsidies, transportation, and communication allowances. We have also enrolled each employee in the U.S. in the 401(K) retirement benefit plan, striving to ensure that every employee has financial security in their later years.

AWARDS AND RECOGNITION

Throughout our corporate history, we have received a number of major awards and accolades. The table sets forth a summary of the major awards and recognition we received as of the Latest Practicable Date:

Year(s) of Grant	Award/Recognition	Issuing Authority
2025	Sichuan Province All-Round Headquarters Enterprise (四川省全能型總部企業)	Sichuan Provincial Development and Reform Commission (四川省發展和改革委員會) among others
	Sichuan Provincial Specialized and New Small and Medium-Sized Enterprises (四川省專精特新中小企業)	Sichuan Provincial Economic and Information Department (四川省經濟和信息化廳)
	High-tech Enterprise (高新技術企業)	Science and Technology Department of Sichuan Province (四川省科學技術廳) among others
	Industry-leading Biotech Company (行業引領Biotech公司)	PharmCube (醫藥魔方)
	2025 Top 101 Chinese Pharmaceutical Industries (2025年中國製藥工業TOP101) and 2025 Top 101 Chinese Innovative Pharmaceutical Companies (2025中國創新藥企TOP101)	CMC-CHINA Pharmaceutical Industry Expo (CMC-CHINA 中國製藥工業博覽會) & Pharnex (藥融圈)
2024	Sichuan Provincial Specialized and New Small and Medium- Sized Enterprises (四川省專精特新中小企業)	Sichuan Provincial Economic and Information Department (四川省經濟和信息化廳)
	2024 China's Top 50 Most Innovative Companies (2024福布斯中國創新力企業50強)	Forbes

INTELLECTUAL PROPERTY

Our intellectual property rights are critical to our business, and we are committed to the development and protection of our intellectual properties.

We have a global portfolio of invention patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) 251 issued invention patents, including 83 in Chinese Mainland, 22 in the U.S., and 146 in other jurisdictions, and (ii) 938 patent applications, including 205 in Chinese Mainland, 77 in the U.S., 14 valid applications under the Patent Cooperation Treaty ("**PCT**") and 642 in other jurisdictions. As of the Latest Practicable Date, with respect to our Core Products, we owned 11 issued patents in Chinese Mainland, five issued patents in the U.S. and 32 issued patents in other jurisdictions, as well as 188 patent applications, including 26 in Chinese Mainland, 14 in the U.S., two valid applications under the PCT and 146 in other jurisdictions. The invention patents granted to, or under application by, us cover all material aspects of our Core Products.

The following table summarizes the details of the material issued patents and patent applications in connection with our Core products and innovative technology platforms. For further details, please see "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Our Material Intellectual Property Rights — (b) Patents."

Product	Scope of Patent Protection	Patent Number/ Application Number	Jurisdiction	Patent Holder/Applicant	Estimated Expiration Year*
Products on HIRE-ADC platform, including iza-bren and T-Bren	Antibody-Drug Conjugate Having Acidic Self-Stabilization Junction (一種帶酸性自穩定接頭的抗體-藥物偶聯物)	ZL201810620856.7	Chinese Mainland	Baili-Bio	June 2038
		12605458	U.S.	SystImmune	June 2038
		AU2018288029	Australia	SystImmune	June 2038
		JP7224365	Japan	SystImmune	June 2038
		US19263441	U.S.	SystImmune	N/A*
		EP18820589.2	EU	SystImmune	N/A*
	A Camptothecin Drug and Its Antibody Conjugate Thereof (一種喜樹鹼藥物及其抗體偶聯物)	AU2020442003	Australia	SystImmune	September 2040
		JP7780953	Japan	SystImmune	September 2040
		202010446142.6	Chinese Mainland	Baili-Bio	N/A*
		17601055	U.S.	SystImmune	N/A*
		20928032	EU	SystImmune	N/A*
		62022055331.2	Hong Kong	SystImmune	N/A*
		112022002353-7	Brazil	SystImmune	N/A*
	Camptothecin Drug Having High-Stability Hydrophilic Connecting Unit and Conjugate Thereof (一種帶有高穩定性親水連接單元的喜樹鹼類藥物及其偶聯物)	ZL202110610405.7	Chinese Mainland	Baili-Bio	June 2041
		JP7686677	Japan	SystImmune	May 2041
		18008798	U.S.	SystImmune	N/A*
		2021289927	Australia	SystImmune	N/A*
		21821872.5	EU	SystImmune	N/A*
		112022024930-6	Brazil	SystImmune	N/A*
	Linker-Drug Compounds and Methods of Making Thereof (一種連接子-藥物的製備方法)	202411139357.8	Chinese Mainland	Jingxi Pharmaceutical	N/A*
		19/512,057	U.S.	SystImmune	N/A*
		24855886.8	EU	SystImmune	N/A*
		2026-511985	Japan	SystImmune	N/A*
		2024326972	Australia	SystImmune	N/A*
		112026004119-6	Brazil	SystImmune	N/A*

Product	Scope of Patent Protection	Patent Number/ Application Number	Jurisdiction	Patent Holder/Applicant	Estimated Expiration Year*
	Bispecific Tetravalent Antibodies and Methods of Making and Using Thereof (雙特異性四價抗體及其製造和使用方法)	US10919977B2	U.S.	SystImmune	December 2035
		ZL201580036408.7	Chinese Mainland	Baili-Bio	December 2035
		EU3237005	EU	SystImmune	December 2035
		JP6947639	Japan	SystImmune	December 2035
		AU2015369831B2	Australia	SystImmune	December 2035
	Bispecific Antibody-camptothecin Drug Conjugate and Pharmaceutical Use thereof (雙特異性抗體-喜樹鹼類藥物偶聯物及其醫藥用途)	JP7767613	Japan	SystImmune	November 2042
		12577325	U.S.	SystImmune	November 2042
		202211425572.5	Chinese Mainland	Baili-Bio	N/A*
		22892173.0	EU	SystImmune	N/A*
		2022386505	Australia	SystImmune	N/A*
		1120240092313	Brazil	SystImmune	N/A*
Products on GNC platform	Multi-Specific Antibodies and Methods of Making and Using Thereof (多特異性抗體及其製備和使用方法)	US11787863	U.S.	SystImmune	March 2040
		ZL201880039401.4	Chinese Mainland	Baili-Bio	June 2038
		JP7399852	Japan	SystImmune	June 2038
		AU2018295118	Australia	SystImmune	June 2038
	Guidance and Navigation Control Proteins and Method of Making and Using Thereof (製導和導航控制蛋白及其製造和使用方法)	US 12,384,850 B2	U.S.	SystImmune	July 2038
		ZL201880039397.1	Chinese Mainland	Baili-Bio	June 2038
Products on SEBA platform	Anti-CD3 Antibodies and Methods of Making and Using Thereof (抗CD3抗體及其製備和使用方法)	US11535667	U.S.	SystImmune	September 2039
		CN110799538B	Chinese Mainland	Baili-Bio	June 2038
		ZL201880038306.2			
		16615109	U.S.	SystImmune	N/A*
	Bispecific Antibodies and Methods of Making and Using Thereof (雙特異性抗體及其製備和使用方法)	AU2018358138	Australia	SystImmune	June 2038
		ZL201880059130.9	Chinese Mainland	Baili-Bio	November 2038
		16760466	U.S.	SystImmune	N/A*

* Patent application.

As of the Latest Practicable Date, we had 361 registered trademarks in Chinese Mainland. We are also the registered owner of 23 domain names in Chinese Mainland. We have entered into license and collaboration arrangements with our business partners, through which we may grant access to our own intellectual property or gain access to the intellectual property of others.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any proceedings in respect of our intellectual property rights, and we had not received notice of any claims of infringement of any intellectual property rights that may be threatened or pending in which we may be a claimant or a respondent.

In July, 2026, we engaged Beijing V&T (Chengdu) Law Firm, our legal adviser as to PRC intellectual property laws, to conduct certain freedom-to-operate searches and analyses ("**FTO Analysis**") in Chinese Mainland with respect to our Core Products. In addition, in July 2026, we engaged EpiMED LLC, our U.S. intellectual property counsel, to conduct certain freedom-to-operate searches and analyses with respect to our Core Products in the United States. Based on the conclusions of the FTO Analyses in both Chinese Mainland and the United States, we believe that we have the freedom to operate in connection with our Core Products without infringing any valid and enforceable patent rights of third parties, and did not identify any known blocking patents which would preclude us from proceeding with the planned activities related to our Core Products in both Chinese Mainland and the United States.

DATA PRIVACY AND PROTECTION

We have established procedures to protect the confidentiality of patients' data collected in our clinical trials. We maintain policies requiring our personnel to be trained on data protection, and require our CROs to have data protection clauses in our agreements with them. Personal information of patients enrolled in our clinical trials is processed solely in accordance with the informed consent form agreed upon by the patients. We have a number of ongoing or planned clinical studies in China and the U.S. For the purpose of the research and development of our innovative drug candidates, we provide online access of certain clinical data to SystImmune, our wholly-owned subsidiary in the U.S., and SystImmune transmitted certain clinical data to us. Any cross-border transmission of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable local data and privacy protection laws, including those in China and the U.S. Together with our CROs and other collaboration partners, we have implemented controls and arrangements designed to ensure a data management and transfer plan is developed and implemented to govern the transfer of all clinical trial data. We have reported and completed filing for the clinical trial data of human genetic resources transmitted to our U.S. subsidiary and submitted information backup, according to the HGR Regulations. SystImmune's legal advisor as to U.S. laws, upon reviewing the facts presented, is of the view that, as of the Latest Practicable Date, the transfers of properly deidentified clinical data from and to SystImmune or its Chinese affiliates made in connection with its ongoing clinical operations with existing U.S. partners are not restricted by U.S. federal or state laws as applicable to SystImmune and its affiliates. We had not been subject to any claims, lawsuits, penalties or administrative actions relating to cross-border clinical data transfer activities as of the Latest Practicable Date.

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

PROPERTIES

We occupy certain properties in the PRC in connection with our business operations. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, 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 interests in land or buildings, for the reason that, as of the date of the most recent audited combined balance sheet of our Group, none of the properties owned and leased by us had a carrying amount of 15% or more of our combined total assets.

Owned Properties

As of the Latest Practicable Date, we obtained 41 land use right certificates for properties with an aggregate site area of 242,332.91 sq.m. As of the Latest Practicable Date, we obtained 74 real estate ownership certificates for properties with total site area of approximately 131,366.44 sq.m. in the PRC. These parcels of properties mainly are located at Chengdu, Sichuan Province, and are primarily used as our production facilities, administrative offices and R&D buildings. Among all of our owned properties, nine land use rights with buildings on them were pledged to secure our bank borrowings.

As of the Latest Practicable Date, we had not obtained the real estate ownership certificates for two properties used for dormitories and warehouses, with an aggregate GFA of approximately 279.52 sq.m. (representing approximately 0.2% of the total GFAs of our owned properties). We acquired these properties through a judicial auction in November 2007.

As advised by our PRC Legal Advisor, properties without real estate ownership certificates are prohibited from being transferred and cannot be pledged pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) and the Urban Real Estate Management Law of the PRC (《中華人民共和國城市房地產管理法》). In addition, should disputes arise due to title encumbrances to such properties or government action, we may encounter difficulties in continuing to use such properties and may be required to relocate. However, considering that these properties are primarily used for dormitories and warehouses, which are not directly related to our production and operations and only account for a small proportion of our owned properties, our Directors believe that (i) in the event that relocation becomes necessary, we will not incur significant time or cost to identify and relocate our operations to comparable alternative properties, and (ii) such identification and relocation would not have a material adverse impact on our business operations and financial condition. In addition, our Controlling Shareholder has committed to compensating us for any losses incurred in connection with these properties. Our Directors also confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the government authorities requiring us to demolish and/or relocate from the properties with defective titles. Pursuant to the confirmations that we received from the relevant competent authorities and the credit report issued by Sichuan Provincial Big Data Center, during the Track Record Period, we had complied with other relevant laws and regulations with respect to real estate management in all material aspects and had not been subject to any penalties resulting from non-compliance of these laws and regulations. Based on the above and the public information, we believe, and our PRC Legal Advisor concur, that the title defects, either individually or collectively, will not have a material adverse impact on our business operations. See "Risk Factors — Other Risks Relating to Our Operations — Our legal right to certain properties may be challenged."

Leased Properties

As of the Latest Practicable Date, we leased 25 properties from third parties with an aggregate GFA of approximately 23,450.1 sq.m., which were primarily used as production facilities, warehouses and administrative offices. Our leases generally have a term ranging from one to five years. We will consider renewal of the leases upon their expiry.

Pursuant to the applicable PRC laws and regulations, both lessors and lessees must register lease agreements with the relevant authorities and obtain property leasing filing certificates. As of the Latest Practicable Date, eight of our lease agreements between us and third parties which are leased from third parties and used for production facilities, warehouses and administrative offices, with an aggregate GFA of approximately 6,596.6 sq.m., had not been registered with the relevant local authorities. As advised by our PRC Legal Advisor, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC governmental authorities require us to rectify it and we fail to do so within the prescribed time period. As of the Latest Practicable Date, we have not received any order from the relevant government authorities requiring us to register these lease agreements. We undertake to cooperate fully to facilitate the registration of lease agreements once we are notified of any requirements by the relevant government authorities. See "Risk Factors — Other Risks Relating to Our Operations — Our legal right to certain properties may be challenged."

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business to safeguard against risks and unexpected events in both China and U.S. Our insurance coverage comprises personnel-related policies such as pension, medical, work-related injury, maternity, and unemployment insurance. We have also secured comprehensive property insurance to cover losses arising from natural or other disasters affecting our manufacturing facilities or other assets. For each clinical trial, we have purchased clinical trial liability insurance to ensure comprehensive protection for the safety and legal rights of trial participants. Additionally, we have voluntarily purchased insurance to address safety concerns, including environmental pollution liability insurance for compensation in case of pollution incidents. We believe our existing insurance coverage is adequate for our present operations and in line with the industry practice in China and U.S.

LICENSES, PERMITS AND APPROVALS

We are subject to regular inspections, examinations and audits, and are required to maintain or renew the necessary permits, licenses and certifications for our business. During the Track Record Period and as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from the relevant government authorities that are material for our business operations. We do not expect there to be any material legal impediment in renewing these licenses, permits, approvals and certificates as they expire in future as long as we are in compliance with applicable laws, regulations, and rules. The table below sets forth the relevant details of the material licenses, approvals and permits we hold for our operations.

License/Permit	Holder	Issuing Authority	Issue Date	Expiration Date
Drug Production License (藥品生產許可證) (川20160266)	Baili Pharmaceutical	Sichuan MPA	February 4, 2026	August 17, 2030
Drug Production License (藥品生產許可證) (川20160289)	Guorui Pharmaceutical	Sichuan MPA	September 3, 2025	September 2, 2030
Drug Production License (藥品生產許可證) (川20190504)	Jingxi Pharmaceutical	Sichuan MPA	June 23, 2026	January 24, 2029
Drug Production License (藥品生產許可證) (川20230590)	Baili-Bio	Sichuan MPA	October 21, 2025	March 27, 2028
Drug Production License (藥品生產許可證) (藏20240051)	Tianze Pharmaceutical	Xizang MPA	March 30, 2026	March 29, 2031
Drug Distribution License (藥品經營許可證) (川AA028a00425)	Our Company	Sichuan MPA	November 6, 2025	November 5, 2030
Drug Distribution License (藥品經營許可證) (藏AA891000042)	Lhasa Xinbo	Xizang MPA	March 4, 2024	March 3, 2029

During the Track Record Period, we possessed relevant export licenses for our R&D activities and business expansion plan in overseas market. Our subsidiaries, Baili Pharmaceutical, Guorui Pharmaceutical, and Baili-Bio maintain long-term Recordation of Customs Declaration Entities (海關報關單位備案), the registration dates of which are September 30, 2011, June 29, 2018, and March 10, 2020, respectively.

LEGAL PROCEEDINGS AND COMPLIANCE

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. During the Track Record Period and as of the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against the Company or any of our Directors which could have a material and adverse effect on our financial condition or results of operations. We believe that, during the Track Record Period and up to the Latest Practicable Date, we had complied in all material respects with the applicable laws and regulations relating to our business operations. However, we may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business.

RISK MANAGEMENT AND INTERNAL CONTROLS

We are committed to developing and maintaining risk management and internal control systems comprised of policies and procedures tailored to our business operations. Our dedication lies in the continual enhancement of these systems to ensure their effectiveness.

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. We have established our risk management systems to identify, assess, monitor and mitigate the risks that may hinder our success including strategic risks, operational risks, financial risks and legal risks.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [**REDACTED**], we have adopted or will continue to adopt risk management measures. These include establishing an Audit Committee to review and supervise our financial reporting process and internal control system, adopting various policies to ensure compliance with the Listing Rules covering risk management, connected transactions and information disclosure, providing anti-corruption and anti-bribery compliance training periodically to our senior management and employees, organizing training sessions for our Directors in respect of the requirements of the Listing Rules, enhancing our reporting and records system for production facilities, and establishing a set of emergency procedures for major quality-related issues.

Internal Controls

Our management team is responsible for establishing our internal control system and the audit committee of our Board is responsible for reviewing its effectiveness. We have engaged an independent internal control consultant to perform the internal review procedures in connection with the internal control of our Company and our major operating subsidiaries and to report factual findings on our Group's entity-level controls and internal controls of various processes, including financial reporting and disclosure controls, human resources and payroll management, general controls of IT system, taxation management, contract management, and other procedures of our operations. The internal control consultant performed the internal review procedures in May and June 2024, September 2025, as well as July 2026. As of the Latest Practicable Date, there were no material outstanding issues relating to our Group's internal controls.

We are committed to establishing and maintaining risk management and internal control systems encompassing risks in R&D, procurement, production, sales, human resources, financial management, information systems and corporate governance. We continuously supervise and evaluate the effectiveness of these systems to ensure they are rectified and effectively controlled as our business develops.

Anti-bribery

We maintain a strict code of conduct and anti-corruption policies and strictly prohibit bribery or other improper payments in our business operations. This prohibition applies to all business activities, anywhere globally, whether involving government officials or healthcare professionals. We keep accurate books and records that reflect transactions and asset dispositions in reasonable detail. We will also ensure that future sales team personnel comply with applicable promotion and advertising requirements, including restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

Besides, our agreements with third-party promoters include anti-bribery clauses where both parties commit to opposing all forms of commercial bribery, which explicitly prohibit the use of money or other means in the name of any company, individuals, or their relatives to bribe medical institutions, healthcare professionals, regulatory agencies, or individuals (including their relatives) during the promotion of our products. All personnel involved in our marketing and promotional activities are prohibited from providing gifts or services for personal use to healthcare professionals or engaging in any activities intended to induce or reward prescription behaviours.

Non-Competition

We have instituted rigorous protocols to safeguard the proprietary information that arises during the development and production of our projects, which encompasses product formulations, preparation techniques, methodologies, and research strategies. The employment agreements between us and our senior management and key technical personnel include confidentiality clauses and non-compete agreements. In addition, researchers are strictly prohibited from removing electronic or physical records of experimental results and data from the laboratory premises. Through these meticulous steps, we diligently protect our intellectual property and maintain the integrity of our innovative endeavours.

SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We recognize our responsibility to uphold high standards in health, safety, social and environmental practices. Following our [**REDACTED**], we are committed to complying with environmental, social, and governance ("**ESG**") reporting requirements. We have established an ESG work group to supervise our corporate social responsibility and measures for sustainable development. The ESG work group is responsible for (i) assessing and managing our ESG-related risks and opportunities, and deliberating on the formulation of, among others, our ESG strategic plans, management structure, systems, strategies and implementation rules so as to ensure the continuous execution and implementation of our ESG policies; (ii) making guidelines for and reviewing the identification and ranking of our important ESG issues; (iii) determining our key ESG issues; (iv) reviewing our ESG work and internal monitoring systems, and making recommendations on their appropriateness and effectiveness; (v) reviewing our ESG-related disclosure documents, including but not limited to the annual ESG reports; (vi) monitoring our ESG-related risks and making inquiries on and formulating corresponding measures for major issues that affect our performance of ESG-related work, and reviewing and supervising how such issues are handled; and (vii) providing ESG-related training and materials to the Board of Directors.

Governance on ESG Matters

The Board has collective responsibility for managing the impact of the material ESG risks and opportunities affecting the Group, formulating and establishing the Group's ESG-related mechanisms, policies and objectives, and reviewing the Group's performance against the ESG objectives on an annual basis and revising the ESG policy as appropriate if significant deviations from the objectives are identified.

We have established a three-tiered ESG management structure consisting of the Board, the ESG work group and the departments. The Board is informed through regular and ad hoc reports. Our ESG working group consists of 19 members, including our Director, senior management and department heads who will gain experience for monitoring ESG-related matters with the assistance of our independent ESG consultant.

Metrics and Targets on Environmental Matters

The Company strictly abides by the relevant national environmental protection laws and regulations in the production and operation, has established and strictly implemented the internal control system of environmental protection, and has increased investment in pollution control, constantly optimized the process and equipment, and reduce the pollution in the production process. We currently have five manufacturing facilities, housing a total of 29 production lines for our major approved drugs. Our Baili-Bio Base is dedicated to the production of innovative biologics, while our Guorui Base, Baili Base, Hiatt/Jingxi Base and Tianze Base are primarily used for the production of generic drugs and traditional Chinese medicine products. Consequently, our operations result in air pollution, wastewater, solid waste, or other hazardous wastes. To ensure compliance with national, industrial, and local environmental standards, laws, regulations, and policies, we have implemented internal policies for environmental risk prevention. These policies include: (i) strict adherence to GMP regulations and relevant pollutant emissions standards; (ii) conducting periodic environmental assessments on exhaust gas emissions, hazardous waste disposal, noise emissions, and wastewater emissions.

When setting targets for our ESG-related KPIs, we will carefully consider our historical consumption and discharge levels during the Track Record Period, along with our plans for future business expansion. Our approach aims to balance business growth with environmental protection to achieve sustainable development.

Pollutant Disposals

The waste we produce is divided into hazardous waste (such as chemical waste and liquid) and non-hazardous waste (such as waste from general office operations). In 2024, 2025 and the three months ended March 31, 2026, our solid hazardous waste discharge levels were approximately 1,868.7 tons, 1,387.5 tons and 353.2 tons, respectively. We mainly generated more solid hazardous waste in line with the growth of our research, development and manufacturing activities. To the extent feasible, we plan to further improve our operational efficiency to reduce the amount of solid waste generated from our operations.

Household garbage is collected and disposed of by sanitation services, while general packaging materials are sold externally. Hazardous waste is collected and entrusted to qualified third-party units for disposal. We have implemented the Hazardous Waste Management Policy to monitor the handling, use, storage, treatment and disposal of hazardous waste, including contractor management. We also implement continuous environmental monitoring and enforce strict incident response plans.

We have strengthened internal controls, including the implementation of the Environmental Protection Facilities Management System and Sewage Station Operation Procedures to standardize the operation of environmental protection facilities. Wastewater is treated at our self-built sewage treatment plant before discharge to the public sewage treatment plant for further treatment and compliant discharge. Waste liquids from quality testing are managed as hazardous waste and are collected and disposed of by qualified units.

Greenhouse Gases Emissions

Air pollution is treated at appropriate gas treatment facilities and then discharged in compliance with standards. We aim to reduce our greenhouse gases ("**GHG**") emissions and contribute to the transition to a low-carbon economy. Our greenhouse gas emissions primarily consist of Scope 1, Scope 2 and Scope 3 emissions. Scope 1 emissions mainly include the direct greenhouse gas emissions from our own R&D and other facilities. Scope 2 emissions primarily include the indirect greenhouse gas emissions from our usage of purchased electricity. Scope 3 emissions mainly consist of indirect emissions outside of Scope 2 emissions that occur in our value chain. Our Scope 1 emissions amounted to approximately 4,901.9 tonnes carbon dioxide equivalent ("**tCO_2e**"), 7,235.1 tCO_2e and 2,167.6 tCO_2e in 2024, 2025 and the three months ended March 31, 2026, respectively. Our Scope 2 emissions amounted to approximately 15,101.6 tCO_2e, 15,196.7 tCO_2e and 2,974.3 tCO_2e in 2024, 2025 and the three months ended March 31, 2026, respectively. Our Scope 3 emissions mainly consist of indirect emissions generated from freshwater and sewage treatment and business air travel amounted to approximately 960.2 tCO_2e, 732.5 tCO_2e and 173.2 tCO_2e in 2024, 2025 and the three months ended March 31, 2026, respectively.

We will implement measures in mitigating the GHG emissions, including (i) providing trainings and educate our employees on the concept of energy efficiency; (ii) posting water-saving or power-saving signs in eye-catching areas to cultivate our employees' awareness of environment protection; (iii) promoting paperless environment, encourage the usage of electronic copies instead of hard copies, the use of double-sided printing, and the use of single-sided printed paper when there is no confidential information on it; (iv) requiring employee to turn off all electrical appliances when they are not in use; and (v) implementing policies regarding waste management.

Resource Consumption

In pursuit of our sustainable development objectives, we rigorously oversee our environmental protection performance across various domains, including resource efficiency and energy consumption. We closely monitor our electricity and water consumption levels and actively implement strategies to enhance energy efficiency and promote water conservation. In aggregate, our electricity consumption levels were approximately 24.3 million kWh, 26.6 million kWh and 5.6 million kWh in 2024, 2025 and the three months ended March 31, 2026, respectively. Our water consumption levels amounted to approximately 728.5 thousand tons, 746.4 thousand tons and 167.7 thousand tons in 2024, 2025 and the three months ended March 31, 2026, respectively.

Climate Change

We believe that we are not susceptible to climate change. Moreover, we consider that potential changes to the regulations in the PRC regarding climate change will not adversely impact our business operations. We will continue to pay attention to risks regarding climate change and formulate emergency plans to safeguard us from climate change and extreme weather conditions, such as hurricane and rainstorms. As of the Latest Practicable Date, we had not experienced any material impact on our business operations or financial performance as a result of climate change or extreme weather conditions.

Targets

With the expansion of production and development of our business, we anticipate ongoing disposal needs and are committed to strictly managing pollutants. In 2024, we aimed to control (i) our pollutant disposals at approximately 118% of that recorded in 2023, (ii) our greenhouse gas (Scope 1 and 2) emissions at approximately 118% of that recorded in 2023, and (iii) resource consumption level at approximately 105% of that recorded in 2023. In 2025, we aimed to control (i) our pollutant disposals at approximately 105% of that recorded in 2023, (ii) our greenhouse gas (Scope 1 and 2) emissions at approximately 105% of that recorded in 2023, and (iii) resource consumption level at approximately 105% of that recorded in 2023. In 2026, we aim to control (i) our pollutant disposals at approximately 105% of that recorded in 2023, (ii) our greenhouse gas (Scope 1 and 2) emissions at approximately 105% of that recorded in 2023, and (iii) resource consumption level at approximately 105% of that recorded in 2023.

Work Safety

We are dedicated to ensuring a safe working environment for our employees. We firmly believe that a safe and healthy workplace is not only crucial for the well-being of our employees but also indispensable for the sustainability of our business. Our measures include pre-position training, annual safety training, regular emergency drills, provision of safety protection and emergency facilities, and labor protection supplies for all employees.

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 regarding occupational health and safety laws and regulations, and there had not been and were not any material safety issues, accidents and claims relating to our business operations.

Workplace Diversity

Within our company, we are steadfast in our commitment to fostering an open and inclusive workplace that champions equality. We adhere to a corporate policy of hiring employees based solely on their merits, offering equal opportunities regardless of gender, age, race, religion, or any other social or personal characteristics.

OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Dr. Zhu directly held approximately 72.22% of our total issued Shares, representing approximately 72.49% of the total voting rights in our Company (excluding treasury Shares). Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), Dr. Zhu will directly hold approximately [**REDACTED**]% of our total issued Shares, representing approximately [**REDACTED**]% of the total voting rights in our Company (excluding treasury Shares). Accordingly, Dr. Zhu is, and will continue to be upon completion of the [**REDACTED**], our Controlling Shareholder.

Dr. Zhu is our executive Director, chairperson of the Board, general manager and Chief Scientific Officer. For details, see "Directors and Senior Management."

CONFIRMATION OF NO COMPETING INTEREST

Dr. Zhu confirms that, as of the Latest Practicable Date, he had no interest, other than through our Group, in a business that competes or is likely to compete directly or indirectly with our Group and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER

Taking into consideration the following factors, our Directors are of the view that our Group can conduct our business independently from our Controlling Shareholder after the [**REDACTED**].

Management Independence

Our Board comprises five executive Directors, one non-executive Director and three independent non-executive Directors. Our Company has a senior management team comprising four members. See "Directors and Senior Management" for further details.

The executive Directors and senior management manage the Group's day-to-day operations. Except for the relationship between Dr. Zhu and Dr. Zhu Hai as disclosed in "Directors and Senior Management", the other executive Directors and members of senior management are independent of Dr. Zhu. The Directors consider that our Company can operate independently from Dr. Zhu for the following reasons:

(i) each Director is aware of his or her fiduciary duties and responsibilities as a director, which require that he or she acts for the benefit and in the best interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) other than Dr. Zhu Hai, all of the other Directors are independent of Dr. Zhu and decisions of the Board require the approval of a majority vote from the Board. Therefore, the Board can manage the operation of our Company independently of our Controlling Shareholder;

(iii) the day-to-day management and operations of our Group are carried out by our executive Directors and senior management team, most of whom are independent of our Controlling Shareholder and have substantial experience in the industry in which our Group is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(iv) we have appointed three independent non-executive Directors, comprising not less than one-third of the total members of our Board, who have sufficient knowledge, experience and competence, so that there is a balanced composition of executive, non-executive Directors and independent non-executive Directors to ensure the independence of the Board in making decisions affecting our Company and to promote the interests of our Company and the Shareholders as a whole;

(v) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director is obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum; and

(vi) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholder which would support our independent management. For details, see "— Corporate Governance" below.

Based on the above, we believe that our Board and senior management as a whole are able to perform the managerial role independently from our Controlling Shareholder, and there is no management dependence by us on our Controlling Shareholder.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our Controlling Shareholder. We have independent access to suppliers and customers, and have independent production capabilities. We are also in possession of all relevant assets, licenses trademark and other intellectual property necessary to carry on and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently from the Controlling Shareholder.

Based on the above, we believe that there is no operational dependence by us on our Controlling Shareholder.

Financial Independence

We have independent internal control, financial and accounting systems. We also have an independent finance department as well as implemented strong and independent audit, accounting and financial management systems. We have opened accounts with banks independently and do not share any bank accounts with our Controlling Shareholder or his close associates. We have made tax filings and paid tax independently from our Controlling Shareholder and his close associates pursuant to applicable laws and regulations. As of the Latest Practicable Date, there were no outstanding loans, advances and balances due to and from and guarantees provided by our Controlling Shareholder and/or his close associates. We do not expect to rely on our Controlling Shareholder and his close associates for financing after [**REDACTED**].

Based on the above, we believe that there is no financial dependence by us on our Controlling Shareholder.

CORPORATE GOVERNANCE

Our Company will comply with the Corporate Governance Code. Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholder:

(i) we have established internal control procedures to identify connected transactions. Following the [**REDACTED**], any connected transactions between our Company and our Controlling Shareholder or his close associates will be conducted in compliance with the applicable Listing Rules;

(ii) where any Director and/or his or her close associates has a material interest in any matter to be considered by our Board, such Director shall abstain from voting on the relevant Board resolutions and shall not be counted towards the quorum, in accordance with our Articles of Association;

(iii) our Board comprises a balanced mix of executive, non-executive and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board. This enables our Board to exercise independent judgment and provide independent advice to our Shareholders. Our independent non-executive Directors possess the requisite knowledge and experience to perform their roles and will review potential conflicts of interest between our Group and our Controlling Shareholder and provide impartial and professional advice to protect Shareholders' interests, particularly those of minority Shareholders;

(iv) where reasonably requested by our Directors, including our independent non-executive Directors, our Company will appoint independent professional advisers, including financial or legal advisers, at our Company's expense; and

(v) we have appointed TFI Capital Limited as our compliance adviser to advise and guide us on compliance with applicable laws and the Listing Rules, including requirements relating to Directors' duties and internal controls.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholder and his close associates, and to protect the interests of our Shareholders, in particular, the minority Shareholders after [**REDACTED**].

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), the following persons will have interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to us and the SEHK pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company:

				As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [REDACTED])	
Shareholder	**Capacity/Nature of interest[4]**	**Description of Shares**	**Number of Shares directly or indirectly held**	**Approximate percentage of shareholding in our A Shares**	**Approximate percentage of shareholding in our total issued Shares**	**Approximate percentage of shareholding in our A Shares**	**Approximate percentage of shareholding in our total issued Shares[1]**
Dr. Zhu	Beneficial owner	A Shares	298,159,400	72.22%	72.22%	72.22%	[**REDACTED**]%
	Interested in treasury shares[3]	A Shares	1,558,877	0.38%	0.38%	0.38%	[**REDACTED**]%
OAP III (HK) Limited[2]	Beneficial owner	A Shares	24,398,433	5.91%	5.91%	5.91%	[**REDACTED**]%
OrbiMed Asia Partners III, L.P.[2]	Interest held by controlled corporation	A Shares	24,398,433	5.91%	5.91%	5.91%	[**REDACTED**]%
OrbiMed Asia GP III, L.P.[2]	Interest held by controlled corporation	A Shares	24,398,433	5.91%	5.91%	5.91%	[**REDACTED**]%
OrbiMed Advisors III Limited[2]	Interest held by controlled corporation	A Shares	24,398,433	5.91%	5.91%	5.91%	[**REDACTED**]%

Notes:

(1) The calculation is based on 412,873,817 A Shares (including 1,558,877 A Shares being held as treasury Shares repurchased by our Company) and [**REDACTED**] H Shares in issue.

(2) OAP III (HK) Limited ("**OAP III**") beneficially owns 24,398,433 A Shares. OAP III is a limited company organized under the laws of Hong Kong. OAP III is wholly owned by OrbiMed Asia Partners III, L.P. ("**OAP Asia III**"). OAP Asia III is an exempted limited partnership incorporated under the laws of the Cayman Islands. OAP Asia III's general partner is OrbiMed Asia GP III, L.P. ("**OAP III GP**"), and OAP III GP's general partner is OrbiMed Advisors III Limited ("**Advisors III**"). OrbiMed Advisors LLC ("**OrbiMed Advisors**") is the advisory company of OAP Asia III. OrbiMed Advisors exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and W. Carter Neild, each of whom is an Independent Third Party.

(3) As of the Latest Practicable Date, our Company had repurchased an aggregate of 1,558,877 A Shares, all of which were held as treasury Shares. As such, under the SFO, Dr. Zhu Yi, who controls more than one third of the voting power at the general meetings of our Company, would be taken to have an interest in such repurchased A Shares held by our Company.

(4) All interests stated represent long positions.

Save as otherwise disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), have any interest and/or short positions in the Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of any other member of our Group.

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, our total issued share capital was RMB412,873,817 comprising 412,873,817 A Shares with a nominal value of RMB1.00 each (including 1,558,877 A Shares being held as treasury Shares repurchased by our Company). All issued A Shares are listed on the SSE STAR Market.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), our total issued Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total issued Shares
A Shares in issue[(1)]	412,873,817	[**REDACTED**]%
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	100.0%

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is fully exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), our total issued Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total issued Shares
A Shares in issue[(1)]	412,873,817	[**REDACTED**]%
H Shares to be [**REDACTED**] pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	**100.0%**

Note:

(1) Includes 1,558,877 A Shares being held as treasury Shares repurchased by our Company.

SHARES OF OUR COMPANY

Our H Shares in [**REDACTED**] upon completion of the [**REDACTED**], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between mainland China and Hong Kong. Our A Shares can be subscribed for and traded by mainland Chinese investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be [**REDACTED**] for or [**REDACTED**] by Hong Kong and other overseas [**REDACTED**] and qualified domestic

institutional [**REDACTED**]. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by mainland Chinese [**REDACTED**] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

RANKING

Except for the differences set out in "— Shares of Our Company" above, our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally not interchangeable or fungible, and their [**REDACTED**] may differ after the [**REDACTED**]. The CSRC's Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) do not apply to companies listed in both the PRC and Hong Kong. As of the Latest Practicable Date, the CSRC had not issued rules permitting holders to convert A Shares into H Shares for [**REDACTED**] and [**REDACTED**] on the SEHK.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

The A Shareholders approved the [**REDACTED**] and [**REDACTED**] of H Shares at the general meeting held on July 8, 2024 and renewed that approval at the general meeting held on February 9, 2026. The principal terms are: (i) the initial H Shares [**REDACTED**] will not exceed [**REDACTED**]% of our enlarged total issued share capital after the [**REDACTED**]; (ii) the H Shares will be [**REDACTED**] through the [**REDACTED**] and the [**REDACTED**]; (iii) the H Shares may be [**REDACTED**] to professional, institutional, individual and public [**REDACTED**]; (iv) the [**REDACTED**] will be determined through [**REDACTED**], taking into account market conditions, [**REDACTED**] demand, [**REDACTED**] risks, the interests of existing Shareholders and valuations of comparable companies in the PRC and overseas; and (v) the [**REDACTED**] and [**REDACTED**] of H Shares must be completed within 18 months after February 9, 2026.

SHAREHOLDERS' GENERAL MEETING

For circumstances in which a Shareholders' general meeting is required, see "Appendix V — Summary of Articles of Association — Shareholders and General Meetings."

BOARD OF DIRECTORS

Our Board consists of nine Directors: five executive Directors, one non-executive Director and three independent non-executive Directors. Each Director serves a three-year term and is eligible for re-election.

The following table sets forth the key information in respect of our Directors:

Name	Age	Position	Time of joining our Group	Time of appointment as Director[(1)]	Responsibilities
Dr. Zhu Yi (朱義)[(2)]	62	Executive Director, chairperson of the Board, general manager and Chief Scientific Officer	August 1996	November 2010	Overall strategic planning, research and development and business management of our Group
Ms. Zhang Suya (張蘇婭)	70	Executive Director, executive deputy general manager and chief financial officer	July 1997	August 2006	Overall strategic planning, formulation of financial strategies and overseeing the overall financial management of our Group
Mr. Zhuo Shi (卓識)	41	Executive Director	June 2011	March 2021	Major operational decisions and direct day-to-day management of our Group
Dr. Zhu Hai (朱海)[(2)]	37	Executive Director	October 2019	February 2024	Major operational decisions and direct day-to-day management of our Group
Dr. Wan Weili (萬維李)	38	Executive Director	July 2014	September 2025	Major operational decisions and direct day-to-day management of our Group
Dr. David Guowei Wang	64	Non-executive Director	August 2017	August 2017	Providing professional advice to the Board
Mr. Li Mingyuan (李明遠)	72	Independent non-executive Director	November 2020	November 2020	Providing independent opinion and judgement to the Board
Dr. Xiao Geng (肖耿)	63	Independent non-executive Director	July 2024	July 2024	Providing independent opinion and judgement to the Board
Dr. Dai Zewei (戴澤偉)	42	Independent non-executive Director	September 2025	September 2025	Providing independent opinion and judgement to the Board

Notes:

(1) Denotes the date of appointment as a Director of our Company or its predecessor.

(2) Dr. Zhu Hai is the son of Dr. Zhu Yi.

Executive Directors

Dr. Zhu Yi (朱義), aged 62, founded our Group in August 1996 and was appointed as our Director in November 2010. Dr. Zhu has been serving as the chairperson of the Board and the general manager of our Company since November 2010, and as the Chief Scientific Officer since March 2021. He is responsible for the overall strategic planning, research and development and business management of our Group. Dr. Zhu is currently the chairperson of the board of directors of Baili Pharmaceutical, an executive director of Biokin Shanghai, an executive director of Panku Capital, and the president, chairperson of the board and CSO of SystImmune. With support of our R&D team, Dr. Zhu is responsible for overall strategic planning, research and development and management of SystImmune, which is a subsidiary principally engaged in research and development of pharmaceutical products, including innovative drug discovery and development.

Dr. Zhu has over 30 years of experience in the healthcare industry. He founded Baili Pharmaceutical in August 1996 and has been successively serving as its chairperson of the board and general manager since then. Prior to founding our Group, Dr. Zhu taught at the department of microbiology and immunology of West China University of Medical Sciences (華西醫科大學) (currently known as West China Medical Center of Sichuan University (四川大學華西醫學中心)) from 1987 to 1990.

Dr. Zhu obtained a bachelor's degree in radio physics from Sichuan University (四川大學) in the PRC in July 1984, a master's degree in biology from Fudan University (復旦大學) in the PRC in July 1987 and a doctoral degree in management from Sichuan University (四川大學) in the PRC in June 2008.

Ms. Zhang Suya (張蘇婭), aged 70, joined our Group in July 1997 and was appointed as our Director in August 2006. Ms. Zhang has been serving as a Director and the executive deputy general manager of our Company since August 2006 and as the chief financial officer of our Company since October 2012. Ms. Zhang is currently an executive director of Baili Pharmaceutical, an executive director of Panku Capital, and an executive director of SystImmune. She is responsible for the overall strategic planning, formulation of financial strategies and overseeing the overall financial management of our Group.

Ms. Zhang has extensive experience in corporate and financial management. She joined Baili Pharmaceutical in July 1997 and has been successively serving as its financial manager, deputy general manager and director since then. She served as the secretary of the Board from May 2014 to June 2024.

Ms. Zhang graduated with a major in Chinese language and literature from Sichuan Radio and Television University (四川廣播電視大學) (currently known as Open University of Sichuan (四川開放大學)) in the PRC in December 1988.

Mr. Zhuo Shi (卓識), aged 41, joined our Group in June 2011 and was appointed as our Director in March 2021. Mr. Zhuo is currently the general manager and an executive director of Baili-Bio. He is responsible for the major operational decisions and direct day-to-day management of our Group.

Mr. Zhuo has over 15 years of experience in the biopharmaceutical industry. He joined Baili Pharmaceutical on June 13, 2011 and has been successively serving as its researcher at research and development center, project manager, director and the deputy general manager at the research and development center since then to July 2019. He then has been successively serving as the deputy general manager, general manager and director of Baili-Bio since August 2019. Mr. Zhuo has been serving as the deputy general manager of the Group since July 2023.

Mr. Zhuo obtained a bachelor's degree in biotechnology from Peking University (北京大學) in the PRC in July 2008 and a master's degree in ecology from Indiana University Bloomington in the United States in December 2010.

Dr. Zhu Hai (朱海), aged 37, joined our Group in October 2019 and was appointed as our Director in February 2024. Dr. Zhu is currently an executive director of Baili-Bio. He is responsible for the major operational decisions and direct day-to-day management of our Group.

Dr. Zhu Hai joined SystImmune in October 2019 and has been successively serving as its biostatistician, senior biostatistician, principal biostatistician, head of biometrics, vice president of biometrics, and special assistant to the CEO. Dr. Zhu Hai has been serving as the chief technology and data officer of SystImmune since April 2024. With support of our R&D team, Dr. Zhu Hai is deeply involved in research and development and management of SystImmune, which is a subsidiary principally engaged in research and development of pharmaceutical products, including innovative drug discovery and development. Prior to joining our Group, Dr. Zhu Hai served as a researcher at the Center for Drug Evaluation and Research of FDA from June 2019 to August 2019.

Dr. Zhu Hai obtained a bachelor's degree in astronomy and space science from Nanjing University (南京大學) in the PRC in June 2011, a master's degree in mathematics and statistics from Georgetown University in the United States in May 2013 and a doctoral degree in biostatistics from the University of Texas Health Science Center at Houston in the United States in December 2019.

Dr. Wan Weili (萬維李), aged 38, joined our Group in July 2014 and was appointed as our Director in September 2025. He is responsible for the major operational decisions and direct day-to-day management of our Group.

Dr. Wan has over 10 years of experience in the biopharmaceutical industry. He joined Baili Pharmaceutical in July 2014, and has been successively serving as project manager, manager and director at innovative drug R&D center since then to July 2023. He then has been serving as the deputy general manager of the Group and the general manager of our Chengdu R&D center since July 2023, and the general manager of Jingxi Pharmaceutical, the general manager of Hiatt Technology, and the general manager of Nuoxin Bio since September 2025. Dr. Wan participated in and led a number of key internal R&D projects, including iza-bren, BL-ARC001 and other innovative programs.

Dr. Wan obtained a doctoral degree in medicinal chemistry from Sichuan University (四川大學) in the PRC in June 2014.

Non-executive Director

Dr. David Guowei Wang, aged 64, was appointed as our Director in August 2017. He is responsible for providing professional advice to the Board.

Dr. Wang has over 26 years of experience in the medical industry. Dr. Wang is a partner and senior managing director of OrbiMed Advisors LLC and a director of OrbiMed Advisors III Limited, each an investment fund with a focus on the healthcare industry, where he has worked since August 2011. Dr. Wang served as the managing director at WI Harper Group from April 2006 to July 2011. From March 2010 to July 2012, he served on the board of directors of Edan Instruments, Inc. (深圳市理邦精密儀器股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300206), a provider of advanced electronic medical equipment, where he also served on both the audit committee and strategic committee. He was a director of Suzhou Medical System Technology Co., Ltd. (蘇州麥迪斯頓醫療科技股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603990) from October 2012 to May 2019, a non-executive director of EC Healthcare (醫思健康) (formerly known as Union Medical Healthcare Limited (香港醫思醫療集團有限公司)) (a company listed on the SEHK, stock code: 2138) from August 2018 to April 2020, a director of Amoy Diagnostics Co., Ltd. (廈門艾德生物醫藥科技股份

有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300685) from June 2015 to August 2021, a director of Gracell Biotechnologies Inc., a company previously listed on NASDAQ Global Market (previous ticker symbol: GRCL), which was delisted in February 2024 following its acquisition by AstraZeneca, from March 2020 to February 2024 and a director of Sinovac Biotech, Ltd. (a company listed on NASDAQ, ticker symbol: SVA) from January 2025 to June 2025. Further, he has been a director of SHANGHAI UPPER BIO-TECH PHARMA CO., LTD. (上海奧普生物醫藥股份有限公司) (a company quoted on the National Equities Exchange and Quotations, stock code: 873758) since January 2016, a non-executive director of AK Medical Holdings Limited (愛康醫療控股有限公司) (a company listed on the SEHK, stock code: 1789) since February 2016, a non-executive director of Gaush Meditech Ltd (高視醫療科技有限公司) (a company listed on the SEHK, stock code: 2407) since December 2017 and a non-executive director of Laekna Inc. (來凱醫藥有限公司) (a company listed on the SEHK, stock code: 2105) since July 2019, a non-executive director of EDDING GENOR GROUP HOLDINGS LIMITED (億騰嘉和醫藥集團有限公司) (a company listed on the SEHK, stock code: 6998) since December 2025, a non-executive director of Kindstar Globalgene Technology, Inc. (康聖環球基因技術有限公司) (a company listed on the SEHK, stock code: 9960) since March 2026, and a non-executive director of Star Sports Medicine Co., Ltd. (北京天星醫療股份有限公司) (a company listed on the SEHK, stock code: 1609) since December 2021, respectively.

Dr. Wang obtained a bachelor's degree in medicine from Beijing Medical University (北京醫科大學) (currently known as Peking University Health Science Center (北京大學醫學部)) in the PRC in July 1986 and a Doctor of Philosophy degree in developmental biology from California Institute of Technology in the United States in June 1995.

Independent Non-executive Directors

Mr. Li Mingyuan (李明遠), aged 72, was appointed as an independent non-executive Director of our company in November 2020. He is responsible for providing independent opinion and judgement to the Board.

Mr. Li has over 40 years of experience in the medical industry. He successively served as a teaching assistant at the teaching and research section of microbiology and immunology and a lecturer, an associate professor and a master advisor at the teaching and research section of microbiology of West China University of Medical Sciences (華西醫科大學) (currently known as West China Medical Center of Sichuan University (四川大學華西醫學中心)) from December 1982 to August 2000. Mr. Li also served as a professor and a doctoral supervisor at the teaching and research section of microbiology of West China School of Basic Medical Sciences & Forensic Medicine of Sichuan University (四川大學華西基礎醫學與法醫學院) from September 2000 to September 2019.

Mr. Li obtained a bachelor's degree in clinical medicine and a part-time master's degree in basic medicine from Sichuan Medical College (四川醫學院) and West China University of Medical Sciences (華西醫科大學) (each currently known as West China Medical Center of Sichuan University (四川大學華西醫學中心)) in the PRC in November 1982 and May 1990, respectively. He obtained the teacher qualification certificate in higher education issued by the State Education Commission of the PRC (currently known as the Ministry of Education of the PRC) in December 1996.

Dr. Xiao Geng (肖耿), aged 63, was appointed as an independent non-executive Director of our Company in July 2024. He is responsible for providing independent opinion and judgement to the Board.

Dr. Xiao has extensive experience in economics, financial and policy research industry. Dr. Xiao served as a director at Columbia University Global Center in Beijing (哥倫比亞大學北京全球中心) and a director at Brookings-Tsinghua Center for Public Policy (清華-布魯金斯公共政策研究中心). He served as the vice president of the Fung Global Institute (經綸國際經濟研究院) from

August 2011 to July 2015. Dr. Xiao also served as a professor and a director at Peking University HSBC Business School (北大滙豐商學院) from August 2018 to July 2021. From August 2021 to October 2024, Dr. Xiao served as a professor of practice at the Chinese University of Hong Kong, Shenzhen and the director of the Institute of Policy and Practice at Shenzhen Finance Institute (深圳高等金融研究院). Since October 2024 and December 2024, respectively, he has been serving as a professor of practice and the associate dean at the School of Public Policy of the Chinese University of Hong Kong, Shenzhen. Further, Dr. Xiao has been serving as an independent non-executive director of Tsingtao Brewery Company Limited (青島啤酒股份有限公司), a company dually listed on the SEHK (stock code: 168) and the Shanghai Stock Exchange (stock code: 600600) since June 2020, and an independent director of Midea Group Co., Ltd. (美的集團股份有限公司), a company dually listed on the SEHK (stock code: 300) and the Shenzhen Stock Exchange (stock code: 000333) since July 2024, respectively. He has also been serving as an independent director of Phoenix New Media Limited, a company listed on the New York Stock Exchange (ticker symbol: FENG), since September 2025. He also served as an independent non-executive director of Bank of Jinzhou Co., Ltd. (錦州銀行股份有限公司), a company previously listed on the SEHK (previous stock code: 416), which withdrew listing by way of privatisation in April 2024, from January 2020 to April 2024.

Dr. Xiao obtained a bachelor's degree in system science and management science from University of Science and Technology of China (中國科學技術大學) in the PRC in 1985. He obtained his master's degree and doctoral degree in economics from University of California, Los Angeles in the United States in 1987 and 1991, respectively.

Dr. Dai Zewei (戴澤偉), aged 42, was appointed as an independent non-executive Director of our Company in September 2025. He is responsible for providing independent opinion and judgement to the Board.

Dr. Dai has over ten years of experience in accounting, corporate governance and cost management. He was at Southwestern University of Finance and Economics (西南財經大學) since 2012 and is currently an associate professor. Since September 2024, he has been serving as the deputy head of department of accounting and the director of research center for government and non-profit organizations at Southwestern University of Finance and Economics. He has been serving as an independent director and chairperson of the audit committee of Sichuan Deebiotech Co., Ltd. (四川德博爾生物科技股份有限公司) (a company quoted on the National Equities Exchange and Quotations (stock code: 874066) which has applied for listing on the Beijing Stock Exchange) since September 2023. In addition, Dr. Dai has gained the accounting and financial management expertise through that (i) he has been serving as an independent director and chairperson of the audit committee of Sichuan Tuopule Technology Co., Ltd. (四川托璞勒科技股份有限公司) since December 2023; (ii) he has long been committed to researches in financial accounting, conceptual frameworks, corporate standards, and corporate governance. Dr. Dai has published over 20 academic papers, one of which won the Excellent Paper Award in Accounting issued by the Ministry of Finance of the PRC (財政部) and one of his papers was selected for inclusion in the Philosophy and Social Sciences Classic Literature (哲學社會科學主文獻); (iii) he has led a key accounting research project funded by the Ministry of Finance the PRC (財政部); and (iv) his Courses "Intermediate Financial Accounting" and "Cost Management Accounting" were recognized as "First-class Courses" by the Department of Education of Sichuan Province (四川省教育廳).

Dr. Dai obtained his bachelor's and master's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in the PRC in June 2006 and March 2009 respectively. He obtained a doctoral degree in accounting from Xiamen University (廈門大學) in the PRC in June 2012. Dr. Dai obtained the qualification certificate for independent directors issued by the Shenzhen Stock Exchange in January 2024. Dr. Dai possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules and confirms that he has gained such expertise through his experiences.

SENIOR MANAGEMENT

The following table sets forth the key information in respect of the members of our senior management:

Name	Age	Position	Time of joining our Group	Time of appointment as senior management[1]	Responsibilities
Dr. Zhu Yi (朱義)	62	Executive Director, chairperson of the Board, general manager and Chief Scientific Officer	August 1996	November 2010	Overall strategic planning, research and development and business management of our Group
Ms. Zhang Suya (張蘇婭)[2]	70	Executive director, executive deputy general manager and chief financial officer	July 1997	August 2006	Overall strategic planning, formulation of financial strategies and overseeing the overall financial management of our Group
Mr. He Yong (何勇)	51	Deputy general manager	March 2009	September 2023	Overall coordination and management of sales and marketing of the Group
Ms. Wang Xiaoxiao (王瀟瀟)[2]	44	Deputy general manager	November 2005	September 2023	Overseeing sales and marketing for the RX pediatrics and cardiovascular business unit, human resource management of the Company's headquarter and sales department, and administrative management of external branches and subsidiaries of the Group

Notes:

(1) Denotes the date of appointment as a senior management of our Company or its predecessor.

(2) Ms. Wang Xiaoxiao is the daughter of Ms. Zhang Suya.

For the biographical details of Dr. Zhu Yi and Ms. Zhang Suya, see "— Board of Directors" in this section.

Mr. He Yong (何勇), aged 51, joined our Group in March 2009 and was appointed as the vice president in September 2023, and further appointed as a deputy general manager in September 2025. He is primarily responsible for the overall coordination and management of sales and marketing of the Group.

Mr. He successively held positions including sales director of the marketing business division and general manager of Baili Pharmaceutical from March 2009 to August 2023.

Mr. He graduated from Sichuan Institute of Technology (四川工業學院) (currently known as Xihua University (西華大學)) in the PRC in June 1995.

Ms. Wang Xiaoxiao (王瀟瀟), aged 44, joined our Group in November 2005 and was appointed as the vice president and assistant to the chairperson of the Board in September 2023, and further appointed as a deputy general manager in September 2025. She is primarily responsible for overseeing the sales and marketing of the RX pediatrics and cardiovascular business unit, human resource management of the Company's headquarter and sales department, and administration of external branches and subsidiaries of the Group.

Ms. Wang successively held positions including academic representative, area manager, regional manager, and area director of the RX sales department, as well as marketing director and business division general manager in Baili Pharmaceutical and our Company from November 2005 to September 2023.

Ms. Wang graduated from Sichuan Normal University (四川師範大學) in the PRC in June 2005.

GENERAL

Save as disclosed above, none of the Directors or members of our senior management has held any directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document.

Save as disclosed above, none of the Directors or members of our senior management was related to any other Directors and members of the senior management.

Save as disclosed in "Substantial Shareholders" and "Appendix VI — Statutory and General Information — C. Further Information about Directors, Senior Management and Substantial Shareholders — 1. Disclosure of Interests", as of the Latest Practicable Date, none of the Directors or general manager of the Company held any interest in the securities within the meaning of Part XV of the SFO.

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Director may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these Directors are not members of our executive management team, we do not believe that his interests in such companies as a director would render us incapable of carrying on our business independently from the other companies in which such Directors may hold directorships from time to time.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 26, 2024 and September 25, 2025, and (ii) understands his or her obligations as a director of a [**REDACTED**] on the SEHK under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules; (ii) that he or she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date; and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

COMPANY SECRETARY

Ms. Ho Wing Nga (何詠雅) has been appointed as the company secretary of our Company with effect from the [**REDACTED**]. Ms. Ho has over 25 years of experience in corporate governance services. She currently serves as the Managing Director, Entity Solutions of Computershare Hong Kong Investor Services Limited.

Ms. Ho obtained a master's degree in corporate governance from the Hong Kong Polytechnic University in December 2006 and became an associate of The Hong Kong Chartered Governance Institute (the "HKCGI", previously known as the Hong Kong Institute of Chartered Secretaries) in the same month. In March 2015, Ms. Ho became a fellow of both the HKCGI and The Chartered Governance Institute. She is also a holder of the practitioner's endorsement of HKCGI and a member of The Hong Kong Institute of Directors.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, our Company has established four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategy and Development Committee.

Audit Committee

We have established the Audit Committee with written terms of reference that comply with Rule 3.21 of the Listing Rules and paragraphs C.4 and D.3 of Part 2 of the Corporate Governance Code. Its members are Dr. Dai Zewei, Mr. Li Mingyuan and Dr. Xiao Geng. Dr. Dai, who has the qualifications required by Rules 3.10(2) and 3.21, chairs the committee. The committee's principal duties are to recommend the appointment or removal of the external auditor; monitor the auditor's independence and performance; oversee internal audit; review our Company's financial information and reports; assess internal controls; coordinate communications among management and the internal and external auditors; and perform other duties assigned by the Board or applicable law.

Nomination Committee

We have established the Nomination Committee with written terms of reference that comply with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. Its members are Mr. Li Mingyuan, Ms. Zhang Suya and Dr. Dai Zewei, and Mr. Li chairs the committee. The committee's principal duties are to review the size and composition of the Board; develop criteria and procedures for selecting Directors and senior management; identify and assess candidates; review the independence of independent non-executive Directors; make recommendations to the Board; and perform other duties assigned by the Board.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference that comply with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. Its members are Dr. Xiao Geng, Ms. Zhang Suya and Dr. Dai Zewei, and Dr. Xiao chairs the committee. The committee's principal duties are to recommend our Company's remuneration policy and structure; establish a formal and transparent process for setting remuneration; review senior management remuneration against the Board's objectives; recommend remuneration packages for individual Directors and senior management; review or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and perform other duties assigned by the Board.

Strategy and Development Committee

We have established the Strategy and Development Committee with written terms of reference. Its members are Dr. Zhu, Mr. Li Mingyuan and Dr. Xiao Geng, and Dr. Zhu chairs the committee. The committee's principal duties are to review and recommend medium- and long-term strategy, major investments and other material development matters; advise on key strategic initiatives; monitor implementation; and perform other duties assigned by the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Directors who are also Company employees may receive fees, basic salary, performance-related bonuses, retirement benefits and share-based payments, as applicable. Independent non-executive Directors receive allowances. The Company determines remuneration by reference to operating performance, responsibilities and remuneration paid by comparable pharmaceutical companies and employers in the relevant regions.

In 2024 and 2025 and for the three months ended March 31, 2026, the aggregate amount of remuneration of our Directors (excluding share-based payments) amounted to approximately RMB13.18 million, RMB20.65 million and RMB4.61 million, respectively. For details of the share-based payments received by the Directors, see Note 14 to the Accountants' Report in Appendix I to this document.

Under the current arrangements, we estimate that total pre-tax remuneration for the Directors will accrue at approximately RMB23.0 million in 2026. Actual remuneration may differ from this estimate.

In 2024 and 2025 and for the three months ended March 31, 2026, there were two, two and two Directors among the five highest paid individuals, respectively. The total emoluments for the remaining individuals among the five highest paid individuals in 2024 and 2025 and for the three months ended March 31, 2026 amounted to approximately RMB16.87 million, RMB19.71 million and RMB3.46 million, respectively.

During the Track Record Period, (i) no remuneration was paid to or receivable by our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office; (ii) none of our Directors waived any remuneration; and (iii) save as disclosed above, no other payments have been or are payable by us or any of our subsidiaries to our Directors or the five highest paid individuals.

KEY TERMS OF EMPLOYMENT CONTRACTS

Our Group uses employment contracts, remuneration and incentive arrangements, confidentiality and non-competition obligations, and service-invention provisions to retain senior management and other key technical personnel. The contracts generally set out each employee's role, duties, remuneration, confidentiality obligations, intellectual property obligations and termination arrangements. The principal restrictive and intellectual property terms are summarized below.

Non-competition

During employment and for up to two years after departure, an employee may not directly or indirectly engage in a business that is the same as, similar to or that competes with our Group's business. During employment, an employee may not hold another position, work for another organization or conduct a private business without authorization. Our Group may impose disciplinary measures, including termination, for breach, subject to applicable law and the relevant contract.

Confidentiality

Employees must protect our Group's trade secrets and other confidential information, including confidential technical and operating information and information received from business partners. This obligation continues until the information lawfully enters the public domain or our Group releases it from confidentiality.

Service Invention

Our Group owns intellectual property rights in an invention, work or non-patented technical result that (i) arises from an employee's duties; (ii) is developed mainly using our Group's materials, technology or information; or (iii) is developed within one year after the employee leaves and relates to the employee's former duties or assignments, subject to applicable law and the relevant contract.

SystImmune Incentive Plans

SystImmune adopted the SystImmune Incentive Plans to retain and motivate eligible Group employees and consultants and align their interests with SystImmune's development. For details, see "Appendix VI — Statutory and General Information — D. SystImmune Incentive Plans."

CORPORATE GOVERNANCE

After [**REDACTED**], our Company intends to comply with the code provisions in Part 2 of the Corporate Governance Code except code provision C.2.1, which provides that the chairperson and chief executive roles should be held by different individuals.

Dr. Zhu serves as both chairperson and general manager. The Board considers this arrangement appropriate because Dr. Zhu has detailed knowledge of the Group and can coordinate strategy, management and information flow between management and the Board. The Board considers that its composition, including three independent non-executive Directors, provides sufficient checks and balances and that combining the roles does not impair the balance of power and authority.

BOARD DIVERSITY POLICY

The Board has adopted a diversity policy covering gender, age, background, experience and skills. It selects Director candidates on merit and by reference to our Company's needs and Board diversity. After [**REDACTED**], our Company intends to maintain a pool of qualified female candidates for Board and senior roles and provide development training to potential female leaders. The Nomination Committee will review the policy annually, and the Company will report measurable objectives and progress in its corporate governance report.

COMPLIANCE ADVISER

We have appointed TFI Capital Limited as Compliance Adviser under Rule 3A.19 of the Listing Rules. The Compliance Adviser will advise our Company on the Listing Rules, including Rules 3A.23 and 3A.24, and other applicable laws, rules, codes and guidelines. The term of the Compliance Adviser will commence on the [**REDACTED**] and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after [**REDACTED**].

You should read the following discussion and analysis in conjunction with our audited consolidated financial information and the respective accompanying notes thereto included in the Accountants' Report set out in Appendix I to this document which have been prepared in accordance with IFRS Accounting Standards. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward-looking Statements" and "Risk Factors." In evaluating our business, you should carefully consider the information provided in this document including but not limited to the sections headed "Risk Factors" and "Business" in this document.

OVERVIEW

We are an integrated, platform-driven biopharmaceutical company principally engaged in the discovery, development, manufacturing and commercialization of innovative biologics, complemented by a marketed portfolio of generics and traditional Chinese medicine products that has historically supported our revenue base. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China, all of which are self-discovered. This innovative drug pipeline is led by our Core Products, iza-bren, an EGFR × HER3 bispecific ADC which we believe has the potential to become a backbone pan-tumor treatment, and T-Bren, an innovative HER2-specific ADC best-in-class potential.

We recorded a net profit of RMB3,707.5 million in 2024, primarily from license fee income we received that year, before recording net losses of RMB1,053.6 million in 2025 and RMB531.4 million and RMB774.6 million for the three months ended March 31, 2025 and 2026, respectively. These losses were primarily due to the smaller milestone payment revenue recognized in 2025 compared to the larger upfront payment revenue recognized in 2024, together with our continued substantial R&D investment. As we have commercially launched iza-bren for NPC in June 2026 and for ESCC in July 2026 in Chinese Mainland following their NMPA NDA approvals, we expect to begin generating product sales revenue from iza-bren, complementing our existing revenue from marketed generics and traditional Chinese medicine products and any future license fee income. We expect to continue incurring significant research and development and other operating expenses for the foreseeable future, and our financial performance will continue to fluctuate depending on, among other things, the timing of license fee payments, the progress of our clinical programs, and the pace of commercialization of iza-bren and our other marketed products.

BASIS OF PREPARATION

The historical financial information has been prepared based on the accounting policies set out in Note 3 to the Accountants' Report in Appendix I to this document which conform with the IFRS Accounting Standards, issued by International Accounting Standards Board, or IASB. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each of the Track Record Period.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Successfully Develop and Commercialize Innovative Drug Candidates

Our business and results of operations will be dependent on our receipt of regulatory approval for and successful commercialization of our innovative drug candidates. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. This innovative drug pipeline is led by our Core Product, iza-bren, an EGFR × HER3 bispecific ADC which we believe has the potential to become a backbone pan-tumor treatment. As of the Latest Practicable Date, iza-bren had received NDA approvals from the NMPA for NPC in June 2026 and for ESCC in July 2026, while the NDA application for TNBC had been accepted by the NMPA. In addition, iza-bren was being evaluated in over 45 clinical trials in China and overseas, covering more than 10 solid tumor types. This broad clinical program include 14 Phase III trials and two additional Phase II/III registrational trials in China, as well as three global pivotal Phase II/III registrational trials. In addition, a global Phase III clinical trial for EGFRmut NSCLC is expected to be initiated in September 2026. Our other Core Product, T-Bren, an innovative HER2-specific ADC with best-in-class potential, is currently being evaluated in 18 clinical trials in China and overseas, including eight Phase III and one Phase II/III registrational trials. See "Business — Our Portfolio Assets — Our Innovative Drug Pipeline" for more information on the development status of our drug candidates.

As we have commercially launched iza-bren for NPC in June 2026 and for ESCC in July 2026 in Chinese Mainland following their NMPA NDA approvals, we expect to begin generating product sales revenue from iza-bren. Going forward, our business and results of operations will continue to depend on our ability to advance preclinical and clinical development of, and obtain the requisite regulatory approvals for, our other innovative drug candidates. The continued advancement toward NDA approvals and potential commercial launch — including the pending TNBC NDA review — is expected to require substantial continued research and development investment. Our research and development expenses amounted to RMB1,442.8 million in 2024, RMB2,513.7 million in 2025, RMB494.9 million in the three months ended March 31, 2025 and RMB694.8 million in the three months ended March 31, 2026. See "— Our Cost Structure" for more details. Once our drug candidates are commercialized, our business and results of operations will be driven by the market acceptance and supply of our commercialized drugs, and such commercialization has the potential to generate future product sales revenue and affect gross margins. However, there is no assurance that these candidates will be ultimately successfully developed and commercialized. See "Risk Factors — Our business and prospects depend substantially on the success of our drug candidates. Development of innovative drugs involves a lengthy and expensive process with uncertain outcomes. If we are not able to develop and commercialize new products, including our Core Products, our business prospects could be adversely affected."

Our Collaboration with BMS

On December 11, 2023, we entered into an exclusive license and collaboration agreement with Bristol-Myers Squibb Company ("**BMS**"), effective as of February 8, 2024 (the "**BMS Agreement**"). Pursuant to the BMS Agreement, on March 7, 2024, we received a non-refundable and non-creditable upfront payment of US$800 million from BMS, which is not subject to any further conditions, and BMS is required to pay up to US$500 million in contingent near-term payments, which payment amounts are adjusted based on when each prescribed milestone is achieved. Specifically, SystImmune is eligible to receive a one-time nonrefundable milestone payment of US$250 million upon the initiation of the first Phase II or Phase III trial of the Licensed Product as 1L or 2L treatment in the U.S. on or before December 31, 2025 ("**First Clinical Trial Milestone**"), and another one-time nonrefundable milestone payment of US$250 million upon the initiation of the first Phase III trial of the Licensed Product as 1L treatment in the U.S. on or before December 31, 2026 ("**Second Clinical Trial Milestone**"). Such milestones were established through mutual agreement.

We have recognized the First Clinical Trial Milestone as revenue in 2025 based on the BMS Agreement and relevant accounting policy. Based on the current pace of clinical progress for iza-bren and the anticipated market entry timetable, we reasonably anticipate that SystImmune will be eligible to receive the Second Clinical Trial Milestone. In addition to the Second Clinical Trial

Milestone, SystImmune is also eligible to receive up to an aggregate of US$7.1 billion contingent upon the achievement of certain specified regulatory and sales performance milestones for a total potential consideration of up to US$8.4 billion.

BMS is also required to pay SystImmune tiered royalties based on a percentage of aggregate annual net sales of the Licensed Product in ROW ranging from high single-digit to low double-digits, subject to certain customary reductions and a royalty floor. Such royalties are payable on a country-by-country basis from the first commercial sale of such Licensed Product in such country until the latest of (a) the expiration of all valid claims of certain licensed patents and joint patents covering the composition of matter of the Licensed Product in its entirety or its antibody portion in such country, (b) the tenth anniversary of the first commercial sale of such Licensed Product in such country, and (c) the expiration of regulatory exclusivity for such Licensed Product in such country. Under the BMS Agreement, we are required to pay BMS a single-tier royalty of a mid-single-digit percentage of aggregate annual net sales of such Licensed Product in mainland China. Further, under the BMS Agreement, SystImmune and BMS will share net profits/losses related to the sales of the Licensed Product in the U.S. according to certain agreed-upon percentages, with SystImmune's share being less than 50%, which percentage is higher than SystImmune's proportion of the shared development costs in the U.S.

See "Business — License and Collaboration Agreement with Bristol-Myers Squibb Company" for more details. The income from BMS Agreement contributed a substantial majority of our revenue in 2024 and 2025. We generated license fee income of RMB5,331.7 million and RMB2,124.4 million from the BMS Agreement in 2024 and 2025, respectively, representing 91.6% and 84.4% of our total revenue for the corresponding years. We may in the future depend to a certain degree on further milestone payments from BMS to support our future development plan which are generally dependent on the successful and timely achievement of various development, regulatory and sales milestones by both parties. See "Risk Factors — Risks Relating to Our Reliance on Third Parties."

Centralized Tender Process and VBP Scheme for Pharmaceutical Procurement in China

In addition to our innovative drug pipeline, we have a marketed generic and traditional Chinese medicine product portfolio including generics (covering therapeutic areas such as anesthesia, parenteral nutrition, anti-infectives and pediatric drugs) and traditional Chinese medicine products. A substantial portion of our products sold to distributors are then sold to public hospitals and other medical institutions in China, with sales to distributors representing approximately 99.4%, 98.8%, 98.1% and 99.3% of our revenue from the sale of pharmaceutical products in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Public medical institutions in China are required to implement a centralized tender process for the procurement of pharmaceuticals listed in medical insurance catalogs or commonly prescribed for clinical uses. Bids are generally considered based on price competitiveness, product quality, clinical effectiveness and manufacturer reputation. Our bidding strategy focuses on differentiating our products from competitors rather than competing solely on price. We believe our major marketed generic and traditional Chinese medicine products, including Leweijing, Leweitai, Shuweijing, Tianze, Bailineng, Leyeping, Pujikang and astragalus granule, held competitive advantages in centralized tender processes throughout 2024, 2025 and the three months ended March 31, 2026 due to their wide recognition.

Certain of our marketed generic and traditional Chinese medicine products are also subject to the VBP scheme in China, which aims to achieve lower prices for pharmaceuticals with mature, high-volume clinical usage through competitive bidding for large-volume procurement. The VBP scheme has been rolled out at both national and regional levels, with the national scheme primarily including generics that have met consistency evaluation criteria. In 2024, 2025 and the three months ended March 31, 2026, a number of our products were subject to national or provincial VBP schemes. For example, Leweijing, Leiweitai and Tianze participated in provincial VBP schemes and later in the national VBP scheme. Shuweijing and Bailineng participated in provincial VBP schemes. In addition, Shuweijing is currently participating in the twelfth batch of the national VBP scheme in 2026, the results of which have not yet been announced as of the Latest Practicable Date. See "Risk Factors — Pricing regulations or other policies such as volume-based procurement (the "VBP") that are intended to reduce healthcare costs could adversely affect our operations, revenue and profitability."

As the number of compounds included in VBP schemes continues to increase, additional marketed generic and traditional Chinese medicine drugs that have passed consistency evaluation may be included in national or provincial VBP schemes. While inclusion in VBP schemes typically exerts downward pricing pressure on our products, successful bids may increase sales volumes, partially offsetting the impact on our revenue, gross profits and gross profit margins. Conversely, unsuccessful bidders or those who chose not to participate typically experience similar price cuts due to reduced market share, intensified competition and regulatory requirements.

Our Cost Structure

Our results of operations are significantly affected by our cost structure, which primarily consists of cost of sales, research and development expenses, distribution and selling expenses and administrative expenses. In 2024, 2025 and the three months ended March 31, 2026, our cost of sales mainly related to the sale of pharmaceutical products, which primarily consisted of cost of materials, manufacturing costs, direct labor costs and delivery costs. The gross profit margin for sale of pharmaceutical products was 40.8%, 40.4%, 44.6% and 49.9% in 2024, 2025, the three months ended March 31, 2025 and the three months ended March 31, 2026, respectively. The fluctuation in our gross profit margin for the sale of pharmaceutical products was primarily due to changes in unit selling prices of pharmaceutical products, mainly as a result of the continued implementation of the VBP scheme, as well as changes in product and sales mix. For details, see "— Period to Period Comparison of Results of Operations."

Research and development expenses have been and are expected to continue to be a major component in our cost structure, considering our strategic focus on the innovative drug business. Our research and development expenses primarily consist of (i) testing and examination costs including clinical trial expenses, (ii) staff costs, (iii) costs of materials, and (iv) depreciation expenses for right-of-use assets, property, plant and equipment used for research and development purposes. Our research and development expenses amounted to RMB1,442.8 million, RMB2,513.7 million, RMB494.9 million and RMB694.8 million in 2024, 2025, the three months ended March 31, 2025 and the three months ended March 31, 2026, respectively, representing a substantial increase reflecting our strategic focus on the innovative drug business, including the continued advancement of iza-bren and T-Bren through Phase III trials and regulatory submissions and the expansion of our clinical pipeline. For details, see "— Results of Operations — Research and Development Expenses."

In 2024, 2025 and the three months ended March 31, 2026, we incurred distribution and selling expenses in relation to our sale of marketed generic and traditional Chinese medicine pharmaceutical products. Our distribution and selling expenses primarily consist of (i) marketing and promotion expenses, (ii) staff costs, and (iii) travelling expenses. Our distribution and selling expenses amounted to RMB214.6 million, RMB201.1 million, RMB52.7 million and RMB42.9 million in 2024, 2025, the three months ended March 31, 2025 and the three months ended March 31, 2026, respectively, generally in line with the scale of our sale of pharmaceutical products. For details, see "— Results of Operations — Distribution and Selling Expenses."

In 2024, 2025 and the three months ended March 31, 2026, we also incurred administrative expenses relating to our corporate overhead. Our administrative expenses primarily consist of (i) staff costs, (ii) depreciation and amortization, (iii) office expenses, (iv) professional services fees, and (v) travelling expenses. Our administrative expenses amounted to RMB194.7 million, RMB300.1 million, RMB57.2 million and RMB83.1 million in 2024, 2025, the three months ended March 31, 2025 and the three months ended March 31, 2026, respectively, reflecting the expansion of our management team and increases in professional services and office-related expenses as we prepared for the [**REDACTED**]. For details, see "— Results of Operations — Administrative Expenses."

We expect our cost structure to evolve as we continue to develop and expand our business. In light of our strategic focus on the innovative drug business, as the preclinical studies and clinical trials of our drug candidates continue to progress, including the commercialization of iza-bren following its NDA approvals for NPC and ESCC, and continued Phase III development of T-Bren, we expect to continue incurring significant costs in relation to, among other things, testing and

experiment fees, R&D staff costs, and raw materials procurement. Additionally, we anticipate increasing legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company in Hong Kong.

CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

The preparation of historical financial statements in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompany disclosures, and the disclosure of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, from which our actual results may differ. See Notes 3 and 4 to the Accountants' Report set out in Appendix I to this document for a detailed description of our material accounting policies, judgments and estimates.

RESULTS OF OPERATIONS

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

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Revenue	5,821,050	100.0	2,518,494	100.0	67,034	100.0	94,076	100.0
Cost of sales	(290,827)	(5.0)	(266,697)	(10.6)	(38,694)	(57.7)	(47,896)	(50.9)
Gross profit	5,530,223	95.0	2,251,797	89.4	28,340	42.3	46,180	49.1
Other income	253,953	4.4	270,603	10.7	64,524	96.3	64,893	69.0
Other gains and losses, net	94,310	1.6	(97,183)	(3.9)	(11,170)	(16.7)	(40,182)	(42.7)
Impairment losses under expected credit loss ("ECL") model, net of reversal	(2,191)	0.0	2,792	0.1	697	1.0	668	0.7
Research and development expenses	(1,442,789)	(24.8)	(2,513,725)	(99.8)	(494,913)	(738.3)	(694,755)	(738.5)
Distribution and selling expenses	(214,560)	(3.7)	(201,112)	(8.0)	(52,653)	(78.5)	(42,913)	(45.6)
Administrative expenses	(194,739)	(3.3)	(300,085)	(11.9)	(57,196)	(85.3)	(83,071)	(88.3)
Other expenses	(3,530)	(0.1)	(49,452)	(2.0)	(491)	(0.7)	(414)	(0.4)
Finance costs	(42,523)	(0.7)	(85,069)	(3.4)	(15,961)	(23.8)	(26,557)	(28.2)
Profit (loss) before tax	3,978,154	68.3	(721,434)	(28.6)	(538,823)	(803.8)	(776,151)	(825.0)
Income tax (expense) credit	(270,649)	(4.6)	(332,184)	(13.2)	7,387	11.0	1,593	1.7
Profit (loss) for the year/period attributable to owners of the Company	3,707,505	63.7	(1,053,618)	(41.8)	(531,436)	(792.8)	(774,558)	(823.3)

Revenue

Revenue by nature

During the Track Record Period, we generated revenue primarily from the sale of pharmaceutical products and the license fee income. The following table sets forth a breakdown of our revenue by nature in both absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Sale of pharmaceutical products	486,759	8.4	380,075	15.1	60,505	90.3	91,981	97.8
License fee income	5,331,724	91.6	2,124,353	84.4	–	–	–	–
Others[(1)]	2,567	0.0	14,066	0.5	6,529	9.7	2,095	2.2
Total	5,821,050	100.0	2,518,494	100.0	67,034	100.0	94,076	100.0

(1) Primarily included revenue generated from the sales of R&D materials.

Revenue from the sale of pharmaceutical products

In 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue from the sale of pharmaceutical products was RMB486.8 million, RMB380.1 million, RMB60.5 million and RMB92.0 million, respectively. Revenue from the sale of pharmaceutical products is recognized at a point in time when control of the goods has transferred, being when the goods have been shipped to the specific location and accepted.

Revenue from the license fee income

The revenue for grant of license which represents a right to use the Group's intellectual property is recognized at a point in time at which the license transfers. Pursuant to the BMS Agreement, in March 2024, we received a non-refundable and non-creditable Upfront Payment of US$800 million (equivalent to approximately RMB5,679.7 million) from BMS. We recognized revenue of US$751.0 million (equivalent to approximately RMB5,331.7 million) in relation to our performance of the grant of license to BMS in 2024. The remaining Upfront Payment of US$49.0 million (equivalent to approximately RMB348.0 million) is allocated to the performance obligation of transferring manufacturing technology, which is recorded as our revenue in 2025.

Pursuant to the BMS Agreement, SystImmune is also eligible for (i) a one-time US$250 million payment upon initiation of the first Phase II or III clinical trial of the Licensed Product as first-line or second-line treatment in the United States on or before December 31, 2025 (the "**First Clinical Trial Milestone**"), and (ii) a one-time US$250 million payment upon initiation of the first Phase III clinical trial of the Licensed Product as first-line treatment in the United States on or before December 31, 2026 (the **"Second Clinical Trial Milestone**"). As three global Phase II/III trials of the Licensed Product as first-line or second-line treatment in the United States had patient dosing commenced on or before December 31, 2025, we recognized revenue in respect of the First Clinical Trial Milestone in 2025 based on the BMS Agreement. In addition, we reasonably anticipate that SystImmune will be eligible to receive the Second Clinical Trial Milestone based on the current pace of clinical progress for iza-bren and the anticipated market entry timetable.

Revenue from the Sale of Pharmaceutical Products by Product

The following table sets forth our revenue from the sale of our pharmaceutical products by product for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)				*(Unaudited)*			
Major anesthesia drugs								
Leweijing	131,869	27.1	83,487	22.0	10,484	17.3	21,384	23.2
Leweitai	26,337	5.4	21,858	5.8	3,792	6.3	5,721	6.2
Shuweijing	46,009	9.5	40,956	10.8	6,142	10.2	13,013	14.1
Major parenteral nutrition drugs								
Tianze	27,245	5.6	19,610	5.2	4,192	6.9	3,751	4.1
Bailineng	968	0.2	21,131	5.6	2,954	4.9	8,344	9.1
Major pediatric drugs								
Leyeping and Pujikang	20,158	4.1	22,959	6.0	5,526	9.1	6,110	6.6
Other chemical drugs								
Anti-infectives	21,473	4.4	17,890	4.7	2,636	4.4	2,977	3.2
Others	48,219	9.9	56,185	14.8	9,482	15.6	12,937	14.0
Traditional Chinese medicine								
Astragalus granule	146,312	30.1	84,077	22.1	13,641	22.5	15,838	17.2
Other traditional Chinese medicines	18,169	3.7	11,922	3.0	1,656	2.8	1,906	2.3
Total	**486,759**	**100.0**	**380,075**	**100.0**	**60,505**	**100.0**	**91,981**	**100.0**

Cost of Sales

During the Track Record Period, our cost of sales mainly related to the sale of the pharmaceutical products, which primarily consisted of cost of materials, direct labour costs, and manufacturing and delivery costs. In 2024, 2025 and the three months ended March 31, 2025 and 2026, our cost of sales amounted to RMB290.8 million, RMB266.7 million, RMB38.7 million and RMB47.9 million, respectively.

The table below sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Cost of materials	162,492	55.9	127,447	47.8	17,946	46.4	23,746	49.6
Manufacturing and delivery costs	78,803	27.1	72,458	27.2	11,167	28.9	14,264	29.8
Direct labor costs	21,586	7.4	31,231	11.7	4,644	12.0	4,945	10.3
Others[(1)]	27,946	9.6	35,561	13.3	4,937	12.7	4,941	10.3
Total	290,827	100.0	266,697	100.0	38,694	100.0	47,896	100.0

(1) Primarily included impairment and write-off losses related to inventory.

The following table sets forth a breakdown of our cost of sales of pharmaceutical products by product in absolute amounts and as percentages of our total cost of sales for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands except for percentages)				*(Unaudited)*			
Major anesthesia drugs								
Leweijing	87,925	30.5	57,871	25.6	7,853	23.4	13,104	28.4
Leweitai	8,596	3.0	8,265	3.7	1,553	4.6	1,839	4.0
Shuweijing	16,033	5.6	14,400	6.4	1,498	4.5	4,746	10.3
Major parenteral nutrition drugs								
Tianze	11,220	3.9	7,221	3.2	1,696	5.1	1,571	3.4
Bailineng	256	0.1	10,556	4.7	960	2.9	4,685	10.2
Major pediatric drugs								
Leyeping and Pujikang	5,530	1.9	8,666	3.8	1,944	5.8	1,592	3.5
Other chemical drugs								
Anti-infectives	10,686	3.7	9,215	4.1	1,230	3.7	1,319	2.9
Others	12,025	4.1	13,076	5.8	2,143	6.4	3,065	6.6
Traditional Chinese medicine								
Astragalus granule	96,349	33.4	54,377	24.0	8,820	26.3	8,236	17.9
Other traditional Chinese medicines	11,809	4.1	7,202	3.2	867	2.6	1,017	2.2
Add: Others[(1)]	27,946	9.7	35,561	15.5	4,937	14.7	4,941	10.6
Total	288,375	100.0	226,410	100.0	33,501	100.0	46,115	100.0

(1) Primarily represented add-back of other cost of sales primarily including impairment and write-off losses related to inventory.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. In 2024, 2025, the three months ended March 31, 2025 and 2026, our gross profit was RMB5,530.2 million, RMB2,251.8 million, RMB28.3 million and RMB46.2 million, respectively, representing a gross profit margin of 95.0%, 89.4%, 42.3% and 49.1%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
		%		%		%		%
	(RMB in thousands except for percentages)				*(unaudited)*			
Sale of pharmaceutical products	198,384	40.8	153,665	40.4	27,004	44.6	45,866	49.9
License fee income	5,331,724	100.0	2,095,489	98.6	–	–	–	–
Others[(1)]	115	4.5	2,643	18.8	1,336	20.5	314	15.0
Total	5,530,223	95.0	2,251,797	89.4	28,340	42.3	46,180	49.1

(1) Primarily included revenue generated from the sales of R&D materials.

The following table sets forth a breakdown of our gross profit and gross profit margin of sale of pharmaceutical products by product for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
		%		%		%		%
	(RMB in thousands except for percentages)				*(Unaudited)*			
Major anesthesia drugs								
Leweijing	43,944	33.3	25,616	30.7	2,631	25.1	8,280	38.7
Leweitai	17,741	67.4	13,593	62.2	2,239	59.0	3,882	67.9
Shuweijing	29,976	65.2	26,556	64.8	4,644	75.6	8,267	63.5
Major parenteral nutrition drugs								
Tianze	16,025	58.8	12,389	63.2	2,496	59.5	2,180	58.1
Bailineng	712	73.6	10,575	50.0	1,994	67.5	3,659	43.9
Major pediatric drugs								
Leyeping and Pujikang	14,628	72.6	14,293	62.3	3,582	64.8	4,518	73.9
Other chemical drugs								
Anti-infectives	10,787	50.2	8,675	48.5	1,406	53.3	1,658	55.7
Others	36,194	75.1	43,109	76.7	7,339	77.4	9,872	76.3
Traditional Chinese medicine								
Astragalus granule	49,963	34.1	29,700	35.3	4,821	35.3	7,602	48.0
Other traditional Chinese medicines	6,360	35.0	4,720	39.6	789	47.6	889	46.6
Add: Others[(1)]	(27,946)	–	(35,561)	–	(4,937)	–	(4,941)	–
Total	198,384	40.8	153,665	40.4	27,004	44.6	45,866	49.9

(1) Primarily represented add-back of other cost of sales primarily including impairment and write-off losses related to inventory.

Other Income

Our other income consists of government grants, interest income on bank deposits, release of expense-related government subsidies, rental income, release of assets-related government subsidies, and others. The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Government grants[1]	39,958	36,321	4,162	6,866
Interest income on bank deposits	206,087	226,335	58,709	55,594
Release of expense-related government subsidies[2]	2,843	–	–	–
Rental and rental-related income	1,668	1,619	406	511
Release of assets-related government subsidies[2]	1,856	6,144	1,246	1,910
Others	1,541	184	1	12
Total	253,953	270,603	64,524	64,893

(1) Primarily represented unconditional subsidies granted by the PRC local authorities to support the operation activities/technology innovation and contribution of us, which no future related cost is expected to be incurred in and were recognized in our statement of profit or loss when payments were received or receivable.

(2) Expense-related government subsidies represented conditional government subsidies that related to our research and development activities, which were recognized as deferred income and released to statement of profit or loss upon completion of the activities. Assets-related government subsidies represented conditional government subsidies that related to the construction of our production facilities, which were recognized as deferred income and released to statement of profit or loss when assets were amortized over the estimated useful lives.

Other Gains and Losses, Net

Our other gains and losses, net primarily consist of gains on fair value change of financial assets at FVTPL, net foreign exchange gain (loss), and loss on disposal or written-off of property, plant and equipment. The following table sets forth a breakdown of our other gains and losses, net for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Gains on fair value change of financial assets at FVTPL	30,675	4,174	–	104,345
Net foreign exchange gain (loss)	63,882	(97,735)	(10,706)	(142,623)
Losses on disposal/written-off of property, plant and equipment	(223)	(3,329)	(464)	(951)
Others	(24)	(293)	–	(953)
Total	94,310	(97,183)	(11,170)	(40,182)

Research and Development Expenses

Our research and development expenses primarily consist of (i) testing and examination costs, mainly including clinical trials expenses and preclinical studies expenses, (ii) staff costs primarily representing salaries, bonuses, and other benefits and welfare of our research and development personnel, (iii) cost of materials, primarily comprising the consumption of raw materials, consumables, chemical reagents, biological products, and reference drugs, (iv) depreciation expenses mainly for right-of-use assets, property, plant and equipment for research and development purposes, (v) licensing fees related to our patent and other intellectual property application fees, and (vi) office expenses for R&D purposes. The table below sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Testing and examination costs	835,550	57.9	1,407,325	56.0	302,921	61.2	333,330	48.0
Staff costs	313,345	21.7	538,611	21.4	96,413	19.5	163,962	23.6
Cost of materials	145,662	10.1	309,144	12.3	51,220	10.3	111,919	16.1
Depreciation expenses	48,984	3.4	70,063	2.8	13,012	2.6	23,650	3.4
Licensing fees	18,796	1.3	50,360	2.0	5,377	1.1	3,322	0.5
Office expenses	34,592	2.4	56,735	2.3	11,603	2.3	31,002	4.5
Others[(1)]	45,860	3.2	81,487	3.2	14,367	3.0	27,570	3.9
Total	1,442,789	100.0	2,513,725	100.0	494,913	100.0	694,755	100.0

(1) Primarily comprised utilities, travel expenses and other miscellaneous expenses.

The table below sets forth a breakdown of our research and development expenses incurred on (i) our Core Products, iza-bren and T-Bren, (ii) other innovative drug candidates and (iii) generic drug candidates, respectively, for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Iza-bren	588,182	40.8	1,434,884	57.1	278,399	56.3	350,796	50.5
T-Bren	157,569	10.9	365,552	14.5	48,094	9.7	138,073	19.9
Other innovative drug candidates	646,564	44.8	688,747	27.4	156,946	31.7	202,528	29.2
Generic drug candidates	50,474	3.5	24,542	1.0	11,474	2.3	3,358	0.4
Total	1,442,789	100.0	2,513,725	100.0	494,913	100.0	694,755	100.0

Distribution and Selling Expenses

Our distribution and selling expenses primarily consist of (i) marketing and promotion expenses, primarily comprising (a) expenses associated with organizing and participating in various academic conferences, seminars and symposia, (b) expenses related to various marketing and promotional services, including market research and business development, and (c) expenses related to product demonstration, feedback collection, and scientific communication and education sessions conducted with healthcare professionals, (ii) staff costs mainly representing salaries, bonuses, and other benefits and welfare of our sales and marketing personnel, and (iii) travelling expenses primarily representing travel and accommodation expenses of our in-house sales and marketing personnel for the promotion of our products. The following table sets forth a breakdown of our distribution and selling expenses for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Marketing and promotion expenses	107,270	50.0	92,399	45.9	20,485	38.9	21,646	50.4
Staff costs	71,865	33.5	77,162	38.4	23,006	43.7	14,225	33.1
Travelling expenses	12,464	5.8	8,959	4.5	1,561	3.0	1,796	4.2
Others[(1)]	22,961	10.7	22,592	11.2	7,601	14.4	5,246	12.3
Total	214,560	100.0	201,112	100.0	52,653	100.0	42,913	100.0

(1) Primarily comprised office expenses and certain other expenses directly related to our marketing and promotion activities.

Administrative Expenses

Our administrative expenses primarily consist of (i) staff costs, mainly consisting of salaries, bonuses, and other benefits and welfare of our Directors, senior management and administrative personnel and staff recruitment expenses, (ii) depreciation and amortization, mainly related to property, plant and equipment for office and other administrative functions, (iii) office expenses, mainly related to office expenditure for administrative purposes, (iv) professional services fee, primarily representing service fees to auditors, legal counsel and other professional service providers, and (v) travelling expenses, mainly related to travel and accommodation expenses of our administrative personnel. The table below sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,				Three months ended March 31,			
	2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands except for percentages)				*(unaudited)*			
Staff costs	101,027	51.9	167,159	55.7	30,271	52.9	49,187	59.2
Depreciation and amortization	9,926	5.1	10,623	3.5	2,161	3.8	4,048	4.9
Office expenses	12,500	6.4	17,808	5.9	3,307	5.8	6,432	7.7
Professional services fee	20,282	10.4	27,281	9.1	4,369	7.6	8,468	10.2
Travelling expenses	10,103	5.2	9,698	3.2	1,895	3.3	1,546	1.9
Others[(1)]	40,901	21.0	67,516	22.6	15,193	26.6	13,390	16.1
Total	194,739	100.0	300,085	100.0	57,196	100.0	83,071	100.0

(1) Primarily comprised other taxes, bank charges and other miscellaneous administrative expenses.

Other Expenses

Our other expenses comprise (i) utilities and depreciation of investment properties, (ii) donations we made to promote the development of medical and healthcare services, and (iii) professional service fees mainly relating to our previous [**REDACTED**] attempt. The following table sets forth a breakdown of our other expenses for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2024	**2025**	**2025**	**2026**
	(RMB in thousands)		*(unaudited)*	
Utilities and depreciation of investment properties	1,504	1,262	401	414
Donations	870	679	90	–
Professional service fees	–	47,504	–	–
Others	1,156	7	–	–
Total	3,530	49,452	491	414

Finance Costs

Our finance costs consist of interest expenses on bank borrowings, sale and leaseback payable, and lease liabilities. The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2024	**2025**	**2025**	**2026**
	(RMB in thousands)		*(unaudited)*	
Interest expense on:				
– bank borrowings	40,202	78,690	15,657	23,175
– sale and leaseback payable[(1)]	1,117	5	5	–
– lease liabilities	1,204	6,374	299	3,382
Total	42,523	85,069	15,961	26,557

(1) Sale and leaseback payable arose from the transaction where we sold and leased back certain equipment from financing institutions. We continue to recognize the assets and accounts for the transfer proceeds as borrowings, as the transfer does not qualify as a sale.

Income Tax (Expense)/Credit

The income tax (expense)/credit consists of current tax and deferred tax. In 2024, 2025, our income tax expense was RMB270.6 million, RMB332.2 million. In the three months ended March 31, 2025 and 2026, our income tax credit was RMB7.4 million and RMB1.6 million.

Under the Law of the PRC on Enterprise Income Tax ("**EIT Law**") and Implementation Regulation of the EIT Law, enterprises operating in Chinese Mainland are generally subject to EIT at a rate of 25% on the taxable profit. Certain subsidiaries of our Company are subject to income tax at a preferential tax rate of 15% to 20%. For details, see Note 10 to the Accountants' Report set out in Appendix I to this document.

Our U.S. subsidiary is subject to U.S. EIT representing 21% of the applicable U.S. Federal Income Tax rate and blended average rate of 0.3%, 0.25% and 0.25%, of the State Income Tax arising from applicable State in the U.S in 2024, 2025 and the three months ended March 31, 2026.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute and unresolved with the relevant tax authorities.

BUSINESS SUSTAINABILITY

To realize long-term growth and enhance patient outcomes, we made the strategic move into the innovative drug business in 2010 and have focused on discovering and developing breakthrough oncology therapies since 2014. Leveraging our proprietary technology platforms, we have systematically built a pipeline of potential first- and best-in-class treatments across multiple modalities that target major tumor types. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates, five of which were undergoing clinical development outside China. All assets in our innovative drug pipeline as of the Latest Practicable Date are self-discovered. This innovative drug pipeline is led by our Core Products, iza-bren, an EGFR × HER3 bispecific ADC which we believe has the potential to become a backbone pan-tumor treatment, and T-Bren, an innovative HER2-specific ADC with best-in-class potential.

We recorded a net profit of RMB3,707.5 million in 2024, mainly attributable to the license fee income we received. We recorded net losses of RMB1,053.6 million, RMB531.4 million and RMB774.6 million in 2025 and the three months ended March 31, 2025 and 2026, respectively. Our net losses recorded in 2025 and the three months ended March 31, 2026 were primarily due to (i) our substantial investment in R&D activities, with research and development expenses amounting to RMB2,513.7 million in 2025 and RMB694.8 million in the three months ended March 31, 2026, reflecting the continued clinical development of our iza-bren, T-Bren and other innovative drug candidates, and (ii) a decrease in license fee income from RMB5,331.7 million in 2024 to RMB2,124.4 million in 2025 as the milestone payment revenue recognized in 2025 was smaller in scale than the upfront payment revenue recognized in 2024.

In light of the above, our business sustainability depends on capturing the revenue potential of our innovative drug pipeline while maintaining the steady cash flow from our established generics and traditional Chinese medicine business. We have identified the following strategic priorities to drive long-term growth and profitability:

Commercialization and indication expansion of our Core Products

Iza-bren is the world's first and only approved EGFR × HER3 bispecific ADC. It is also the first bispecific ADC to have advanced into Phase III trials in the world and one of the most investigated clinical-stage ADCs, as it has been studied in over 8,500 patients across various cancer types. As of the Latest Practicable Date, we had commercially launched iza-bren for NPC in June 2026 and for ESCC in July 2026 in Chinese Mainland following their NMPA NDA approvals. According to CIC, the global NPC drug market grew rapidly from US$0.6 billion in 2020 to US$1.0 billion in 2025 at a CAGR of 11.7%, and is expected to increase to US$2.3 billion in 2035, representing a CAGR of 8.5% from 2025 to 2035, and the global ESCC drug market grew rapidly from US$1.4 billion in 2020 to US$2.5 billion in 2025 at a CAGR of 12.4%, and is expected to increase to US$6.3 billion in 2035, representing a CAGR of 9.8% from 2025 to 2035. In addition, the NDA application of iza-bren for TNBC had been accepted by the NMPA, and iza-bren was being

evaluated in over 45 clinical trials in China and overseas across more than 10 solid tumor types, including 14 Phase III trials and two additional Phase II/III registrational trials in China, as well as three global pivotal Phase II/III registrational trials. In addition, a global Phase III clinical trial for EGFRmut NSCLC is expected to be initiated in September 2026. Based on the clinical data, we believe iza-bren has the potential to be a backbone pan-tumor treatment. See "Business — Our Portfolio Assets — Our Innovative Drug Pipeline — Iza-bren (EGFR × HER3 bispecific ADC), Our Core Product" for more information on the development status of iza-bren. See "— Our Collaboration with BMS" above and "Business — License and Collaboration Agreement with Bristol-Myers Squibb Company" for further details of the Upfront Payment, the First Clinical Trial Milestone, the Second Clinical Trial Milestone and the other contingent payments potentially payable to us under the BMS Agreement.

The other Core Product, T-Bren, an innovative HER2-specific ADC with best-in-class potential, is currently in pivotal registrational clinical trials. As of the Latest Practicable Date, T-Bren was being evaluated in 18 clinical trials in China and overseas, including eight pivotal Phase III registrational trials. We are committed to advancing T-Bren toward regulatory submissions and potential commercialization across multiple tumor types. Notably, we have initiated a head-to-head Phase II clinical trial comparing T-Bren with trastuzumab deruxtecan, the leading HER2-targeting ADC, in HR+/HER2-low recurrent/metastatic BC patients to demonstrate the differentiated clinical profile of T-Bren.

In the meantime, we are strengthening our commercialization capabilities, including scaling up our manufacturing processes to ensure we can meet market demand following commercial launches, and building a robust sales and marketing team. The continued advancement of NDA approvals and commercial launches of our Core Products is expected to require substantial continued R&D investment and has the potential to generate significant future product sales revenue.

Maintaining financial stability through generics and traditional Chinese medicine business

In addition to our innovative drug business, we have built a strong business in the space of generic drugs and traditional Chinese medicines over the past three decades. During the Track Record Period, we generated revenue from the sales of 31 approved drug products with over 100 specifications, which included both generics (covering a wide range of therapeutic areas such as anesthesia, parenteral nutrition, pediatric and anti-infective drugs) and traditional Chinese medicine products. We established numerous areas of focus within this space, including anesthesia, parenteral nutrition, anti-infectives and pediatrics. Revenue from the sale of pharmaceutical products amounted to RMB486.8 million, RMB380.1 million, RMB60.5 million and RMB92.0 million in 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively. Our rich pipeline of products, across a broad range of therapeutic areas, and at staggered development and commercialization stages, not only allows for sustained commercial success, but also facilitates our accumulation of technologies in complex generics development and manufacture as well as the build-up of our marketing and commercial capabilities.

As of the Latest Practicable Date, we had also submitted four generic drug applications for production registration with the NMPA and expect additional products to be approved for commercialization in the future. We expect our generics and traditional Chinese medicine business to continue to provide a stable revenue base to support our ongoing investment in innovative drug development.

Continue to advance our diverse portfolio of innovative drugs

In addition to our Core Products, leveraging our proprietary technology platforms, HIRE-ADC (including SEBA), GNC and HIRE-ARC, we have systematically built a pipeline of potential first- and best-in-class treatments across multiple modalities that target major tumor types. As of the Latest Practicable Date, our innovative drug pipeline featured 15 clinical-stage drug candidates.

Recognizing the significant uncertainty that accompanies the commercialization of innovative drug candidates, we are committed to maintaining a diverse portfolio of drugs at various stages of development. This diversification is designed to spread risk and provide multiple avenues for revenue generation. We will leverage the experience and capabilities to be gained from developing and commercializing our Core Products to accelerate the advancement of our other drug candidates. However, our drug candidates may not ultimately be successfully developed and commercialized.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

Revenue

Our revenue increased by RMB27.1 million, or 40.4%, from RMB67.0 million in the three months ended March 31, 2025 to RMB94.1 million in the three months ended March 31, 2026, primarily due to an increase in revenue from the sale of pharmaceutical products of RMB31.5 million. The increase in pharmaceutical product revenue was driven by (i) higher sales of Leweijing, reflecting increased market demand in the first quarter of 2026 compared to the corresponding period in 2025 due to the difference in timing of public holidays in the two years, as well as (ii) higher sales of Shuweijing, Bailineng and Leweitai, driven by their inclusion in additional VBP programs during the period.

Cost of sales

Our cost of sales increased by RMB9.2 million, or 23.8%, from RMB38.7 million in the three months ended March 31, 2025 to RMB47.9 million in the three months ended March 31, 2026, increasing at a slower pace than our 40.4% revenue growth for the period. This was primarily due to increased sales and revenue contribution from higher-margin products, as well as decreased raw material procurement cost of astragalus granule.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by RMB17.9 million, or 63.3%, from RMB28.3 million in the three months ended March 31, 2025 to RMB46.2 million in the three months ended March 31, 2026, and our gross profit margin increased from 42.3% in the three months ended March 31, 2025 to 49.1% in the three months ended March 31, 2026.

Other income

Our other income remained broadly stable, increasing marginally by RMB0.4 million, or 0.6%, from RMB64.5 million in the three months ended March 31, 2025 to RMB64.9 million in the three months ended March 31, 2026, primarily as a result of higher government grants and subsidies received in the period.

Other gains and losses, net

Our net other losses increased from RMB11.2 million in the three months ended March 31, 2025 to RMB40.2 million in the three months ended March 31, 2026. This was primarily attributable to an increase in net foreign exchange losses, from RMB10.7 million to RMB142.6 million, mainly reflecting exchange rate movements on our U.S. dollar holdings related to U.S. dollar payments of our license income, partially offset by an increase in gains on fair value change of financial assets at FVTPL, from nil to RMB104.3 million, due to our increased holdings of cash management products.

Research and development expenses

Our research and development expenses increased by RMB199.9 million, or 40.4%, from RMB494.9 million in the three months ended March 31, 2025 to RMB694.8 million in the three months ended March 31, 2026, primarily due to increases in staff costs, cost of materials and testing and examination costs, reflecting the continued clinical development of our iza-bren, T-Bren and other innovative drug candidates, as well as the corresponding expansion of our research and development team and increased consumption of research materials to support our growing clinical pipeline.

Distribution and selling expenses

Our distribution and selling expenses decreased by RMB9.8 million, or 18.6%, from RMB52.7 million in the three months ended March 31, 2025 to RMB42.9 million in the three months ended March 31, 2026. This decrease was primarily attributable to lower staff costs, which declined from RMB23.0 million to RMB14.2 million as a result of the optimization of our sales and marketing team in line with our business needs.

Administrative expenses

Our administrative expenses increased by RMB25.9 million, or 45.2%, from RMB57.2 million in the three months ended March 31, 2025 to RMB83.1 million in the three months ended March 31, 2026, primarily due to increased staff costs resulting from higher average remuneration and an expanded management team, together with modest increases in professional services and office-related expenses.

Other expenses

Our other expenses decreased marginally from RMB0.5 million in the three months ended March 31, 2025 to RMB0.4 million in the three months ended March 31, 2026. Other expenses in both periods primarily comprised depreciation of investment properties and donations, which remained relatively stable between the two periods.

Finance costs

Our finance costs increased by RMB10.6 million, or 66.4%, from RMB16.0 million in the three months ended March 31, 2025 to RMB26.6 million in the three months ended March 31, 2026, primarily due to increased interest expense on bank borrowings as a result of increased borrowings, as well as an increase of approximately RMB3.1 million in interest expense on lease liabilities.

Income tax (expense)/credit

Our income tax credit decreased from RMB7.4 million in the three months ended March 31, 2025 to RMB1.6 million in the three months ended March 31, 2026, primarily due to an increase in deferred tax expense as a result of a decrease in the recognition of deferred tax assets in the period.

Profit/(loss) for the period

As a result of the foregoing, our net loss increased by 45.7% from RMB531.4 million in the three months ended March 31, 2025 to RMB774.6 million in the three months ended March 31, 2026. The increase in net loss was primarily driven by the increase in research and development expenses and the increase in net other losses, as well as the increases in administrative expenses and finance costs, partially offset by the increase in gross profit.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue decreased by 56.7% from RMB5,821.1 million in 2024 to RMB2,518.5 million in 2025, primarily due to a decrease in license fee income from RMB5,331.7 million to RMB2,124.4 million, and a decrease in revenue from the sale of pharmaceutical products from RMB486.8 million to RMB380.1 million.

In March 2024 we received a non-refundable and non-creditable Upfront Payment of US$800 million, of which RMB5,331.7 million was recognized as revenue in 2024 in respect of the grant of license, with the remainder recorded as revenue in 2025 upon transfer of manufacturing technology. In addition, in 2025 we recognized revenue of approximately RMB1,776.4 million in respect of the First Clinical Trial Milestone (a one-time US$250 million payment triggered upon the initiation of global Phase II/III clinical trials of iza-bren as first-line or second-line treatment in the United States on or before December 31, 2025), which was smaller in scale than the Upfront Payment revenue recognized in 2024.

The decrease in revenue from the sale of pharmaceutical products was primarily due to (i) a decrease in revenue from the sales of Leweijing, as a result of a decrease in the sales volume and average selling price of the drug following its inclusion in the ninth batch of the national VBP scheme implemented in March 2024, and (ii) a decrease in revenue from the sales of astragalus granule, mainly due to changes in market demand, partially offset by an increase in revenue from the sales of Bailineng, as the product, having achieved market launch in the prior year, saw sales volume grow progressively in 2025.

Cost of sales

Our cost of sales decreased by RMB24.1 million, or 8.3%, from RMB290.8 million in 2024 to RMB266.7 million in 2025. This decrease reflected a decline in cost of sales attributable to the sale of pharmaceutical products in line with the corresponding revenue decrease.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit decreased by RMB3,278.4 million, or 59.3%, from RMB5,530.2 million in 2024 to RMB2,251.8 million in 2025. Our gross profit margin decreased from 95.0% in 2024 to 89.4% in 2025. The high gross profit margins in both years were primarily attributable to license fee income which carried no directly attributable cost of sales, resulting in a 100.0% gross profit margin for that revenue stream. In 2025, license fee income included revenue recognized in respect of the transfer of manufacturing technology, which carried a modest associated cost, resulting in a gross profit margin of 98.6% for our license fee income in that year. Excluding license fee income, the gross profit margin of our pharmaceutical product revenue was largely stable between 2024 and 2025.

Other income

Our other income increased by RMB16.6 million, or 6.5%, from RMB254.0 million in 2024 to RMB270.6 million in 2025, primarily due to an increase in interest income on bank deposits, from RMB206.1 million to RMB226.3 million, reflecting a longer holding period for U.S. dollar-denominated deposits and additional RMB-denominated deposits following the receipt of A-share private placement proceeds in September 2025. This was partially offset by a decrease in government grants received, which are subject to fluctuation depending on government policy and the timing of approvals.

Other gains and losses, net

We recorded net other losses of RMB97.2 million in 2025 as compared to net other gains of RMB94.3 million in 2024, primarily attributable to: (i) the change in net foreign exchange gains/(losses) from a net gain of RMB63.9 million in 2024 to a net loss of RMB97.7 million in 2025, mainly reflecting exchange rate movements on our onshore U.S. dollar holdings, and (ii) a decrease in gains on fair value change of financial assets at FVTPL, from RMB30.7 million in 2024 to RMB4.2 million in 2025, due to fewer holdings of cash management products in 2025.

Research and development expenses

Our research and development expenses increased significantly by RMB1,070.9 million, or 74.2%, from RMB1,442.8 million in 2024 to RMB2,513.7 million in 2025, primarily due to increases in testing and examination costs, staff costs and cost of materials, reflecting the continued clinical development of our iza-bren, T-Bren and other innovative drug candidates, as well as the corresponding expansion of our research and development team and increased consumption of research materials to support our growing clinical pipeline.

Distribution and selling expenses

Our distribution and selling expenses decreased by 6.3% from RMB214.6 million in 2024 to RMB201.1 million in 2025, primarily due to a decrease in marketing and promotion expenses. The decrease in marketing and promotion expenses was mainly because (i) Leweijing won the national VBP tender, which reduced the need for active promotion, and (ii) Tianze did not win the tender and lost part of its market, leading us to scale back certain promotion arrangements. This was partially offset by an increase in staff costs due to recruitment of innovative-drug-related personnel.

Administrative expenses

Our administrative expenses increased by RMB105.4 million, or 54.1%, from RMB194.7 million in 2024 to RMB300.1 million in 2025, primarily due to an increase in staff costs resulting from the expansion of our management team and increases in their average annual salary, together with modest increases in professional services and office-related expenses.

Other expenses

Our other expenses increased significantly by RMB46.0 million, or approximately 1,314.3%, from RMB3.5 million in 2024 to RMB49.5 million in 2025. The increase was primarily due to [**REDACTED**] incurred in 2025 in connection with our then-contemplated Hong Kong [**REDACTED**] preparation, with no comparable expenses in the prior year. Excluding [**REDACTED**], other expenses remained broadly stable.

Finance costs

Our finance costs increased by RMB42.6 million, or approximately 100.2%, from RMB42.5 million in 2024 to RMB85.1 million in 2025, primarily due to an increase in interest expense on bank borrowings as a result of increased borrowings.

Income tax (expense)/credit

Our income tax expense increased from RMB270.6 million in 2024 to RMB332.2 million in 2025, an increase of RMB61.6 million. The increase reflected a decrease in current tax expense, more than offset by an increase in deferred tax expense arising from a reduction in the recognition of deferred tax assets.

Profit/(loss) for the year

As a result of the foregoing, we recorded a loss of RMB1,053.6 million in 2025 as compared to a profit of RMB3,707.5 million in 2024. The change from profit to loss was primarily driven by: (i) the decrease in revenue, principally reflecting the difference in license fee income recognized in each year, (ii) the increase in research and development expenses, reflecting the continued scaling-up of our clinical development programs, and (iii) the change in other gains and losses from a net gain to a net loss, primarily driven by foreign exchange losses on our onshore U.S. dollar holdings, together with increases in administrative expenses, other expense and finance costs, partially offset by the increase in other income and the decrease in distribution and selling expenses.

DISCUSSION OF MAJOR ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		As of March 31,
	2024	*2025*	*2026*
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	550,466	700,674	757,255
Right-of-use assets	65,145	166,714	169,242
Investment properties	1,343	1,093	1,031
Intangible assets	2,557	9,689	9,211
Deferred tax assets	179,195	38,212	53,564
Deposits for acquisition of property, plant and equipment	31,447	40,696	49,550
Total non-current assets	830,153	957,078	1,039,853
Current assets			
Inventories	149,906	146,310	144,680
Right to returned goods assets	6,414	4,835	5,268
Contract costs	12,286	–	–
Trade and other receivables	350,901	414,797	446,158
Tax recoverable	26,609	54,030	53,434
Financial assets at FVTPL	–	2,170,047	2,167,821
Bills receivables at FVTOCI	20,118	21,617	9,627
Term deposits	2,532,974	2,504,331	4,216,686
Restricted bank balances	–	32,608	32,102
Cash and cash equivalents	3,207,998	5,142,149	2,929,931
Total current assets	6,307,206	10,490,724	10,005,707
Total assets	7,137,359	11,447,802	11,045,560

	As of December 31,		As of March 31,
	2024	*2025*	*2026*
	(RMB in thousands)		
Current liabilities			
Borrowings	830,788	941,564	1,038,144
Trade and other payables	758,703	965,871	926,165
Contract liabilities	356,135	7,312	7,247
Refund liabilities	9,725	7,579	8,225
Sale and leaseback payable	7,735	–	–
Lease liabilities	12,457	23,900	28,383
Tax payable	14,130	–	–
Deferred income	4,983	8,456	7,637
Total current liabilities	1,994,656	1,954,682	2,015,801
Net current assets	4,312,550	8,536,042	7,989,906
Total assets less current liabilities	5,142,703	9,493,120	9,029,759
Non-current liabilities			
Borrowings	1,189,430	2,615,960	3,110,490
Lease liabilities	28,126	132,802	141,259
Deferred tax liabilities	1,938	4,322	18,021
Deferred income	37,284	117,362	116,271
Total non-current liabilities	1,256,778	2,870,446	3,386,041
Total liabilities	3,251,434	4,825,128	5,401,842
Net assets	3,885,925	6,622,674	5,643,718

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of buildings and structures, equipment, building improvements, motor vehicles and construction in progress. The following table sets forth the components of our property, plant and equipment as of the dates indicated:

	As of December 31,		As of March 31,
	2024	*2025*	*2026*
	(RMB in thousands)		
Buildings and structures	154,079	138,740	136,558
Equipment	287,217	329,048	338,921
Motor vehicles	2,036	5,181	4,864
Buildings improvements	71,626	111,903	111,053
Construction in progress	35,508	115,802	165,859
Total	550,466	700,674	757,255

Our property, plant and equipment increased from RMB550.5 million as of December 31, 2024 to RMB700.7 million as of December 31, 2025, primarily due to (i) an increase in equipment as we procured additional research and development devices, and (ii) an increase in construction in progress in connection with the continued expansion of our Baili-Bio Base, where we are building new production workshops, partially offset by (iii) a decrease in buildings and structures due to depreciation and a write-off arising from the demolition and reconstruction of a workshop at our Baili Base, one of our manufacturing facilities for marketed generic drugs and traditional Chinese medicine products.

Our property, plant and equipment further increased to RMB757.3 million as of March 31, 2026, primarily due to (i) a continued increase in construction in progress as we continued to build out the new production workshops at our Baili-Bio Base, and (ii) a continued increase in equipment as we procured additional research and development devices.

Right-of-use Assets

Our right-of-use assets consisted primarily of leased office and laboratory premises. Our right-of-use assets increased from RMB65.1 million as of December 31, 2024 to RMB166.7 million as of December 31, 2025, primarily due to an increase in leased laboratory assets at our overseas subsidiary. Our right-of-use assets increased to RMB169.2 million as of March 31, 2026, primarily due to an increase in leased office and laboratory premises.

Deferred tax assets

Our deferred tax assets mainly arose from unused tax losses and timing differences on research and development expenses recognized under both PRC Enterprise Income Tax and U.S. Corporate Income Tax. Our deferred tax assets decreased from RMB179.2 million as of December 31, 2024 to RMB38.2 million as of December 31, 2025, primarily due to (i) the non-recognition of any deferred tax asset in respect of our unused tax losses under PRC Enterprise Income Tax as of December 31, 2025, due to the unpredictability of future profit streams (as compared to RMB197.5 million recognized as of December 31, 2024), and (ii) a decrease in the deferred tax asset recognized in respect of timing differences on research and development expenses under U.S. Corporate Income Tax, from RMB325.3 million to RMB156.9 million. Our deferred tax assets subsequently increased to RMB53.6 million as of March 31, 2026, primarily due to the recognition of a deferred tax asset of RMB29.7 million in respect of our tax losses under U.S. Corporate Income Tax, partially offset by a further decrease in the deferred tax asset for timing differences on research and development expenses under U.S. Corporate Income Tax, from RMB156.9 million to RMB105.4 million.

Deposits for acquisition of property, plant and equipment

Our deposits for acquisition of property, plant and equipment arose from deposits paid in connection with our acquisition of property, plant and equipment for new projects, primarily relating to the expansion of our Baili-Bio Base, where we are building new production workshops. Our deposits for acquisition of property, plant and equipment increased from RMB31.4 million as of December 31, 2024 to RMB40.7 million as of December 31, 2025, primarily due to increased investment in the construction of these new production workshops at our Baili-Bio Base. Our deposits for acquisition of property, plant and equipment further increased to RMB49.6 million as of March 31, 2026, primarily due to continued investment in the construction of these new production workshops at our Baili-Bio Base.

Inventories

Our inventories consisted primarily of raw materials and consumables, work in progress, finished goods and goods in transit. The following table sets forth the breakdown of our inventories as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Raw materials and consumables	79,648	89,790	84,914
Work in progress	29,915	13,605	21,460
Finished goods	42,571	49,710	41,307
Goods in transit	1,661	443	957
	153,795	153,548	148,638
Less: provision	(3,889)	(7,238)	(3,958)
Total	149,906	146,310	144,680

Our inventories remained relatively stable throughout the Track Record Period, decreasing from RMB149.9 million as of December 31, 2024 to RMB146.3 million as of December 31, 2025, and further to RMB144.7 million as of March 31, 2026.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Within one year	127,876	117,290	120,791
One year to two years	11,133	24,494	15,962
Two years to three years	7,942	3,843	3,317
Over three years	6,844	7,921	8,568
Less: provision	(3,889)	(7,238)	(3,958)
Total	149,906	146,310	144,680

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,		Three months ended March 31,
	2024	2025	2026
Inventory turnover days[(1)]	182.5	202.7	273.4

(1) Calculated by the average of the net values of opening and closing inventory balances for such period divided by the cost of sales for the relevant period and multiplied by the number of days during such period (i.e. 90 days for the three months ended March 31, 2026 and 365 days for 2024 and 2025).

Our inventory turnover days were 182.5 days, 202.7 days and 273.4 days in 2024, 2025 and the three months ended March 31, 2026, respectively. The increase was primarily due to an increasing proportion of research and development-related inventory, which has a longer holding period as it is consumed in clinical trials rather than sold commercially. Excluding the effect of research and development-related inventory, our inventory turnover days remained relatively stable.

As of June 30, 2026, approximately RMB90.6 million, or 61.0%, of our inventories as of March 31, 2026 had been subsequently consumed.

Trade and Other Receivables

The following table sets forth the breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Trade receivables-contract with customers	118,328	77,719	71,736
Less: allowance for credit losses	(11,613)	(9,966)	(9,774)
	106,715	67,753	61,962
Bills receivables	12,506	11,560	12,404
Less: allowance for credit losses	(625)	(578)	(620)
	11,881	10,982	11,784
Other receivables	49,885	23,979	24,368
Less: allowance for credit losses	(3,427)	(2,329)	(1,811)
	46,458	21,650	22,557
Prepayments to suppliers	81,590	133,863	139,596
Value-added tax recoverable	75,543	178,414	207,504
Prepaid expenses	1,801	2,135	2,755
Deferred share issue costs	26,913	–	–
Total	350,901	414,797	446,158

Our trade and other receivables increased from RMB350.9 million as of December 31, 2024 to RMB414.8 million as of December 31, 2025, primarily due to an increase in prepayments to suppliers and an increase in value-added tax recoverable, partially offset by a decrease in trade receivables in line with the decrease in our revenue from the sale of pharmaceutical products and a decrease in other receivables. Our trade and other receivables further increased to RMB446.2 million as of March 31, 2026, primarily due to a further increase in value-added tax recoverable and prepayments to suppliers, and an increase in other receivables due to an increase in interest receivable, and an increase in bills receivables due to an increase in bill settlements by our customers, while our trade receivables remained relatively stable.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Within 1 year	116,245	76,331	71,192
1-2 years	1,669	1,487	1,454
2-3 years	350	627	858
Over 3 years	332	290	242
Total	118,596	78,735	73,746

The following table sets forth our trade receivables turnover days for the periods indicated:

	Year ended December 31,		Three months ended March 31,
	2024	2025	2026
Trade receivables turnover days[(1)]	6.4	12.6	62.0

(1) Calculated by the average of the net values of opening and closing trade receivable balances for such period divided by the revenue for the relevant period and multiplied by the number of days during such period (i.e. 90 days for the three months ended March 31, 2026 and 365 days for 2024 and 2025).

Our trade receivables turnover days were 6.4 days, 12.6 days and 62.0 days in 2024, 2025 and the three months ended March 31, 2026, respectively. The relatively low trade turnover days in 2024 and 2025 was primarily due to the effect of revenue recognized in connection with our license fee income, namely the Upfront Payment recognized in 2024 and the milestone payment and technology transfer income recognized in 2025, which affected the ratio of trade receivables to revenue in those periods. Our trade receivables turnover days in the three months ended March 31, 2026 reflect a return to a level more representative of our ordinary pharmaceutical product sales and the credit terms we granted to our distributors, as our trade receivables turnover is jointly influenced by revenue and collection timing and remained relatively stable in periods without milestone-related revenue recognition.

As of June 30, 2026, approximately RMB45.0 million, or 62.8%, of our trade receivables as of March 31, 2026 had been subsequently collected.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily consisted of our investment in wealth management products and foreign currency forward contracts. We had financial assets at FVTPL of nil, RMB2,170.0 million and RMB2,167.8 million as of December 31, 2024, 2025 and March 31, 2026, representing our investment in cash management products, reflecting an increase in the deployment of our funds into such products since 2025, with the balance remaining relatively stable as of March 31, 2026.

Cash and Cash Equivalents

Our cash and cash equivalents consisted of bank balances and cash and certificates of deposit. Our cash and cash equivalents increased from RMB3,208.0 million as of December 31, 2024 to RMB5,142.1 million as of December 31, 2025, primarily due to certain term deposits with a maturity of more than three months maturing and being held as cash and cash equivalents as of the end of 2025. Our cash and cash equivalents further decreased to RMB2,929.9 million as of March 31, 2026, because we continued to place funds into term deposits with a maturity of more than three months during the three months ended March 31, 2026.

Trade and Other Payables

Our trade and other payables primarily consisted of trade payables, other payables, value-added tax and other tax payable and notes payables. The following table sets forth the breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Trade payables	113,797	112,150	104,863
Trade payables settled with endorsed bills	7,476	6,367	9,148
Bills payables	105,450	94,678	113,444

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Subtotal	226,723	213,195	227,455
Salaries and wages payables	79,479	118,302	63,012
Other tax payables	17,661	21,605	8,093
Other accruals	7,319	24,604	14,673
Accrual for promotional costs	48,548	46,075	40,211
Accrual for test and examination costs	284,067	425,465	472,404
Consideration payable for acquisition of property, plant and equipment	30,031	55,790	36,296
Deposits from suppliers	52,600	55,920	58,818
Accruals for share issue costs	7,417	–	–
Other payables	4,858	4,915	5,203
Subtotal	531,980	752,676	698,710
Total	758,703	965,871	926,165

Our trade and other payables increased from RMB758.7 million as of December 31, 2024 to RMB965.9 million as of December 31, 2025, primarily due to an increase in payables for staff remuneration and an increase in payables in connection with our research and development activities. Our trade and other payables decreased slightly to RMB926.2 million as of March 31, 2026, primarily due to a decrease in payables for staff remuneration following the payment of year-end bonuses during the three months ended March 31, 2026.

The following table sets forth the aging analysis of our trade payables as of the dates indicated:

	As of December 31,		As of March 31,
	2024	2025	2026
	(RMB in thousands)		
Within 1 year	223,998	209,722	226,094
1-2 years	2,527	2,628	102
2-3 years	63	647	759
Over 3 years	135	198	500
Total	226,723	213,195	227,455

The following table sets forth our trade payables turnover days for the periods indicated:

	Year ended December 31,		Three months ended March 31,
	2024	2025	2026
Trade payables turnover days[(1)]	152.4	154.6	203.9

(1) Calculated by the average of the net values of opening and closing trade payable balances for such period divided by the cost of sales for the relevant period and multiplied by the number of days during such period (i.e. 90 days for the three months ended March 31, 2026 and 365 days for 2024 and 2025).

Our trade payables turnover days were 152.4 days, 154.6 days and 203.9 days in 2024, 2025 and the three months ended March 31, 2026, respectively. Our trade payables turnover days remained relatively stable in 2024 and 2025 and increased in the three months ended March 31, 2026, which was primarily due to increased procurement of research and development-related inventory from suppliers who generally offer longer credit terms than our suppliers of raw materials for pharmaceutical production.

As of June 30, 2026, approximately RMB41.1 million, or 39.2%, of our trade payables as of March 31, 2026 had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, our primary use of cash was to fund our working capital requirements and other recurring expenses, including research and development expenses in relation to our innovative drug pipeline. We financed our operations and other capital requirements mainly through licensing income as well as bank borrowings and equity financing. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Our anticipated cash needs primarily relate to our business operations, sales and marketing, and R&D. We expect to fund our future working capital and other cash requirements with existing cash and cash equivalents, revenue generated from sales of our products and services, the [**REDACTED**] from the [**REDACTED**], and bank and other borrowings.

As of June 30, 2026, the most recent practicable date for determining our indebtedness, we had cash and cash equivalents of RMB3,399.5 million. Considering our internal resources, our cash flow from operations and the estimated [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital to cover at least 125% of our costs for at least the next 12 months from the date of this document.

Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Net cash from/(used in) operating activities	3,841,817	(977,064)	(539,171)	(778,427)
Net cash (used in)/from investing activities	(2,348,591)	(2,152,263)	259,152	(1,642,024)
Net cash from financing activities	1,273,891	5,156,223	739,010	365,505
Net increase/(decrease) in cash and cash equivalents	2,767,117	2,026,896	458,991	(2,054,946)
Cash and cash equivalents at the beginning of the year/period	391,693	3,207,998	3,207,998	5,142,149
Effect of foreign exchange rate changes	49,188	(92,745)	(5,887)	(157,272)
Cash and cash equivalents at the end of the year/period	3,207,998	5,142,149	3,661,102	2,929,931

Net cash from/(used in) operating activities

Our net cash used in operating activities was RMB778.4 million in the three months ended March 31, 2026, primarily due to our loss before tax of RMB776.2 million, adjusted by certain non-cash and non-operating items, including a net foreign exchange loss of RMB142.6 million, and (i) changes in working capital that negatively affected our cash flows, primarily including a decrease in trade and other payables of RMB41.1 million and an increase in trade and other receivables of RMB27.8 million, and (ii) changes in working capital that positively affected our cash flows, primarily including a decrease in bills receivables at FVTOCI of RMB11.8 million.

Our net cash used in operating activities was RMB977.1 million in 2025, primarily due to our loss before tax of RMB721.4 million, adjusted by certain non-cash and non-operating items, including a net foreign exchange loss of RMB97.7 million, and (i) changes in working capital that negatively affected our cash flows, primarily including a decrease in contract liabilities of RMB348.8 million, reflecting the recognition of license fee income from the transfer of manufacturing technology, and (ii) changes in working capital that positively affected our cash flows, primarily including an increase in trade and other payables of RMB186.6 million.

Our net cash generated from operating activities was RMB3,841.8 million in 2024, primarily due to our profit before tax of RMB3,978.2 million, adjusted by certain non-cash and non-operating items, including depreciation of property, plant and equipment of RMB68.4 million, and (i) changes in working capital that negatively affected our cash flows, primarily including an increase in trade and other receivables of RMB109.0 million, and (ii) changes in working capital that positively affected our cash flows, primarily including an increase in contract liabilities of RMB347.5 million.

Net cash (used in)/from investing activities

Our net cash used in investing activities was RMB1,642.0 million in the three months ended March 31, 2026, primarily due to our net placement of term deposits of RMB1,685.3 million.

Our net cash used in investing activities was RMB2,152.3 million in 2025, primarily due to our net purchase of financial assets at FVTPL of RMB2,149.8 million.

Our net cash used in investing activities was RMB2,348.6 million in 2024, primarily due to our net placement of term deposits of RMB2,512.4 million.

Net cash from financing activities

Our net cash generated from financing activities was RMB365.5 million in the three months ended March 31, 2026, primarily due to new bank borrowings raised, net of repayments, of RMB590.7 million, partially offset by payments for the repurchase of A shares of RMB200.0 million.

Our net cash generated from financing activities was RMB5,156.2 million in 2025, primarily due to proceeds from the placement of A shares, net of transaction costs, of RMB3,731.1 million and new bank borrowings raised, net of repayments, of RMB1,537.0 million.

Our net cash generated from financing activities was RMB1,273.9 million in 2024, primarily due to new bank borrowings raised, net of repayments, of RMB1,385.0 million.

Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,		As of March 31,	As of June 30,
	2024	2025	2026	2026
	(RMB in thousands)			*(Unaudited)*
Current assets				
Inventories	149,906	146,310	144,680	164,884
Right to returned goods assets	6,414	4,835	5,268	5,070
Contract costs	12,286	–	–	–
Trade and other receivables	350,901	414,797	446,158	477,462
Tax recoverable	26,609	54,030	53,434	61,157
Financial assets at FVTPL	–	2,170,047	2,167,821	1,726,688
Bills receivables at FVTOCI	20,118	21,617	9,627	9,020
Term deposits	2,532,974	2,504,331	4,216,686	3,947,841
Restricted bank balances	–	32,608	32,102	31,658
Cash and cash equivalents	3,207,998	5,142,149	2,929,931	3,399,497
Total current assets	6,307,206	10,490,724	10,005,707	9,823,277
Current liabilities				
Borrowings	830,788	941,564	1,038,144	1,244,374
Trade and other payables	758,703	965,871	926,165	1,041,621
Contract liabilities	356,135	7,312	7,247	6,312
Refund liabilities	9,725	7,579	8,225	7,907
Sale and leaseback payable	7,735	–	–	–
Lease liabilities	12,457	23,900	28,383	31,047
Tax payable	14,130	–	–	–
Deferred income	4,983	8,456	7,637	7,637
Total current liabilities	1,994,656	1,954,682	2,015,801	2,338,898
Net current assets	4,312,550	8,536,042	7,989,906	7,484,379

Our net current assets decreased from RMB7,989.9 million as of March 31, 2026 to RMB7,484.4 million as of June 30, 2026, primarily due to (i) a decrease in financial assets at FVTPL of RMB441.1 million as we redeemed certain cash management products, (ii) an increase in borrowings of RMB206.2 million as we continued to draw down new bank borrowings to meet our business operating needs, (iii) a decrease in term deposits of RMB268.8 million as certain term deposits matured, partially offset by (iv) an increase in cash and cash equivalents of RMB469.6 million.

Our net current assets decreased from RMB8,536.0 million as of December 31, 2025 to RMB7,989.9 million as of March 31, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB2,212.2 million as we placed funds into term deposits with a maturity of more than three months, and (ii) an increase in borrowings of RMB96.6 million, partially offset by (iii) an increase in term deposits of RMB1,712.4 million; and (iv) an increase in trade and other receivables of RMB31.4 million.

Our net current assets increased from RMB4,312.6 million as of December 31, 2024 to RMB8,536.0 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB1,934.2 million, (ii) an increase in financial assets at FVTPL of RMB2,170.0

million, and (iii) a decrease in contract liabilities of RMB348.8 million, reflecting the recognition of license fee income from the transfer of manufacturing technology in 2025, partially offset by (iv) an increase in trade and other payables of RMB207.2 million.

CASH OPERATING COSTS

The table below sets forth key information relating to our cash operating costs for the periods indicated:

	For the year ended December 31,		For the three months ended March 31,	
	2024	2025	2025	2026
	(RMB in thousands)			
Costs relating to research and development of our Core Products				
Testing and examination costs	384,097	1,081,999	238,095	241,073
Staff costs	133,301	334,741	64,339	104,328
Cost of materials	64,109	227,605	46,097	84,759
Others	40,723	107,479	14,003	27,509
Subtotal	622,230	1,751,825	362,535	457,668
Costs relating to research and development of our other innovative drug candidates				
Testing and examination costs	245,887	253,116	60,451	71,278
Staff costs	177,813	250,249	55,108	96,035
Cost of materials	85,266	130,302	15,910	42,118
Others	78,469	114,927	23,796	39,455
Subtotal	587,434	748,593	155,264	248,885
Costs relating to research and development of our generic drug candidates				
Testing and examination costs	8,842	5,710	1,525	609
Staff costs	19,772	11,860	6,415	1,742
Cost of materials	14,954	8,822	186	439
Others	3,488	2,973	1,227	321
Subtotal	47,057	29,365	9,353	3,111
Total	1,256,721	2,529,783	527,151	709,664

CAPITAL EXPENDITURE

Our capital expenditures during the Track Record Period primarily related to additions of items of property, plant and equipment and additions of intangible assets. Our capital expenditure amounted to RMB92.1 million, RMB248.6 million and RMB81.9 million in 2024, 2025 and the three months ended March 31, 2026, respectively. We plan to fund our future capital expenditure with cash at hand, cash generated from our operations and bank and other borrowings.

CAPITAL COMMITMENTS

As of December 31, 2024, 2025 and March 31, 2026, our capital commitments amounted to RMB34.9 million, RMB114.2 million and RMB118.6 million, representing the capital expenditure in respect of the acquisition of property, plant and equipment and intangible assets contracted for but not provided in our consolidated statements of financial position. We expect to satisfy our capital commitments using financial resources currently available to us.

INDEBTEDNESS

The following table sets forth the details of our indebtedness as of the dates indicated:

	As of December 31,		As of March 31,	As of June 30,
	2024	2025	2026	2026
	(RMB in thousands)			*(unaudited)*
Current				
Lease liabilities	12,457	23,900	28,383	31,047
Borrowings	830,788	941,564	1,038,144	1,244,374
Sale and leaseback payable	7,735	–	–	–
Subtotal	850,980	965,464	1,066,527	1,275,421
Non-current				
Lease liabilities	28,126	132,802	141,259	156,458
Borrowings	1,189,430	2,615,960	3,110,490	3,814,447
Subtotal	1,217,556	2,748,762	3,251,749	3,970,905
Total	2,068,536	3,714,226	4,318,276	5,246,326

Lease Liabilities

During the Track Record Period, our lease liabilities primarily related to our unpaid lease payment obligations. Our lease liabilities increased from RMB40.6 million as of December 31, 2024 to RMB156.7 million as of December 31, 2025, primarily due to an increase in our leased assets, consistent with the increase in right-of-use assets, primarily reflecting new leases of laboratory assets at our overseas subsidiary. Our lease liabilities increased to RMB169.6 million as of March 31, 2026, and further to RMB187.5 million as of June 30, 2026, since our leased assets continued to increase, primarily reflecting new leases of office and laboratory premises. As of June 30, 2026, all of our lease liabilities were unguaranteed and were secured by rental deposits.

Borrowings

Our borrowings increased from RMB2,020.2 million as of December 31, 2024 to RMB3,557.5 million as of December 31, 2025, primarily due to new bank borrowings drawn down to meet our business operating needs. Our borrowings increased to RMB4,148.6 million as of March 31, 2026, and further to RMB5,058.8 million as of June 30, 2026 since we continued to draw down new bank borrowings to meet our business operating needs.

During the Track Record Period, our bank loans came from commercial banks and financial institutions bearing effective interest rates in the range of 1.80% to 3.95% per annum.

The following table sets forth a breakdown of our borrowings as of the dates indicated.

	As of December 31,		As of March 31,	As of June 30,
	2024	2025	2026	2026
	(RMB in thousands)			*(unaudited)*
Borrowings				
Secured and unguaranteed	1,269,497	243,432	237,685	–
Unsecured and unguaranteed	750,721	3,314,092	3,910,949	5,058,821
Total	**2,020,218**	**3,557,524**	**4,148,634**	**5,058,821**

Sale and Leaseback Payable

Our sale and leaseback payables related to our leases of certain property, plant and equipment. As of December 31, 2024 and 2025, March 31, 2026 and June 30, 2026, we had sale and leaseback payable of RMB7.7 million, nil, nil, and nil, respectively.

Authorized but Unissued Debt Securities

Our authorized but unissued debt securities are related to the registration of sci-tech innovation bonds approved by the National Association of Financial Market Institutional Investors in June 2026, pursuant to which we shall have the right to issue medium-term notes up to a cap amount of RMB6.0 billion within a period of two years since the date of approval. As of June 30, 2026, no medium-term notes have been issued. The specific terms of the notes, including any securities or guarantees, will be determined at the time of issuance.

Indebtedness Statement

Except as disclosed in this document, as of June 30, 2026, we did not have any other outstanding or authorized but unissued debt securities, term loans, other borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, mortgages and charges, guarantees or other material contingent liabilities.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors also confirm that there has been no material change in our indebtedness since June 30, 2026 and up to the date of this document.

RELATED PARTY TRANSACTIONS

We may enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 40 to the Accountants' Report set out in Appendix I to this document.

WORKING CAPITAL SUFFICIENCY

Based on our available cash and cash equivalents, term deposits and financial assets at FVTPL, the anticipated cash flow from operations, available banking facilities and the anticipated [**REDACTED**] from the [**REDACTED**], our Directors are of the opinion that we will have sufficient funds to meet 125% of our working capital requirements and financial requirements of our capital expenditure for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of net cash used in operating activities, capital expenditures and lease payments. Assuming an average cash burn rate going forward of [**REDACTED**] times the level of the 15 months from January 1, 2025 to March 31, 2026, we estimate that our cash at bank and on hand and other financial assets as of March 31, 2026 will be able to maintain our financial viability for [**REDACTED**] months from March 31, 2026 taking into account the estimated [**REDACTED**] from the [**REDACTED**], net of capitalized [**REDACTED**]; or we estimate that we will be able to maintain our financial viability for [**REDACTED**] months from March 31, 2026 without taking into account the estimated [**REDACTED**] from the [**REDACTED**], net of capitalized [**REDACTED**]. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any significant contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		As of/in the three months ended March 31,
	2024	2025	2026
Gross profit margin[(1)]	95.0%	89.4%	49.1%
Current ratio[(2)]	3.2	5.4	5.0
Quick ratio[(3)]	3.1	5.3	4.9

(1) Gross profit margin is calculated by dividing gross profit by our revenue for the period/year indicated.
(2) Current ratio is calculated by dividing total current assets by total current liabilities as of the date indicated.
(3) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of year/period end.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

We are exposed to a variety of market and other financial risks, including currency risk, credit risk, liquidity risk and interest rate risk. We manage and monitor these exposures to ensure that appropriate measures are implemented in a timely and effective manner. See Note 44 to the Accountants' Report set out in Appendix I to this document for details.

DIVIDEND

We did not declare or pay dividends on our H Shares during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our products as well as our earnings, capital requirements, overall financial condition and contractual restrictions. Currently, we do not have a dividend policy or pre-determined dividend payout ratio in place. As confirmed by our PRC Legal Advisor, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of March 31, 2026, the Company did not have any reserves available for distribution to our Shareholders.

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), representing approximately [**REDACTED**]% of the estimated [**REDACTED**] from the [**REDACTED**] assuming no H Shares are [**REDACTED**] pursuant to the [**REDACTED**]. The [**REDACTED**] consist of (i) [**REDACTED**]-related expenses, including [**REDACTED**], of approximately HK$[**REDACTED**] million, and (ii) non-[**REDACTED**]-related expenses of approximately HK$[**REDACTED**], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[**REDACTED**], and (b) other fees and expenses of approximately HK$[**REDACTED**]. Among the total [**REDACTED**], approximately RMB[**REDACTED**] will be directly attributable to the [**REDACTED**] of our H Shares, which will be deducted from equity upon the completion of the [**REDACTED**], and nil has been expensed during the Track Record Period, and the remaining amount of approximately RMB[**REDACTED**] is expected to be expensed upon the [**REDACTED**]. We do not believe any of the above fees or expenses are material or are unusually high to us. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the end date of the periods reported in Appendix I to this document, and there was no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

[**REDACTED**]

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

We intend to apply such [**REDACTED**] from the [**REDACTED**] for the following purposes:

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the clinical development of iza-bren. In particular,
  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund a Phase II/III clinical trial evaluating iza-bren in combination with osimertinib as perioperative treatment for EGFR-mutant NSCLC in China. This trial was initiated in July 2026 and is expected to reach primary completion in 2032.
  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund a Phase III clinical trial evaluating iza-bren in combination with osimertinib as maintenance treatment for EGFR-mutant NSCLC after platinum-based chemoradiotherapy in China, with a plan to enroll approximately 400 patients. This trial is expected to reach primary completion in 2030.
  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund a global multicenter Phase III clinical trial evaluating iza-bren in combination with osimertinib as 1L treatment for EGFR-mutant NSCLC, compared to osimertinib alone or osimertinib combined with platinum-based chemotherapy, with a plan to enroll approximately 850 patients. This trial is expected to commence in September 2026 and to reach primary completion in 2031. Pursuant to the BMS Agreement, SystImmune and BMS shall jointly develop iza-bren in accordance with the global development plan and budget. SystImmune and BMS share the relevant global development costs according to an agreed-upon percentage, with SystImmune's share being less than 50%. For additional information, see "Business — License and Collaboration Agreement with Bristol-Myers Squibb Company."
- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the clinical development of T-Bren. Specifically, we plan to initiate a global multicenter Phase III clinical trial of T-Bren as 2L or later treatment for a type of HER2-expressing solid tumor. We are in the final stage of communication with the FDA and expect to finalize the design of this trial in 2026.
- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the clinical development of BL-M14D1. Specifically, we initiated a global multicenter Phase III clinical trial of BL-M14D1 in combination with atezolizumab as 1L treatment for previously untreated ES-SCLC in July 2026 and plan to enroll approximately 550 patients for this trial.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the upgrade and construction of our production and R&D bases. In particular,

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the expansion of our Baili-Bio Base and the technical upgrade of our Jingxi Base to meet the commercial production needs for iza-bren. The expansion of our Baili-Bio Base includes the construction of commercial production facilities, including production workshops, warehouses, quality inspection facilities, and animal laboratories. The construction commenced in 2025 and is expected to be completed in 2028. The technical upgrade of our Jingxi Base primarily involves the procurement of manufacturing equipment and the renovation of utilities and warehouses. The upgrade is planned to commence in the second half of 2026 and complete in 2028.

  - approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the construction of our ARC drug R&D and production base located in Chengdu for the preclinical R&D, clinical production and commercial production of our ARC drugs. The construction is planned to commence in the second half of 2026 and complete in 2027.

- approximately [**REDACTED**]% of the [**REDACTED**], or approximately HK$[**REDACTED**], will be used for our working capital and other general corporate purposes overseas.

If the [**REDACTED**] is exercised in full, the [**REDACTED**] of the [**REDACTED**] would increase to approximately HK$[**REDACTED**] (based on the [**REDACTED**] of HK$[**REDACTED**] per H Share). We intend to apply the additional [**REDACTED**] to the above uses in the proportion stated above.

To the extent that our [**REDACTED**] are not sufficient to fund the purposes set out above, we intend to finance the remaining portions through a variety of means, including operating cash flows, bank loans and other borrowings.

If the [**REDACTED**] of the [**REDACTED**] are not immediately applied to the above purposes, we will deposit the unutilized [**REDACTED**] into short-term interest-bearing accounts with licensed commercial banks or other authorized financial institutions, as defined under the Securities and Futures Ordinance ("**SFO**") or other applicable laws and regulations, until they are used for the intended purposes.

We will publish an appropriate announcement if there is any material change to the above proposed [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

[REDACTED]

[**REDACTED**]

The following is the text of a report set out on pages I-1 to I-65 received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SICHUAN BIOKIN PHARMACEUTICAL CO., LTD., CITIC SECURITIES (HONG KONG) LIMITED, JEFFERIES HONG KONG LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND DEUTSCHE SECURITIES ASIA LIMITED

Introduction

We report on the historical financial information of 四川百利天恒藥業股份有限公司 (Sichuan Biokin Pharmaceutical Co., Ltd.) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-65 which comprises the consolidated statements of financial position of the Group as at December 31, 2024 and 2025 and March 31, 2026, the statements of financial position of the Company as at December 31, 2024 and 2025 and March 31, 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the two years ended December 31, 2024 and 2025 and the three months ended March 31, 2026 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-65 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [**REDACTED**] (the "[**REDACTED**]") in connection with the [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's financial position as at December 31, 2024 and 2025 and March 31, 2026, of the Company's financial position as at December 31, 2024 and 2025 and March 31, 2026 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing ("ISAs") and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[●]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of the accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the "IASB") and were audited by us in accordance with ISAs as issued by the IAASB ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended December 31, 2024 RMB'000	Year ended December 31, 2025 RMB'000	Three months ended March 31, 2025 RMB'000 (unaudited)	Three months ended March 31, 2026 RMB'000
Revenue	5	5,821,050	2,518,494	67,034	94,076
Cost of sales		(290,827)	(266,697)	(38,694)	(47,896)
Gross profit		5,530,223	2,251,797	28,340	46,180
Other income	6	253,953	270,603	64,524	64,893
Other gains and losses, net	7	94,310	(97,183)	(11,170)	(40,182)
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	(2,191)	2,792	697	668
Research and development expenses		(1,442,789)	(2,513,725)	(494,913)	(694,755)
Distribution and selling expenses		(214,560)	(201,112)	(52,653)	(42,913)
Administrative expenses		(194,739)	(300,085)	(57,196)	(83,071)
Other expenses		(3,530)	(49,452)	(491)	(414)
Finance costs	9	(42,523)	(85,069)	(15,961)	(26,557)
Profit (loss) before tax		3,978,154	(721,434)	(538,823)	(776,151)
Income tax (expense) credit	10	(270,649)	(332,184)	7,387	1,593
Profit (loss) for the year/period attributable to owners of the Company	11	3,707,505	(1,053,618)	(531,436)	(774,558)
Other comprehensive income (expense):	12				
Items that may be reclassified subsequently to profit or loss:					
Fair value change on bills receivables at fair value through other comprehensive income ("FVTOCI"), net of income tax		6	(103)	111	248
Exchange differences on translation from foreign operations		(604)	5,071	1,027	(15,753)
Total other comprehensive (expense) income for the year/period		(598)	4,968	1,138	(15,505)
Total comprehensive income (expense) for the year/period attributable to owners of the Company		3,706,907	(1,048,650)	(530,298)	(790,063)
Earnings (loss) per share (in RMB)	15				
Basic and diluted		9.25	(2.61)	(1.33)	(1.88)

STATEMENTS OF FINANCIAL POSITION

		The Group			The Company		
		As at December 31,		As at March 31,	As at December 31,		As at March 31,
	NOTES	2024	2025	2026	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS							
Property, plant and equipment	*16*	550,466	700,674	757,255	2,741	12,291	12,456
Right-of-use assets	*17*	65,145	166,714	169,242	2,109	1,277	984
Investment properties	*18*	1,343	1,093	1,031	–	–	–
Intangible assets	*19*	2,557	9,689	9,211	31	1,776	1,648
Deferred tax assets	*20*	179,195	38,212	53,564	–	–	–
Investments in subsidiaries	*47*	–	–	–	1,094,468	4,828,906	4,828,906
Deposits for acquisition of property, plant and equipment		31,447	40,696	49,550	–	199	201
		830,153	957,078	1,039,853	1,099,349	4,844,449	4,844,195
CURRENT ASSETS							
Inventories	*21*	149,906	146,310	144,680	1,326	4,889	3,902
Right to returned goods assets	*22*	6,414	4,835	5,268	1,486	828	849
Contract costs	*23*	12,286	–	–	–	–	–
Trade and other receivables	*24*	350,901	414,797	446,158	74,090	37,160	38,692
Tax recoverable		26,609	54,030	53,434	–	–	–
Amounts due from subsidiaries	*25*	–	–	–	1,662,599	2,520,429	2,259,643
Financial assets at fair value through profit or loss ("FVTPL")	*26*	–	2,170,047	2,167,821	–	–	–
Bills receivables at FVTOCI	*27*	20,118	21,617	9,627	9,204	3,072	707
Term deposits	*28*	2,532,974	2,504,331	4,216,686	–	–	–
Restricted bank balances	*28*	–	32,608	32,102	–	–	2
Cash and cash equivalents	*28*	3,207,998	5,142,149	2,929,931	54,585	37,294	11,140
		6,307,206	10,490,724	10,005,707	1,803,290	2,603,672	2,314,935
CURRENT LIABILITIES							
Borrowings	*29*	830,788	941,564	1,038,144	644,380	578,785	671,490
Trade and other payables	*30*	758,703	965,871	926,165	134,574	124,719	109,885
Amount due to a subsidiary	*31*	–	–	–	–	12,686	–
Contract liabilities	*32*	356,135	7,312	7,247	3,941	2,972	3,164
Refund liabilities	*22*	9,725	7,579	8,225	2,253	1,297	1,327
Sale and leaseback payable	*33*	7,735	–	–	–	–	–
Lease liabilities	*34*	12,457	23,900	28,383	940	637	637
Tax payable		14,130	–	–	–	–	–
Deferred income	*37*	4,983	8,456	7,637	–	–	–
		1,994,656	1,954,682	2,015,801	786,088	721,096	786,503
NET CURRENT ASSETS		4,312,550	8,536,042	7,989,906	1,017,202	1,882,576	1,528,432
TOTAL ASSETS LESS CURRENT LIABILITIES		5,142,703	9,493,120	9,029,759	2,116,551	6,727,025	6,372,627

		The Group			The Company		
		As at December 31,		As at March 31,	As at December 31,		As at March 31,
	NOTES	2024	2025	2026	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
CAPITAL AND RESERVES							
Share capital	*36*	401,000	412,874	412,874	401,000	412,874	412,874
Reserves	*36*	3,457,154	6,127,684	5,137,644	853,154	4,441,141	4,212,737
Equity attributable to owners of the Company		3,858,154	6,540,558	5,550,518	1,254,154	4,854,015	4,625,611
Non-controlling interests		27,771	82,116	93,200	–	–	–
TOTAL EQUITY		3,885,925	6,622,674	5,643,718	1,254,154	4,854,015	4,625,611
NON-CURRENT LIABILITIES							
Borrowings	*29*	1,189,430	2,615,960	3,110,490	861,430	1,867,680	1,741,663
Deferred tax liabilities	*20*	1,938	4,322	18,021	–	–	–
Lease liabilities	*34*	28,126	132,802	141,259	967	330	353
Deferred income	*37*	37,284	117,362	116,271	–	5,000	5,000
		1,256,778	2,870,446	3,386,041	862,397	1,873,010	1,747,016
		5,142,703	9,493,120	9,029,759	2,116,551	6,727,025	6,372,627

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital *RMB'000*	Capital reserve *RMB'000* *(Note i)*	Treasury shares *RMB'000*	FVTOCI reserve *RMB'000*	Translation reserve *RMB'000*	Statutory reserve *RMB'000* *(Note ii)*	Share-based payments reserve *RMB'000*	(Accumulated loss) retained profits *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at January 1, 2024	401,000	966,896	–	(312)	1,438	13,537	626	(1,231,312)	151,873	–	151,873
Profit for the year	–	–	–	–	–	–	–	3,707,505	3,707,505	–	3,707,505
Other comprehensive income (expense) for the year	–	–	–	6	(604)	–	–	–	(598)	–	(598)
Total comprehensive income (expense) for the year	–	–	–	6	(604)	–	–	3,707,505	3,706,907	–	3,706,907
Share-based payments *(Note 43)*	–	–	–	–	–	–	(626)	–	(626)	27,771	27,145
As at December 31, 2024	401,000	966,896	–	(306)	834	13,537	–	2,476,193	3,858,154	27,771	3,885,925
Loss for the year	–	–	–	–	–	–	–	(1,053,618)	(1,053,618)	–	(1,053,618)
Other comprehensive (expense) income for the year	–	–	–	(103)	5,071	–	–	–	4,968	–	4,968
Total comprehensive (expense) income for the year	–	–	–	(103)	5,071	–	–	(1,053,618)	(1,048,650)	–	(1,048,650)
Placement of A shares *(Note 36)*	11,874	3,719,180	–	–	–	–	–	–	3,731,054	–	3,731,054
Share-based payments *(Note 43)*	–	–	–	–	–	–	–	–	–	54,345	54,345
As at December 31, 2025	412,874	4,686,076	–	(409)	5,905	13,537	–	1,422,575	6,540,558	82,116	6,622,674
Loss for the period	–	–	–	–	–	–	–	(774,558)	(774,558)	–	(774,558)
Other comprehensive income (expense) for the period	–	–	–	248	(15,753)	–	–	–	(15,505)	–	(15,505)
Total comprehensive income (expense) for the period	–	–	–	248	(15,753)	–	–	(774,558)	(790,063)	–	(790,063)
Repurchase of A shares *(Note 36)*	–	–	(199,977)	–	–	–	–	–	(199,977)	–	(199,977)
Share-based payments *(Note 43)*	–	–	–	–	–	–	–	–	–	11,084	11,084
As at March 31, 2026	412,874	4,686,076	(199,977)	(161)	(9,848)	13,537	–	648,017	5,550,518	93,200	5,643,718

	Attributable to owners of the Company										
	Share capital *RMB'000*	Capital reserve *RMB'000* *(Note i)*	Treasury shares *RMB'000*	FVTOCI reserve *RMB'000*	Translation reserve *RMB'000*	Statutory reserve *RMB'000* *(Note ii)*	Share-based payments reserve *RMB'000*	(Accumulated loss) retained profits *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total *RMB'000*
As at January 1, 2025	401,000	966,896	–	(306)	834	13,537	–	2,476,193	3,858,154	27,771	3,885,925
Loss for the period	–	–	–	–	–	–	–	(531,436)	(531,436)	–	(531,436)
Other comprehensive income for the period	–	–	–	111	1,027	–	–	–	1,138	–	1,138
Total comprehensive income (expense) for the period	–	–	–	111	1,027	–	–	(531,436)	(530,298)	–	(530,298)
Share-based payments *(Note 43)*	–	–	–	–	–	–	–	–	–	15,801	15,801
As at March 31, 2025 *(unaudited)*	401,000	966,896	–	(195)	1,861	13,537	–	1,944,757	3,327,856	43,572	3,371,428

Notes:

(i) The capital reserve as at January 1, 2024 comprised (i) the effect of group reorganization in prior years of RMB122,599,000 and (ii) the proceeds from issue of A shares of RMB844,297,000 in December 2022.

(ii) According to the relevant laws in the People's Republic of China (the "PRC"), companies established in the PRC with limited liability are required to transfer at least 10% of their net profit after taxation, as determined under the PRC accounting regulations, to a non-distributable reserve fund until the reserve balance reaches 50% of their respective registered capital. The transfer to this reserve must be made before the distribution of a dividend to owners. Such reserve fund can be used to offset the previous years' losses, if any, and is non-distributable other than upon liquidation.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
OPERATING ACTIVITIES				
Profit (loss) before tax	3,978,154	(721,434)	(538,823)	(776,151)
Adjustments for:				
Interest income on bank deposits	(206,087)	(226,335)	(58,709)	(55,594)
Loss on bills receivables at FVTOCI reclassified from equity upon derecognition	312	306	306	409
Loss on disposal/written-off of property, plant and equipment	223	3,329	464	951
Impairment losses under ECL model, net of reversal	2,191	(2,792)	(697)	(668)
Allowance for inventories	19,354	26,696	3,992	3,105
Gain on fair value change of financial assets at FVTPL	(30,675)	(4,174)	–	(104,345)
Depreciation of property, plant and equipment	68,432	84,990	17,345	23,800
Depreciation of investment properties	250	250	62	62
Depreciation of right-of-use assets	12,478	22,829	3,949	9,483
Amortization of intangible assets	1,768	2,275	251	639
Finance costs	42,523	85,069	15,961	26,557
Other expenses	–	47,504	–	–
Net foreign exchange (gain) loss	(63,882)	97,735	10,706	142,623
Share-based payments expenses	27,145	54,345	15,801	11,084
Release of assets-related government subsidies	(1,856)	(6,144)	(1,246)	(1,910)
Release of expense-related government subsidies	(2,843)	–	–	–
Operating cash flows before movements in working capital	3,847,487	(535,551)	(530,638)	(719,955)
Increase in inventories	(28,352)	(23,100)	(34,742)	(1,475)
(Increase) decrease in bills receivables at FVTOCI	(710)	(1,908)	5,418	11,829
Increase in trade and other receivables	(109,040)	(97,890)	(6,668)	(27,802)
(Increase) decrease in right to returned goods asset	(463)	1,579	933	(433)
(Increase) decrease in contract costs	(12,286)	12,286	–	–
Increase (decrease) in trade and other payables	183,150	186,607	15,358	(41,112)
(Decrease) increase in refund liabilities	(1,468)	(2,146)	(1,407)	646
Decrease in amount due to a related party	(14)	–	–	–
Increase in deferred income	–	62,250	–	–
Increase (decrease) in contract liabilities	347,463	(348,823)	3,640	(65)
Cash generated from (used in) operations	4,225,767	(746,696)	(548,106)	(778,367)
Income tax (paid) refunded	(383,950)	(230,368)	8,935	(60)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	3,841,817	(977,064)	(539,171)	(778,427)
INVESTING ACTIVITIES				
Assets-related government subsidies received	31,339	27,445	5,000	–
Interest on bank balances received	173,357	152,514	44,275	25,670
Purchase of property, plant and equipment and intangible assets	(83,879)	(262,800)	(28,623)	(89,348)
Proceeds from disposal of property, plant and equipment	14	676	56	407

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Purchase of financial assets at FVTPL	(1,619,270)	(2,900,288)	–	(3,235,164)
Proceeds from disposal of financial assets at FVTPL	1,649,945	750,461	–	3,341,735
Placement of term deposits	(2,713,642)	(4,587,562)	–	(3,592,221)
Withdrawal from term deposits	201,275	4,699,899	238,444	1,906,899
Placement of restricted bank balances	(40,510)	(886,302)	–	(200,000)
Withdrawal from restricted bank balances	52,780	853,694	–	199,998
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(2,348,591)	(2,152,263)	259,152	(1,642,024)
FINANCING ACTIVITIES				
Interest paid	(40,684)	(80,146)	(15,706)	(23,398)
New bank borrowings raised	1,903,930	2,403,550	1,010,000	781,000
Repayment of bank borrowings	(518,960)	(866,550)	(238,300)	(190,270)
Repayment of lease liabilities	(9,568)	(12,896)	(2,117)	(1,850)
Repayment of sale and leaseback payable	(41,331)	(7,735)	(7,735)	–
Proceeds from placement of A shares	–	3,732,288	–	–
Payments for repurchase of A shares	–	–	–	(199,977)
Transaction costs attributable to placement of A shares	–	(1,234)	–	–
[**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NET CASH FROM FINANCING ACTIVITIES	1,273,891	5,156,223	739,010	365,505
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,767,117	2,026,896	458,991	(2,054,946)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	391,693	3,207,998	3,207,998	5,142,149
Effect of foreign exchange rate changes	49,188	(92,745)	(5,887)	(157,272)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	3,207,998	5,142,149	3,661,102	2,929,931
Represented by:				
Bank balances and cash	776,818	3,636,179	2,168,077	1,173,738
Certificates of deposit	2,431,180	1,505,970	1,493,025	1,756,193
	3,207,998	5,142,149	3,661,102	2,929,931

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL AND BASIS OF PREPARATION

The Company was established in the PRC in 2006 as a limited liability company under the Company Law of the PRC. On January 6, 2023, the Company's shares were listed on Shanghai Stock Exchange (the "A Share Listing"). The Company's ultimate controlling party is Dr. Zhu Yi (朱義), who is also the chairman and the chief executive of the Company. The respective addresses of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" to the Document.

The Company and together with other group entities engage in the businesses of innovative drug research and development, and manufacture and sale of pharmaceutical products. The principal operations and geographic markets of the Company and its subsidiaries are primarily the PRC and in the United States of America (the "U.S.").

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards issued by the IASB. Further details of the material accounting policy information are set out in Note 3.

The Historical Financial Information is presented in RMB, which is the currency of the primary economic environment in which the Company operates.

2. APPLICATION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the accounting period beginning on January 1, 2026, throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
Amendments to IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures[2]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities[3]

[1] Effective for annual periods beginning on or after a date to be determined

[2] Effective for annual periods beginning on or after January 1, 2027

[3] Effective for annual periods beginning on or after January 1, 2029

IFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 "Presentation of Financial Statements". This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" (the title of which will be changed to "Basis of Preparation of Financial Statements" upon effective of IFRS 18) and IFRS 7 "Financial Instruments Disclosures". Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

Except as described above, the directors of the Company anticipate that the application of all the other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Notes 5, 22 and 32.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 "Leases" at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 "Revenue from Contracts with Customers" to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognize the assets and accounts for the transfer proceeds as sale and leaseback payable within the scope of IFRS 9 "Financial Instruments".

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Government grants related to expenses are recognized as deferred income when the grants are received or become receivable before the related expenses are incurred. The deferred income is recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related cost that the grants are intended to compensate. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs

The Group participates in government-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its staff's wages as contributions to the plans. Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-marketing vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity included in share-based payments reserve. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 "Income Taxes" requirements to recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes to the same taxable entity levied by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses, if any.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than construction in progress as described below. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property, plant and equipment, right-of-use assets, investment properties and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, investment properties and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits; and

(b) cash equivalents, which comprises of short-term deposits (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost and bills receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Bills receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for bills receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these bills receivables had been measured at amortized cost. All other changes in the carrying amount of these bills receivables are recognized in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognized in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these bills receivables. When these bills receivables are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from subsidiaries, term deposits, restricted bank balances, bank balances, certificates of deposit and bills receivables at FVTOCI) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, and factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivable.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a bill receivable has not increased significantly since initial recognition if the bill receivable is determined to have low credit risk at the reporting date. A bill receivable is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a bill receivable to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for not credit-impaired trade receivables are assessed on a collective basis, taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Repayment history; and
- Nature, size and industry of debtor.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

Except for investments in bills receivables that are measured at FVTOCI, the Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, bills receivables and other receivables where the corresponding adjustment is recognized through a loss allowance account. For bills receivables classified as at FVTOCI, the loss allowance is recognized in other comprehensive income and accumulated in the FVTOCI reserve without reducing the carrying amount of these bills receivables. Such amount represents the changes in the FVTOCI reserve in relation to accumulated loss allowance.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in a bill receivable at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

All financial liabilities including borrowings, sale and leaseback payable, trade and other payables and amount due to a subsidiary are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Key sources of estimation uncertainties

Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognized and measured based on the expected manner of realization or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying

amounts of deferred tax assets, expected taxable profits are estimated which involves several assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future years.

The information about the Group's deferred tax assets is disclosed in Note 20.

Provision of ECL for trade receivables

Trade receivables which considered credit-impaired are assessed on individual basis. In addition, the Group uses collective assessment to calculate ECL for trade receivables balances which are not assessed individually at the end of each reporting period. The ECL rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The collective assessment is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort.

At the end of each reporting period, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the related ECL disclosures are disclosed in Notes 24 and 44, respectively.

5. REVENUE AND SEGMENT INFORMATION

Revenue

	Year ended December 31,		Three months ended March 31,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Type of goods or services				
Sale of pharmaceutical products:				
– Distributors	483,783	375,600	59,341	91,292
– Direct sales to retail pharmacies	2,976	4,475	1,164	689
Others	2,567	14,066	6,529	2,095
	489,326	394,141	67,034	94,076
License fee income:				
– Grant of license	5,331,724	1,776,374	–	–
– Transfer of manufacturing technology	–	347,979	–	–
	5,331,724	2,124,353	–	–
Total	5,821,050	2,518,494	67,034	94,076
Timing of revenue recognition				
At point in time	5,821,050	2,518,494	67,034	94,076

Performance obligations for contracts with customers and revenue recognition policies

Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognized at point in time when control of the goods has transferred, being when the goods have been shipped to the specific location and accepted, the customers have the primary responsibility for the risks of obsolescence and loss in relation to the goods while it can request return or refund only if the goods delivered do not meet the required quality standards.

At the point of sale, a corresponding adjustment to revenue is made for those products expected to be returned. The Group estimates the future sales return of the products sold based on the historical experience. A refund liability is recognized for sales in which revenue has yet to be recognized. Right to returned goods asset (and corresponding adjustment to cost of sales) is recognized for right to recover products from customers on settling the refund liability.

The credit period granted to customers by the Group is determined based on the characteristics of customers' credit risk and there is no significant financing component. For customers with long-term relationships, the normal credit term granted ranges from 30 to 120 days upon delivery.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. All the contracts that are unsatisfied are for periods of one year or less. As the Group applies the practical expedient in IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Under the standard contract terms, customers have a right to receive rebates. The Group uses its accumulated historical experience to estimate the amount of consideration to which it will be entitled using the most likely amount.

License fee income

In December 2023, the Group entered into an agreement with an independent third party pursuant to which the Group granted to the counterparty, amongst others, primarily an exclusive right of development and further commercialization of iza-bren in the rest of the world except in the PRC and the U.S.. In addition, the Group entered into collaboration arrangement with the counterparty for the development and commercialization activities of iza-bren in the U.S. on which the contributions/rewards in relation to the activities are determined based on a fixed percentage of costs/profits to be incurred/generated in the future. In the opinion of the management, the collaboration arrangement constitutes a joint arrangement on which the Group shares the risks and benefits associated with such activities in the U.S..

Iza-bren, internally discovered and developed, is the bispecific antibody-drug conjugates intended for the treatment of various solid tumors. The consideration for the agreement comprises a fixed element (a non-refundable and non-creditable upfront payment of US Dollar ("USD") 800,000,000 (equivalent to approximately RMB5,679,703,000) (the "Upfront Payment"), several variable elements (i.e. further payments according to timing in achievements of various clinical trial milestones, regulatory milestones, sales milestones and sales-based royalties).

The Group determined that the consideration for the Upfront Payment relates to two performance obligations: (1) the grant of license and (2) the transfer of manufacturing technology relating to the process for the manufacture of iza-bren and its related products. The Group allocates the total transaction price of the Upfront Payment into two performance obligations based on estimation of the standalone selling price for the transfer of manufacturing technology, which a customer in the market would be willing to pay, and then applying residual approach in the estimation of standalone selling price for the grant of license.

The revenue for grant of license, which represents a right to use the Group's intellectual property, is recognized at a point in time at which the license transfers. The transfer of license to the customer was completed in March 2024 and the Group recognized revenue of USD751,000,000 (equivalent to approximately RMB5,331,724,000) in relation to the grant of license for the year ended December 31, 2024. The remaining transaction price of USD49,000,000 (equivalent to approximately RMB347,979,000) is allocated to the performance obligation of transferring manufacturing technology and is initially recognized as contract liability. The revenue for transfer of manufacturing technology is recognized at a point in time at which the manufacturing technology was accepted by the customer. The transfer of manufacturing technology was completed in December 2025 and the contract liability of USD49,000,000 (equivalent to approximately RMB347,979,000) was credited against revenue of the Group for the year ended December 31, 2025 accordingly.

During the year ended December 31, 2025, the Group recognized revenue of USD250,000,000 (equivalent to approximately RMB1,776,374,000) in respect of the variable consideration for the performance obligation of the granting of license relating to achievements of certain clinical trial milestones, taken into account that the uncertainty associated with the variable consideration is resolved upon initiation of global Phase II/III trials of iza-bren in September 2025 and it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

The above arrangement is set out in "Iza-bren (EGFR × HER3 bispecific ADC), Our Core Product" under the section "Business" of the Document.

Segment information

For the purposes of resources allocation and performance assessment, Dr. Zhu Yi, the chairman and the chief executive of the Company, being the chief operating decision maker, reviews the consolidated results and financial position when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment and no further analysis of this single segment is presented.

Entity-wide disclosures

Geographical information

An analysis of the Group's revenue from external customers, analyzed by their respective country of domicile, is detailed below:

	Year ended December 31,		Three months ended March 31,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue				
– PRC	486,759	381,576	60,505	91,981
– U.S.	5,334,291	2,136,918	6,529	2,095
Total	5,821,050	2,518,494	67,034	94,076

Information about the Group's non-current assets by geographical location of the assets is presented below:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets *(Note)*			
– PRC	618,500	786,001	840,332
– U.S.	32,458	132,865	145,957
Total	650,958	918,866	986,289

Note: Non-current assets excluding deferred tax assets.

Information about major customers

Revenue from customers contributing over 10% of total revenue of the Group for each reporting period is as below:

	Type of revenue	Year ended December 31,		Three months ended March 31,	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Customer A	License fee income and others	5,334,291	2,136,918	#	#
Customer B	Sale of pharmaceutical products	#	#	11,771	18,064
Customer C	Sale of pharmaceutical products	#	#	10,172	14,782

Less than 10% of total revenue for the corresponding reporting period.

6. OTHER INCOME

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest income on bank deposits	206,087	226,335	58,709	55,594
Rental and rental-related income	1,668	1,619	406	511
Government grants *(Note)*	39,958	36,321	4,162	6,866
Release of expense-related government subsidies *(Note 37)*	2,843	–	–	–
Release of assets-related government subsidies *(Note 37)*	1,856	6,144	1,246	1,910
Others	1,541	184	1	12
Total	253,953	270,603	64,524	64,893

Note: The government grants recognized mainly represent subsidies granted by the PRC local authorities to support the operation activities of the Group, in which no future related cost is expected to be incurred. The government grants with no unfulfilled conditions are recognized when payments were received or became receivable.

7. OTHER GAINS AND LOSSES, NET

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Losses on disposal/written-off of property, plant and equipment	(223)	(3,329)	(464)	(951)
Gains on fair value change of financial assets at FVTPL	30,675	4,174	–	104,345
Net foreign exchange gain (loss)	63,882	(97,735)	(10,706)	(142,623)
Others	(24)	(293)	–	(953)
Total	94,310	(97,183)	(11,170)	(40,182)

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Impairment losses (reversed)/recognized on:				
– bills receivables	(413)	(47)	(9)	42
– trade receivables	579	(1,647)	(1,273)	(192)
– other receivables	2,025	(1,098)	585	(518)
Total	2,191	(2,792)	(697)	(668)

Details of impairment assessment are set out in Note 44.

9. FINANCE COSTS

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Interest expense on:				
– bank borrowings	40,202	78,690	15,657	23,175
– sale and leaseback payable	1,117	5	5	–
– lease liabilities	1,204	6,374	299	3,382
Total	42,523	85,069	15,961	26,557

10. INCOME TAX EXPENSE (CREDIT)

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
PRC Enterprise Income Tax ("EIT")				
– current tax	145,621	1,024	–	–
– under (over) provision in prior years	1,817	(2,613)	–	–
U.S. Corporate Income Tax ("CIT")	224,285	190,429	6,924	60
Deferred tax *(Note 20)*	(101,074)	143,344	(14,311)	(1,653)
	270,649	332,184	(7,387)	(1,593)

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Company and its subsidiaries established in the PRC (other than those as described below) is 25% for the Track Record Period.

拉薩新博藥業有限責任公司 (Lhasa Xinbo Pharmaceutical Co., Ltd.*) ("Lhasa Xinbo") and 成都百利多特生物藥業有限責任公司 (Baili-Bio (Chengdu) Pharmaceutical Co., Ltd.*) ("Baili-Bio") that are engaged in the "Encouraged Industries in the Western Region" are eligible for the preferential EIT rate at 15% for the Track Record Period.

On December 12, 2023, the "Certificate of New Hi-tech Enterprise" was granted to 四川百利藥業有限責任公司 (Sichuan Baili Pharmaceutical Co., Ltd.*) ("Baili Pharmaceutical") and 四川國瑞藥業有限責任公司 (Sichuan Guorui Pharmaceutical Co., Ltd.*) ("Guorui Pharmaceutical"), respectively, with a valid period of three years. Hence, Baili Pharmaceutical and Guorui Pharmaceutical are eligible for the preferential EIT rate of 15% for the Track Record Period.

成都海亞特科技有限責任公司 (Chengdu Hiatt Technology Co., Ltd.*) ("Hiatt Technology"), 拉薩天澤藥業有限責任公司 (Lhasa Tianze Pharmaceutical Co., Ltd.*) ("Tianze Pharmaceutical"), 成都諾芯生物科技有限公司 (Chengdu Nuoxin Biotech Co., Ltd.*) ("Nuoxin Bio"), 百利天恒(上海)生物醫藥科技有限責任公司 (Biokin (Shanghai) Biotech Co., Ltd.*) ("Biokin Bio") and 成都玉顏芪生物科技有限責任公司 (Chengdu Yuyanqi Biotech Co., Ltd.*) ("Yuyanqi Bio") are qualified as small and micro enterprises and are eligible for the preferential EIT rate at 20% for the Track Record Period.

SystImmune, INC. ("SystImmune"), a wholly-owned subsidiary of the Company incorporated in the U.S., is subject to U.S. CIT representing 21% of the applicable U.S. Federal Income Tax rate for the Track Record Period. SystImmune is also subject to a blended average rate of 0.3%, 0.25% and 0.25%, respectively, of the State Income Tax arising from applicable states in the U.S. for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

* *English name for identification only*

The taxation for the years/periods can be reconciled to the profit (loss) before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,		Three months ended March 31,	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Profit (loss) before tax	3,978,154	(721,434)	(538,823)	(776,151)
Tax expense (credit) at the PRC EIT rate of 25%	994,539	(180,359)	(134,706)	(194,038)
Income tax at concessionary rate	(436,750)	84,118	26,703	51,470
Under (over) provision in prior years	1,817	(2,613)	–	–
Tax effect of expenses not deductible for tax purposes	9,184	8,065	2,912	1,854
Utilization of tax losses or deductible temporary differences previously not recognized	(367,033)	(26,260)	(753)	(589)
Tax effect of tax losses or deductible temporary differences not recognized	434,728	607,331	143,339	190,213
Reversal of previously recognized deferred tax assets	40,854	31,723	–	–
Extra deduction of research and development expenses	(131,908)	(189,781)	(43,903)	(49,373)
Tax effect of income not taxable for tax purpose *(Note)*	(275,608)	–	–	–
Others	826	(40)	(979)	(1,130)
Income tax expense (credit)	270,649	332,184	(7,387)	(1,593)

Note: Pursuant to the relevant tax rules and regulation in the PRC, certain revenue generated from license income which was categorized as a technology transfer by the relevant tax authority and such portion of revenue was partially exempted from EIT.

11. PROFIT (LOSS) FOR THE YEAR/PERIOD

Profit (loss) for the year/period has been arrived at after charging:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation of property, plant and equipment	68,432	84,990	17,345	23,800
Depreciation of investment properties	250	250	62	62
Depreciation of right-of-use assets	12,478	22,829	3,949	9,483
Total depreciation	81,160	108,069	21,356	33,345
Capitalized in inventories	(20,422)	(21,603)	(5,668)	(5,510)
	60,738	86,466	15,688	27,835
Amortization of intangible assets	1,768	2,275	251	639
Staff costs				
Directors', chief executive's and supervisors' remuneration *(Note 14)*	19,941	54,642	14,034	10,519
Other staff costs	456,070	706,494	119,348	190,546
Other staffs' benefit	83,024	133,845	27,669	40,719
Other staffs' share-based payments	20,932	20,770	6,895	5,177
Total staff costs	579,967	915,751	167,946	246,961
Capitalized in inventories	(59,400)	(78,475)	(6,071)	(8,503)
	520,567	837,276	161,875	238,458
Expenses incurred in connection with the suspended [**REDACTED**] recognized as other expenses *(Note i)*	–	47,504	–	–
Cost of inventories recognized as expenses *(Note ii)*	244,960	231,136	33,757	42,954

Notes:

(i) In November 2025, the Company announced the suspension of the [**REDACTED**] on the Stock Exchange due to market conditions. Taken into account that the Company had abandoned the previous plan of [**REDACTED**] H shares on the Stock Exchange, the deferred share [**REDACTED**] costs amounted to RMB47,504,000, which were previously capitalized and included in trade and other receivables, were fully credited against other expense during the year ended December 31, 2025.

(ii) The amount includes allowance for inventories amounted to RMB19,354,000 and RMB26,696,000, RMB3,992,000 (unaudited) and RMB3,105,000 for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively.

12. OTHER COMPREHENSIVE (EXPENSE) INCOME

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other comprehensive (expense) income includes:				
Items that may be reclassified subsequently to profit or loss:				
Fair value change arising from bills receivables at FVTOCI	(306)	(409)	(195)	(161)
Reclassification to profit or loss during the year/period upon derecognition of bills receivables at FVTOCI	312	306	306	409

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Exchange differences on translation of foreign operations	(604)	5,071	1,027	(15,753)
	(598)	4,968	1,138	(15,505)

	Year ended December 31, 2024			Year ended December 31, 2025		
	Before-tax amount	Tax credit	Net-of-tax amount	Before-tax amount	Tax charge	Net-of-tax amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Items that may be reclassified subsequently to profit or loss:						
Fair value gain (loss) on bills receivables at FVTOCI	–	6	6	(80)	(23)	(103)
Exchange differences on translation from foreign operations	(604)	–	(604)	5,071	–	5,071
	(604)	6	(598)	4,991	(23)	4,968

	Three months ended March 31, 2025			Three months ended March 31, 2026		
	Before- tax amount	Tax charge	Net-of- tax amount	Before- tax amount	Tax credit	Net-of- tax amount
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*	*RMB'000*	*RMB'000*	*RMB'000*
Items that may be reclassified subsequently to profit or loss:						
Fair value gain (loss) on bills receivables at FVTOCI	112	(1)	111	248	–	248
Exchange differences on translation from foreign operations	1,027	–	1,027	(15,753)	–	(15,753)
	1,139	(1)	1,138	(15,505)	–	(15,505)

13. DIVIDENDS

No dividend was declared or paid by the Company to ordinary shareholders of the Company during or subsequent to the Track Record Period.

14. DIRECTORS', CHIEF EXECUTIVE'S, SUPERVISORS' AND EMPLOYEES' EMOLUMENTS

Directors', chief executive's and supervisors' emoluments

Directors', chief executive's and supervisors' remuneration for the Track Record Period, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

Year ended December 31, 2024

	Fees	Basic salaries	Performance related bonuses	Retirement benefit	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Note 43)*	*RMB'000*
Executive directors:						
Dr. Zhu Yi *(Note i)*	–	3,327	–	64	4,868	8,259
Ms. Zhang Suya *(Note ii)*	–	1,000	–	–	–	1,000
Mr. Zhu Xi *(Note iii)*	–	50	–	7	–	57
Mr. Kang Jian	–	703	–	88	–	791
Mr. Zhuo Shi	–	1,657	–	88	–	1,745
Dr. Zhu Hai^ *(Note iv)*	–	4,269	1,421	83	1,345	7,118

	Fees *RMB'000*	Basic salaries *RMB'000*	Performance related bonuses *RMB'000*	Retirement benefit *RMB'000*	Share-based payments *RMB'000 (Note 43)*	Total *RMB'000*
Independent non-executive directors:						
Mr. Li Mingyuan	120	–	–	–	–	120
Mr. Yu Xiong	120	–	–	–	–	120
Mr. Yang Min	120	–	–	–	–	120
Dr. Xiao Geng *(Note v)*	60	–	–	–	–	60
Supervisors:						
Mr. Liu Liang	–	187	–	42	–	229
Ms. Wang Jie	–	114	–	33	–	147
Ms. Fu Ting	–	137	–	38	–	175
	420	11,444	1,421	443	6,213	19,941

Year ended December 31, 2025

	Fees *RMB'000*	Basic salaries *RMB'000*	Retirement benefit *RMB'000*	Share-based payments *RMB'000 (Note 43)*	Total *RMB'000*
Executive directors:					
Dr. Zhu Yi *(Note i)*	–	7,869	77	26,143	34,089
Ms. Zhang Suya *(Note ii)*	–	2,570	–	–	2,570
Mr. Kang Jian *(Note vi)*	–	673	69	–	742
Mr. Zhuo Shi	–	1,990	92	–	2,082
Dr. Zhu Hai	–	6,199	74	7,432	13,705
Dr. Wan Weili *(Note vi)*	–	558	31	–	589
Independent non-executive directors:					
Mr. Li Mingyuan	120	–	–	–	120
Mr. Yu Xiong *(Note vi)*	90	–	–	–	90
Mr. Yang Min *(Note vi)*	90	–	–	–	90
Dr. Xiao Geng	120	–	–	–	120
Dr. Dai Zewei *(Note vi)*	30	–	–	–	30
Supervisors:					
Mr. Liu Liang *(Note vii)*	–	143	43	–	186
Ms. Wang Jie *(Note vii)*	–	85	26	–	111
Ms. Fu Ting *(Note vii)*	–	86	32	–	118
	450	20,173	444	33,575	54,642

Three months ended March 31, 2026

	Fees *RMB'000*	Basic salaries *RMB'000*	Retirement benefit *RMB'000*	Share-based payments *RMB'000 (Note 43)*	Total *RMB'000*
Executive directors:					
Dr. Zhu Yi *(Note i)*	–	1,469	18	4,600	6,087
Ms. Zhang Suya *(Note ii)*	–	643	–	–	643
Mr. Zhuo Shi	–	551	23	–	574
Dr. Zhu Hai	–	1,244	14	1,307	2,565
Dr. Wan Weili	–	537	23	–	560
Independent non-executive directors:					
Mr. Li Mingyuan	30	–	–	–	30
Dr. Xiao Geng	30	–	–	–	30
Dr. Dai Zewei	30	–	–	–	30
	90	4,444	78	5,907	10,519

Three months ended March 31, 2025 (unaudited)

	Fees *RMB'000*	Basic salaries *RMB'000*	Retirement benefit *RMB'000*	Share-based payments *RMB'000* *(Note 43)*	Total *RMB'000*
Executive directors:					
Dr. Zhu Yi *(Note i)*	–	1,608	51	6,936	8,595
Ms. Zhang Suya *(Note ii)*	–	643	–	–	643
Mr. Kang Jian	–	439	23	–	462
Mr. Zhuo Shi	–	438	23	–	461
Dr. Zhu Hai	–	1,567	71	1,970	3,608
Independent non-executive directors:					
Mr. Li Mingyuan	30	–	–	–	30
Mr. Yu Xiong	30	–	–	–	30
Mr. Yang Min	30	–	–	–	30
Dr. Xiao Geng	30	–	–	–	30
Supervisors:					
Mr. Liu Liang	–	47	14	–	61
Ms. Wang Jie	–	28	9	–	37
Ms. Fu Ting	–	36	11	–	47
	120	4,806	202	8,906	14,034

^ The executive director of the Company is entitled to bonus payments which are determined based on a percentage of the Group's milestone payments from certain customer.

Notes:

(i) Dr. Zhu Yi is the executive director and the chief executive of the Company.

(ii) Ms. Zhang Suya is the executive director and the chief financial officer of the Company.

(iii) Mr. Zhu Xi resigned as the executive director of the Company on January 30, 2024.

(iv) Dr. Zhu Hai was appointed as the executive director of the Company on February 19, 2024.

(v) Dr. Xiao Geng was appointed as the independent non-executive director of the Company on July 8, 2024.

(vi) Mr. Kang Jian tendered his resignation as an executive director and Mr. Yu Xiong and Mr. Yang Min tendered their resignations as independent non-executive directors on September 29, 2025, respectively, whereas Dr. Wan Weili and Dr. Dai Zewei were appointed as an executive director and an independent non-executive director on the same day, respectively.

(vii) The shareholders of the Company adopted a resolution on September 29, 2025 pursuant to which the board of supervisors were cancelled in accordance with recent regulations of the Company Law of the PRC and thus Mr. Liu Liang, Ms. Wang Jie and Ms. Fu Ting terminated their tender as supervisors of the Company on the same day.

Dr. David Guowei Wang is a non-executive director of the Company and agreed to waive his remuneration for the Track Record Period.

The emoluments of executive directors shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' and supervisors' emoluments shown above were for their services as directors and supervisors of the Group, respectively. The performance related bonuses were determined by the management of the Group by reference to the performance.

Five individuals with the highest emoluments

The five highest paid individuals of the Group included 2, 2, 2 (unaudited) and 2 directors for the years ended December 31, 2024 and 2025, and the three months ended March 31, 2025 and 2026, respectively, whose emoluments are included in the disclosures above. The emoluments of the remaining 3, 3, 3 (unaudited) and 3 individuals for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, respectively, are as follows:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, wages and allowance	9,936	12,640	3,223	3,402
Performance related bonuses	6,845	6,873	1,818	–
Retirement benefit	88	197	100	62
	16,869	19,710	5,141	3,464

The number of the highest paid employees who are not the directors nor the supervisors of the Company whose remuneration fell within the following bands is as follows:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	Number of employees	*Number of employees*	*Number of employees (unaudited)*	*Number of employees*
Emolument bands				
Nil to Hong Kong Dollar ("HK$") 1,000,000	–	–	1	1
HK$1,500,001 to HK$2,000,000	–	–	–	2
HK$2,000,001 to HK$2,500,000	–	–	2	–
HK$3,500,001 to HK$4,000,000	1	1	–	–
HK$6,500,001 to HK$7,000,000	1	–	–	–
HK$7,500,001 to HK$8,000,000	1	–	–	–
HK$8,000,001 to HK$8,500,000	–	1	–	–
HK$9,500,001 to HK$10,000,000	–	1	–	–
	3	3	3	3

No emoluments were paid by the Group to the directors, the supervisors of the Company or the five highest paid individuals (including directors and employees), as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period. Except for aforesaid Dr. David Guowei Wang, there was none of other directors or supervisors waived any emoluments during the Track Record Period.

15. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Earnings (loss) for the year/period:				
Earnings (loss) for the purpose of basic earnings (loss) per share	3,707,505	(1,053,618)	(531,436)	(774,558)
Number of shares ('000)				
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	401,000	403,968	401,000	412,585

For the purpose of basic loss per share for the three months ended March 31, 2026, the weighted average number of ordinary shares excluded treasury shares of the Company as set out in Note 36.

Diluted earnings (loss) per share for each reporting period is the same as the basic earnings (loss) per share as (i) the assumed exercise of the outstanding share options granted by SystImmune, as disclosed in Note 43, would result in an increase in earnings per share for the year ended December 31, 2024 and a decrease in loss per share for the three months ended March 31, 2025 and 2026; and (ii) the effect of the outstanding share options granted by SystImmune on dilution of loss per share for the year ended December 31, 2025 is insignificant.

16. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings and structures *RMB'000*	Equipment *RMB'000*	Motor vehicles *RMB'000*	Buildings improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
At January 1, 2024	304,555	542,363	11,884	73,581	81,368	1,013,751
Additions	–	40,544	1,645	–	47,141	89,330
Transfer	20,745	47,078	–	25,178	(93,001)	–
Disposals/written-off	–	(3,398)	–	–	–	(3,398)
At December 31, 2024	325,300	626,587	13,529	98,759	35,508	1,099,683
Additions	–	87,550	3,716	–	147,937	239,203
Transfer	278	16,056	–	51,309	(67,643)	–
Disposals/written-off	(2,479)	(29,306)	(264)	–	–	(32,049)
At December 31, 2025	323,099	700,887	16,981	150,068	115,802	1,306,837
Additions	–	17,264	6	–	64,469	81,739
Transfer	–	9,996	–	4,416	(14,412)	–
Disposals/written-off	–	(13,001)	(164)	–	–	(13,165)
At March 31, 2026	323,099	715,146	16,823	154,484	165,859	1,375,411
Depreciation						
At January 1, 2024	156,280	296,963	10,848	19,855	–	483,946
Provided for the year	14,941	45,568	645	7,278	–	68,432
Eliminated on disposals/written-off	–	(3,161)	–	–	–	(3,161)
At December 31, 2024	171,221	339,370	11,493	27,133	–	549,217
Provided for the year	14,453	58,948	557	11,032	–	84,990
Eliminated on disposals/written-off	(1,315)	(26,479)	(250)	–	–	(28,044)
At December 31, 2025	184,359	371,839	11,800	38,165	–	606,163
Provided for the period	2,182	16,037	315	5,266	–	23,800
Eliminated on disposals/written-off	–	(11,651)	(156)	–	–	(11,807)
At March 31, 2026	186,541	376,225	11,959	43,431	–	618,156
Carrying values						
At December 31, 2024	154,079	287,217	2,036	71,626	35,508	550,466
At December 31, 2025	138,740	329,048	5,181	111,903	115,802	700,674
At March 31, 2026	136,558	338,921	4,864	111,053	165,859	757,255

The Company

	Equipment *RMB'000*	Motor vehicles *RMB'000*	Buildings improvements *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost					
At January 1, 2024	2,131	1,888	1,497	–	5,516
Additions	264	1,645	–	861	2,770
Disposals	(195)	–	–	–	(195)
At December 31, 2024	2,200	3,533	1,497	861	8,091
Additions	2,325	–	–	8,608	10,933
Transfer	583	–	8,886	(9,469)	–
Disposals/written-off	(583)	–	–	–	(583)
At December 31, 2025	4,525	3,533	10,383	–	18,441
Additions	371	–	547	–	918
At March 31, 2026	4,896	3,533	10,930	–	19,359
Depreciation					
At January 1, 2024	1,860	1,794	1,497	–	5,151
Provided for the year	124	260	–	–	384
Eliminated on disposals	(185)	–	–	–	(185)
At December 31, 2024	1,799	2,054	1,497	–	5,350
Provided for the year	264	521	569	–	1,354
Eliminated on disposals/ written-off	(554)	–	–	–	(554)
At December 31, 2025	1,509	2,575	2,066	–	6,150
Provided for the period	259	130	364	–	753
At March 31, 2026	1,768	2,705	2,430	–	6,903
Carrying values					
At December 31, 2024	401	1,479	–	861	2,741
At December 31, 2025	3,016	958	8,317	–	12,291
At March 31, 2026	3,128	828	8,500	–	12,456

The above items of property, plant and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis over their estimated useful lives at the following rates per annum:

Buildings and structures	4.75%
Equipment	9.50%-31.67%
Motor vehicles	9.50%-23.75%
Buildings improvements	10.00%-33.33%

17. RIGHT-OF-USE ASSETS

The Group

	Leasehold lands *RMB'000*	Buildings *RMB'000*	Total *RMB'000*
At January 1, 2024	27,405	5,786	33,191
Additions	–	44,432	44,432
Charge for the year	(913)	(11,565)	(12,478)

	Leasehold lands *RMB'000*	Buildings *RMB'000*	Total *RMB'000*
At December 31, 2024	26,492	38,653	65,145
Additions	–	124,398	124,398
Charge for the year	(913)	(21,916)	(22,829)
At December 31, 2025	25,579	141,135	166,714
Additions	–	12,011	12,011
Charge for the period	(228)	(9,255)	(9,483)
At March 31, 2026	25,351	143,891	169,242

The above items of right-of-use-assets are depreciated on a straight-line basis over their estimated useful lives based on lease terms at the following rates per annum:

Leasehold lands	2.00%-2.32%
Buildings	5.53%-66.67%

	Year ended December 31,		Three months ended March 31,	
	2024 *RMB'000*	2025 *RMB'000*	2025 *RMB'000* *(unaudited)*	2026 *RMB'000*
Expense relating to short-term leases	1,112	2,616	300	306
Total cash outflow for leases	11,884	17,269	2,716	2,759

During the Track Record Period, the Group leases buildings for its operations. Lease contracts are entered into for fixed term of 18 to 217 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several industrial buildings where its manufacturing facilities and office buildings are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

Restrictions or covenants on leases

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Company

	Buildings *RMB'000*
At January 1, 2024	1,210
Addition	2,570
Charge for the year	(1,671)
At December 31, 2024	2,109
Charge for the year	(832)
At December 31, 2025	1,277
Charge for the period	(293)
At March 31, 2026	984

18. INVESTMENT PROPERTIES

The Group

	Buildings *RMB'000*
Cost	
At January 1, 2024, December 31, 2024 and 2025 and March 31, 2026	5,248
Amortization	
At January 1, 2024	3,655
Charge for the year	250
At December 31, 2024	3,905
Charge for the year	250
At December 31, 2025	4,155
Charge for the period	62
At March 31, 2026	4,217
Carrying values	
At December 31, 2024	1,343
At December 31, 2025	1,093
At March 31, 2026	1,031

19. INTANGIBLE ASSETS

The Group

	Proprietary technologies *RMB'000*	Computer software *RMB'000*	Trademark *RMB'000*	Database use right *RMB'000*	Total *RMB'000*
Cost					
At January 1, 2024	24,019	3,775	298	5,829	33,921
Addition	–	–	–	2,723	2,723
At December 31, 2024	24,019	3,775	298	8,552	36,644
Addition	–	5,065	–	4,342	9,407
At December 31, 2025	24,019	8,840	298	12,894	46,051
Addition	–	161	–	–	161
At March 31, 2026	24,019	9,001	298	12,894	46,212
Amortization and impairment					
At January 1, 2024	23,744	3,460	298	4,817	32,319
Charge for the year	275	129	–	1,364	1,768
At December 31, 2024	24,019	3,589	298	6,181	34,087
Charge for the year	–	532	–	1,743	2,275
At December 31, 2025	24,019	4,121	298	7,924	36,362
Charge for the period	–	238	–	401	639
At March 31, 2026	24,019	4,359	298	8,325	37,001

	Proprietary technologies *RMB'000*	Computer software *RMB'000*	Trademark *RMB'000*	Database use right *RMB'000*	Total *RMB'000*
Carrying values					
At December 31, 2024	–	186	–	2,371	2,557
At December 31, 2025	–	4,719	–	4,970	9,689
At March 31, 2026	–	4,642	–	4,569	9,211

The Company

	Computer software *RMB'000*	Database use right *RMB'000*	Total *RMB'000*
Cost			
At January 1, 2024 and December 31, 2024	1,523	–	1,523
Addition	–	2,036	2,036
At December 31, 2025 and March 31, 2026	1,523	2,036	3,559
Amortization			
At January 1, 2024	1,399	–	1,399
Charge for the year	93	–	93
At December 31, 2024	1,492	–	1,492
Charge for the year	15	276	291
At December 31, 2025	1,507	276	1,783
Charge for the period	2	126	128
At March 31, 2026	1,509	402	1,911
Carrying values			
At December 31, 2024	31	–	31
At December 31, 2025	16	1,760	1,776
At March 31, 2026	14	1,634	1,648

The above intangible assets have finite useful lives, amortized on a straight-line basis over their estimated useful lives at the following rates per annum:

Proprietary technologies	10.00%
Computer software	10.00%-20.00%
Trademark	12.05%-62.50%
Database use right	25.00%-100.00%

20. DEFERRED TAX ASSETS/LIABILITIES

The followings are the major deferred tax assets (liabilities) recognized and movements thereon for each reporting period:

The Group

	ECL provision *RMB'000*	Right-of-use assets *RMB'000*	Lease liabilities *RMB'000*	Tax losses *RMB'000*	Deferred income *RMB'000*	Selling rebates/ refund liabilities *RMB'000*	Contract liabilities on transfer of manufacturing technology *RMB'000*	Timing difference on research and development expenses in U.S. *RMB'000*	Timing difference on unbilled accruals *RMB'000*	Fair value change on financial assets at FVTPL *RMB'000*	Others *RMB'000*	Total *RMB'000*
At January 1, 2024	854	(1,081)	1,081	70,476	785	819	–	–	–	–	3,243	76,177
(Charge) credit to profit or loss	(29)	(4,833)	4,833	(40,854)	(491)	(238)	52,197	69,629	22,351	–	(1,491)	101,074
Credit to the other comprehensive income	–	–	–	–	–	–	–	–	–	–	6	6
At December 31, 2024	825	(5,914)	5,914	29,622	294	581	52,197	69,629	22,351	–	1,758	177,257
(Charge) credit to profit or loss	(706)	(20,850)	20,850	(29,622)	(294)	(581)	(52,197)	(36,475)	(17,412)	(2,824)	(3,233)	(143,344)
Charge to the other comprehensive income	–	–	–	–	–	–	–	–	–	–	(23)	(23)
At December 31, 2025	119	(26,764)	26,764	–	–	–	–	33,154	4,939	(2,824)	(1,498)	33,890
(Charge) credit to profit or loss	(20)	(708)	708	29,654	–	–	–	(10,767)	(3,515)	(13,775)	76	1,653
At March 31, 2026	99	(27,472)	27,472	29,654	–	–	–	22,387	1,424	(16,599)	(1,422)	35,543
At January 1, 2025	825	(5,914)	5,914	29,622	294	581	52,197	69,629	22,351	–	1,758	177,257
Credit (charge) to profit or loss	683	(300)	300	16,766	(16)	(39)	–	–	–	–	(3,083)	14,311
Charge to the other comprehensive income	–	–	–	–	–	–	–	–	–	–	(1)	(1)
At March 31, 2025 *(unaudited)*	1,508	(6,214)	6,214	46,388	278	542	52,197	69,629	22,351	–	(1,326)	191,567

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	179,195	38,212	53,564
Deferred tax liabilities	(1,938)	(4,322)	(18,021)
	177,257	33,890	35,543

As at December 31, 2024 and 2025, and March 31, 2026, the Group had unused tax losses of RMB721,486,000, RMB3,096,364,000 and RMB3,913,689,000, under PRC EIT, respectively, available to offset against future profits. A deferred tax asset has been recognized in respect of RMB197,478,000, nil and nil of such losses as at December 31, 2024 and 2025 and March 31, 2026, respectively. No deferred tax asset has been recognized in respect of the remaining RMB524,008,000, RMB3,096,364,000, and RMB3,913,689,000 as at December 31, 2024 and 2025 and March 31, 2026, respectively, due to the unpredictability of future profit streams. The tax losses as at December 31, 2024 and 2025 and March 31, 2026 will expire in various years before 2034 and 2035, and 2036 respectively.

As at December 31, 2024 and 2025 and March 31, 2026, the Group had tax losses of nil, nil and RMB373,832,000 under U.S. CIT, respectively, available to offset against future profits. Deferred tax asset of RMB29,654,000 has been recognized in respect of the tax losses as at March 31, 2026. The tax losses as at March 31, 2026 will expire in various years before 2046. As at December 31, 2024 and 2025 and March 31, 2026, the Group had timing difference on research and development expenses of RMB2,250,535,000, RMB2,867,292,000 and RMB2,660,549,000 under U.S. CIT, respectively. A deferred tax asset has been recognized in respect of RMB325,290,000, RMB156,858,000 and RMB105,370,000 of such timing difference as at December 31, 2024 and 2025 and March 31, 2026, respectively. No deferred tax asset has been recognized in respect of the remaining RMB1,925,245,000, RMB2,710,434,000 and RMB2,555,179,000 as at December 31, 2024 and 2025 and March 31, 2026, respectively, due to the unpredictability of future profit streams.

The Company

	Right-of-use assets	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2024	(310)	310	–
(Charge) credit to profit or loss	(167)	167	–
At December 31, 2024	(477)	477	–
Credit (charge) to profit or loss	235	(235)	–
At December 31, 2025	(242)	242	–
(Charge) credit to profit or loss	(4)	4	–
At March 31, 2026	(246)	246	–

As at December 31, 2024 and 2025, and March 31, 2026, the Company had unused tax losses of RMB84,991,000, RMB216,296,000 and RMB242,650,000, respectively, available to offset against future profits. No deferred tax asset has been recognized in respect of such losses as at December 31, 2024 and 2025 and March 31, 2026, respectively, due to the unpredictability of future profit streams. The losses as at December 31, 2024 and 2025 and March 31, 2026 will expire in various years before 2029, 2030 and 2031, respectively.

21. INVENTORIES

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	79,648	89,790	84,914
Work in progress	29,915	13,605	21,460
Finished goods	42,571	49,710	41,307
Goods in transit	1,661	443	957

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
	153,795	153,548	148,638
Less: provision	(3,889)	(7,238)	(3,958)
	149,906	146,310	144,680

The followings are the inventory provision recognized and movements thereon during the Track Record Period:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	5,149	3,889	7,238
Recognition as cost of sales	19,354	26,696	3,105
Written off	(20,614)	(23,347)	(6,385)
At the end of the year/period	3,889	7,238	3,958

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials and consumables	14	6	4
Finished goods	38	5,546	4,648
Goods in transit	1,291	305	445
	1,343	5,857	5,097
Less: provision	(17)	(968)	(1,195)
	1,326	4,889	3,902

The followings are the inventory provision recognized and movements thereon during the Track Record Period:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	–	17	968
Recognition as cost of sales	17	5,525	1,125
Written off	–	(4,574)	(898)
At the end of the year/period	17	968	1,195

22. RIGHT TO RETURNED GOODS ASSETS/REFUND LIABILITIES

The right to returned goods assets represents the Group's right to recover products from customers where customers exercise their right of return under the customary industry practice. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

The refund liabilities are related to customers' right to return products under customary industry practice. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognized for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

23. CONTRACT COSTS

In December 2023, the Group entered into an agreement with a customer pursuant to which the Group shall transfer manufacturing technology relating to the process for the manufacture of iza-bren and its related products to the customer as set out in Note 5. The Group incurred contract costs relating to cost of transfer of the manufacturing technology of RMB12,286,000 and RMB16,578,000 for the years ended December 31, 2024 and 2025, respectively. The transfer of manufacturing technology relating to the process for the manufacture of iza-bren and its related products was completed in December 2025 and thus contract costs of RMB28,864,000 were recognized as part of cost of revenue from the related transfer for the year ended December 31, 2025.

24. TRADE AND OTHER RECEIVABLES

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables-contract with customers	118,328	77,719	71,736
Less: allowance for credit losses	(11,613)	(9,966)	(9,774)
	106,715	67,753	61,962
Bills receivables	12,506	11,560	12,404
Less: allowance for credit losses	(625)	(578)	(620)
	11,881	10,982	11,784
Other receivables *(Note)*	49,885	23,979	24,368
Less: allowance for credit losses	(3,427)	(2,329)	(1,811)
	46,458	21,650	22,557
Prepayments to suppliers	81,590	133,863	139,596
Value-added tax recoverable	75,543	178,414	207,504
Prepaid expenses	1,801	2,135	2,755
Deferred share issue costs	26,913	–	–
	350,901	414,797	446,158

Note: The balance mainly includes receivables from a cost sharing arrangement in respect of the collaboration of development and commercialization of iza-bren with an independent third party amounted to RMB27,564,000, RMB1,343,000 and nil at December 31, 2024 and 2025 and March 31, 2026, respectively.

As at January 1, 2024, the carrying amount of trade receivables and bills receivables (net of allowance for credit losses) amounted to RMB98,395,000 and RMB19,736,000, respectively.

The following is an aging analysis of trade receivables and bills receivables (net of allowance for credit losses) presented based on the dates of goods delivery at the end of each reporting period:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	116,245	76,331	71,192
1-2 years	1,669	1,487	1,454
2-3 years	350	627	858
Over 3 years	332	290	242
	118,596	78,735	73,746

The normal credit term to the customers ranged between 30 to 120 days. The Group does not hold any collateral over these balances.

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables-contract with customers	42,767	32,453	31,573
Less: allowance for credit losses	(6,606)	(6,268)	(6,274)
	36,161	26,185	25,299
Bills receivables	5,083	1,593	3,499
Less: allowance for credit losses	(254)	(80)	(175)
	4,829	1,513	3,324
Other receivables	677	1,219	774
Less: allowance for credit losses	(401)	(84)	(59)
	276	1,135	715
Prepayments to suppliers	1,340	–	–
Value-added tax recoverable	4,225	8,145	8,743
Prepaid expenses	346	182	611
Deferred share issue costs	26,913	–	–
	74,090	37,160	38,692

As at January 1, 2024, the carrying amount of trade receivables and bills receivables (net of allowance for credit losses) amounted to RMB31,348,000 and RMB7,279,000, respectively.

The following is an aging analysis of trade receivables and bills receivables (net of allowance for credit losses) presented based on the dates of goods delivery at the end of each reporting period:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	40,058	26,459	27,067
1-2 years	393	999	1,353
2-3 years	267	22	27
Over 3 years	272	218	176
	40,990	27,698	28,623

The normal credit term to the customers is ranged between 30 to 120 days. The Company does not hold any collateral over these balances.

Details of impairment assessment of trade receivables, bills receivables and other receivables are set out in Note 44.

25. AMOUNTS DUE FROM SUBSIDIARIES

The Company

	As at January 1,	As at December 31,		As at March 31,
	2024	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature				
Baili Pharmaceutical	196,779	85,267	54,902	53,398
Guorui Pharmaceutical	18,764	21,649	–	–
Baili-Bio	343	–	–	–
	215,886	106,916	54,902	53,398

	As at January 1, 2024	As at December 31, 2024	As at December 31, 2025	As at March 31, 2026	Maximum amount outstanding during the year ended December 31, 2024	Maximum amount outstanding during the year ended December 31, 2025	Maximum amount outstanding during the three months ended March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-trade in nature							
Lhasa Xinbo^	97,498	118,319	–	–	118,319	118,319	–
Baili-Bio^	9,743	533,082	1,058,471	861,109	1,192,245	1,058,471	1,058,471
Baili Pharmaceutical^	241,222	794,873	1,398,897	1,326,677	794,873	1,398,897	1,398,897
成都精西藥業有限責任公司 (Chengdu Jingxi Pharmaceutical Co., Ltd.*) ("Jingxi Pharmaceutical")^	6,773	1,591	–	–	12,278	1,591	–
Hiatt Technology^	1	785	–	–	785	785	–
Tianze Pharmaceutical^	1	1	–	–	1	1	–
Guorui Pharmaceutical^	69,584	107,032	–	11	107,032	107,032	11
Nuoxin Bio^	–	–	8,159	18,420	–	8,159	18,420
Yuyanqi Bio^	–	–	–	28	–	–	28
	424,822	1,555,683	2,465,527	2,206,245			
	640,708	1,662,599	2,520,429	2,259,643			

* English name for identification only

^ The amounts are non-trade in nature, unsecured, interest-free and are repayable on demand.

The following is an aged analysis of amounts due from subsidiaries which are trade in nature presented based on the dates of goods delivery at the end of each reporting period.

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	106,916	54,902	53,398

The normal credit term to the subsidiaries is ranged within one year. None of the balance is past due as at December 31, 2024 and 2025 and March 31, 2026.

26. FINANCIAL ASSETS AT FVTPL

The Group

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Foreign currency forward contracts *(Note i)*	–	11,144	109,770
Wealth management products *(Note ii)*	–	2,158,903	2,058,051
	–	2,170,047	2,167,821

Notes:

(i) During the year ended December 31, 2025 and the three months ended March 31, 2026, the Group entered into several foreign currency forward contracts with the banks, which entitled the Group to buy USD from the bank at a predetermined exchange rate upon maturity of the contracts. The contracts are not designated as a hedging instrument by the management and is recognized as financial assets at FVTPL accordingly as at December 31, 2025 and March 31, 2026. Major items of the outstanding contracts as at December 31, 2025 and March 31, 2026 are detailed as follows.

Outstanding contracts as at December 31, 2025

Date of contract	Maturity	Notional amount	Exchange rates
September 19, 2025	March 19, 2026	Buy USD30,621,000	HK$7.7514: USD1
December 25, 2025	June 25, 2026	Buy USD40,074,000	Japanese Yen ("JPY") 153.5131: USD1
December 26, 2025	June 26, 2026	Buy USD30,823,000	JPY153.8911: USD1

Outstanding contracts as at March 31, 2026

Date of contract	Maturity	Notional amount	Exchange rates
December 25, 2025	June 25, 2026	Buy USD40,074,000	JPY153.5131: USD1
December 26, 2025	June 26, 2026	Buy USD30,823,000	JPY153.8911: USD1
January 9, 2026	April 9, 2026	Buy USD50,698,000	Singapore Dollar ("SGD") 1.2788: USD1
January 16, 2026	July 16, 2026	Buy USD51,369,000	HK$7.7700: USD1
January 23, 2026	July 23, 2026	Buy USD20,559,000	SGD1.2667: USD1
February 10, 2026	August 10, 2026	Buy USD205,653,000	SGD1.2510: USD1
February 13, 2026	August 13, 2026	Buy USD61,627,000	JPY151.2800: USD1
March 6, 2026	April 7, 2026	Buy USD85,366,000	Euro1.1632: USD1
March 17, 2026	April 17, 2026	Buy USD90,373,000	Euro1.1509: USD1
March 19, 2026	September 21, 2026	Buy USD30,782,000	JPY157.6750: USD1

(ii) The wealth management products are purchased from and managed by reputable banks with maturity within 12 months as at December 31, 2025 and March 31, 2026, carrying floating income at market prevailing condition.

27. BILLS RECEIVABLES AT FVTOCI

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Bills receivables	20,118	21,617	9,627

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Bills receivables	9,204	3,072	707

Under IFRS 9, certain bills which were held by the Group for the practice of endorsing to suppliers before the bills due for payment were classified as "bills receivables at FVTOCI". At the end of each reporting period, all the bills are with a maturity period of less than one year.

The Group considers the credit risk is limited because counterparties are banks with good credit standing and are highly likely to be paid, and the ECL are considered as insignificant.

Details of impairment assessment are set out in Note 44.

28. TERM DEPOSITS/RESTRICTED BANK BALANCES/CASH AND CASH EQUIVALENTS

The Group

Cash and cash equivalents of the Group include bank balances and cash and certificates of deposit.

The Group's restricted bank balances comprised of bank balances pledged to a bank for issuing letter of credits as at December 31, 2025 and March 31, 2026 as detailed in Note 38 and bank balances solely for payment of repurchase of the Company's A shares on Shanghai Stock Exchange as at March, 31, 2026. Restricted bank balances of the Group carries maturities within 1 year and are presented as current assets as at December 31, 2025 and March 31, 2026.

Term deposits of the Group are bank deposits with terms ranging from 3 months to 1 year.

The ranges of effective interest rate of the Group's bank balances, certificates of deposit, restricted bank balances and term deposits are:

	As at December 31,		As at March 31,
	2024	2025	2026
Interest rate per annum:			
– Bank balance	0.00%-4.49%	0.00%-4.41%	0.00%-3.63%
– Certificates of deposit	0.75%-4.66%	0.90%-1.10%	0.90%-1.10%
– Restricted bank balances	N/A	3.65%	0.05%-3.65%
– Term deposits	4.16%-4.70%	2.22%-6.00%	1.80%-5.50%

The Company

Cash and cash equivalents of the Company comprised of bank balances and cash, out of which bank balances of the Company carry interest at prevailing market interest rates of 0.05%-1.50% and 0.05%-0.45%, and 0.05%-0.45% per annum as at December 31, 2024 and 2025 and March 31, 2026, respectively.

Restricted bank balances of the Company are bank balances solely for payment of repurchase of its A shares on Shanghai Stock Exchange, carrying interest at prevailing market interest rate of 0.05% per annum, as at March 31, 2026.

Details of impairment assessment of bank balances, certificates of deposit, restricted bank balances and term deposits are set out in Note 44.

29. BORROWINGS

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings			
– Secured and unguaranteed	1,269,497	243,432	237,685
– Unsecured and unguaranteed	750,721	3,314,092	3,910,949
	2,020,218	3,557,524	4,148,634
– Fixed-rate borrowings	565,580	243,432	375,761
– Floating-rate borrowings	1,454,638	3,314,092	3,772,873
	2,020,218	3,557,524	4,148,634
Carrying amount repayable: (based on scheduled payment terms)			
Within one year	830,788	941,564	1,038,144
Within a period of more than one year but not more than two years	671,500	1,025,699	1,356,463
Within a period of more than two years but not more than five years	517,930	1,590,261	1,657,027
Within a period of more than five years	–	–	97,000
	2,020,218	3,557,524	4,148,634
Less: Amount due for settlement within 12 months shown under current liabilities	(830,788)	(941,564)	(1,038,144)
Amount due for settlement after 12 months shown under non-current liabilities	1,189,430	2,615,960	3,110,490

The ranges of effective interest rate of the Group's bank borrowings are:

	As at December 31, 2024	2025	As at March 31, 2026
Effective interest rate per annum:			
– Fixed-rate borrowings	2.35%-2.95%	2.55%	1.80%-2.55%
– Floating-rate borrowings	2.60%-3.95%	2.24%-2.60%	2.24%-2.60%

The Company

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings			
– Secured and guaranteed	349,510	1,540,425	237,685
– Secured and unguaranteed	555,602	230,166	–
– Unsecured and guaranteed	600,698	575,843	1,210,365
– Unsecured and unguaranteed	–	100,031	965,103
	1,505,810	2,446,465	2,413,153
– Fixed-rate borrowings	465,510	243,432	375,761
– Floating-rate borrowings	1,040,300	2,203,033	2,037,392
	1,505,810	2,446,465	2,413,153
Carrying amount repayable: (based on scheduled payment terms)			
Within one year	644,380	578,785	671,490
Within a period of more than one year but not more than two years	343,500	833,680	1,051,697
Within a period of more than two years but not more than five years	517,930	1,034,000	689,966
	1,505,810	2,446,465	2,413,153
Less: Amount due for settlement within 12 months shown under current liabilities	(644,380)	(578,785)	(671,490)
Amount due for settlement after 12 months shown under non-current liabilities	861,430	1,867,680	1,741,663

The ranges of effective interest rate of the Company's bank borrowings are:

	As at December 31, 2024	2025	As at March 31, 2026
Effective interest rate per annum:			
– Fixed-rate borrowings	2.60%-2.95%	2.55%	1.80%-2.55%
– Floating-rate borrowings	2.60%-3.95%	2.24%-2.50%	2.24%-2.50%

30. TRADE AND OTHER PAYABLES

The Group

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	113,797	112,150	104,863
Trade payables settled with endorsed bills	7,476	6,367	9,148
Bills payables	105,450	94,678	113,444
	226,723	213,195	227,455

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Salaries and wages payables	79,479	118,302	63,012
Other tax payables	17,661	21,605	8,093
Accruals for test and examination costs	284,067	425,465	472,404
Accruals for promotional costs	48,548	46,075	40,211
Accruals for share issue costs	7,417	–	–
Other accruals	7,319	24,604	14,673
Consideration payable for acquisition of property, plant and equipment	30,031	55,790	36,296
Deposits from suppliers	52,600	55,920	58,818
Other payables	4,858	4,915	5,203
	531,980	752,676	698,710
	758,703	965,871	926,165

The normal credit term to the Group ranged between 30 to 180 days.

The following is an aging analysis of trade payables/bills payables presented based on the invoice date/issuance date at the end of each reporting period:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	223,998	209,722	226,094
1-2 years	2,527	2,628	102
2-3 years	63	647	759
Over 3 years	135	198	500
	226,723	213,195	227,455

As at December 31, 2024 and 2025 and March 31, 2026, the Group's bills payables were issued by banks with maturities within six months.

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	7,520	3,385	1,558
Trade payables settled with endorsed bills	4,358	1,718	3,016
Bills payables	93,060	72,647	75,296
	104,938	77,750	79,870
Salaries and wages payables	3,210	4,245	2,401
Other tax payables	243	1,992	291
Accruals for promotional cost	1,746	1,784	1,046
Accruals for share issue costs	7,417	–	–
Other accruals	–	17,233	7,361
Consideration payable for acquisition of property, plant and equipment	16	4,594	1,352
Deposits from suppliers	16,387	16,523	15,995
Other payables	617	598	1,569
	29,636	46,969	30,015
	134,574	124,719	109,885

The normal credit term to the Company is ranged between 30 to 180 days.

The following is an aging analysis of trade payables/bills payables presented based on the invoice date/issuance date at the end of each reporting period:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	104,902	77,712	79,832
1-2 years	–	2	2
2-3 years	36	–	–
Over 3 years	–	36	36
	104,938	77,750	79,870

At December 31, 2024 and 2025 and March 31, 2026, the Company's bills payables were issued by banks with maturities within six months.

31. AMOUNT DUE TO A SUBSIDIARY

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade in nature			
Baili Pharmaceutical	–	12,686	–

The normal credit term to the Company is ranged between 30 to 180 days.

The following is an aged analysis of the amount due to a subsidiary which is trade in nature presented based on the invoice/issuance date at the end of each reporting period.

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	–	12,686	–

32. CONTRACT LIABILITIES

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods	6,748	6,370	6,164
Selling rebates liabilities	1,408	942	1,083
Transfer of manufacturing technology	347,979	–	–
	356,135	7,312	7,247

As at January 1, 2024, the Group had contract liabilities of RMB8,672,000, including contract liabilities for sale of goods amounting to RMB7,026,000 and selling rebates liabilities amounting to RMB1,646,000.

The following table shows the revenue recognized relates to carried-forward contract liabilities for the Track Record Period.

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods			
Balance at the beginning of the year/period	7,026	6,748	6,370
Decrease in contract liabilities as a result of recognition of revenue during the year/period	(7,026)	(6,748)	(6,370)
Increase in contract liabilities as a result of receiving prepayments for sale of goods during the year/period	6,748	6,370	6,164
Balance at the end of the year/period	6,748	6,370	6,164

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods	3,870	2,930	3,107
Selling rebates liabilities	71	42	57
	3,941	2,972	3,164

As at January 1, 2024, the Company had contract liabilities of RMB4,659,000 including contract liabilities for sale of goods amounting to RMB4,518,000 and selling rebates liabilities amounting to RMB141,000.

The following table shows the revenue recognized relates to carried-forward contract liabilities for the Track Record Period.

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Sale of goods			
Balance at the beginning of the year/period	4,518	3,870	2,930
Decrease in contract liabilities as a result of recognition of revenue during the year/period	(4,518)	(3,870)	(2,930)
Increase in contract liabilities as a result of receiving prepayments for sale of goods during the year/period	3,870	2,930	3,107
Balance at the end of the year/period	3,870	2,930	3,107

Contract liabilities are all expected to be settled within the Group's and the Company's normal operating cycle and are classified as current liabilities based on the Group's and the Company's earliest obligation to transfer goods to the customers. Revenue recognized during each reporting period with performance obligation satisfied includes whole contract liability balance at the beginning of each reporting period.

33. SALE AND LEASEBACK PAYABLE

The Group sold and leased back equipment with financial institutions, where the Group continued to recognize the equipment and accounted for the proceeds from transfer of the equipment as sale and leaseback payables in liabilities taken into account the transfer does not satisfy the requirement as a sale. The sale and leaseback payable of the Group is due for settlement within 12 months and is classified as current liabilities as at December 31, 2024, carrying effective interest rate of 7.54% per annum.

34. LEASE LIABILITIES

The Group

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Within one year	12,457	23,900	28,383
Within a period of more than one year but not more than two years	12,655	24,513	27,211
Within a period of more than two years but not more than five years	15,471	19,472	18,653
Within a period of more than five years	–	88,817	95,395
	40,583	156,702	169,642
Less: Amount due for settlement within 12 months shown under current liabilities	(12,457)	(23,900)	(28,383)
Amount due for settlement after 12 months shown under non-current liabilities	28,126	132,802	141,259

The range of weighted average incremental borrowing rates applied to lease liabilities is 4.75%, 2.20%-5.61% and 2.20%-5.61% per annum as at December 31, 2024 and 2025 and March 31, 2026, respectively.

The Company

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Within one year	940	637	637
Within a period of more than one year but not more than two years	637	330	353
Within a period of more than two years but not more than five years	330	–	–
	1,907	967	990
Less: Amount due for settlement within 12 months shown under current liabilities	(940)	(637)	(637)
Amount due for settlement after 12 months shown under non-current liabilities	967	330	353

The weighted average incremental borrowing rates applied to lease liabilities is 4.75%, 4.75%, and 4.75% per annum as at December 31, 2024 and 2025, and March 31, 2026, respectively.

35. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans recognized as employee benefit charged to profit or loss and capitalized as production costs as incurred for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026 under such arrangement are RMB35,771,000, RMB51,332,000, RMB11,107,000 (unaudited) and RMB15,864,000, respectively.

SystImmune maintains multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the U.S.. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The employer's contributions are primarily based on the smaller of three percent of the employees' compensation and the half of the employees' contributions. The only obligation of SystImmune with respect to

the retirement benefits plans is to make the specified contributions under the plans. The contributions to these plans recognized as employee benefit charged to profit or loss as incurred for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026 under such arrangement are RMB8,148,000, RMB14,865,000, RMB3,168,000 (unaudited) and RMB4,018,000, respectively.

36. SHARE CAPITAL AND RESERVES OF THE COMPANY

Ordinary shares of RMB1 each	**Number of shares**	**Share capital** *RMB'000*
Authorized, issued and fully paid:		
At January 1, 2024 and December 31, 2024	401,000,000	401,000
Increase on placement of A shares *(Note i)*	11,873,817	11,874
At December 31, 2025 and March 31, 2026 *(Note ii)*	412,873,817	412,874

Notes:

(i) In September 2025, the Company completed a placement of A shares upon which a total of 11,873,817 A shares were issued to several investors at a price of RMB317 per share for gross proceeds of RMB3,764,000,000. The net proceeds from the placement amounted to RMB3,731,054,000 after deducting the transaction costs amounted to RMB32,946,000.

(ii) During the three months ended March 31, 2026, the Company repurchased 695,862 of its A shares through the Shanghai Stock Exchange with an aggregate consideration of RMB199,977,000 paid. The repurchased A shares were not cancelled and remained as treasury shares at March 31, 2026. Details of the repurchase are set out below.

Month of repurchase	**Number of shares (of RMB1 each)**	**Price per share**		**Aggregate consideration paid**
		Highest *RMB*	**Lowest** *RMB*	*RMB'000*
January 2026	321,398	345	280	99,853
February 2026	222,490	289	267	61,502
March 2026	151,974	273	243	38,622
	695,862			199,977

Reserves of the Company:

Below table sets out the details of the reserves of the Company:

	Capital reserve *RMB'000*	**FVTOCI reserve** *RMB'000*	**Treasury shares** *RMB'000*	**Statutory reserve** *RMB'000*	**Accumulated loss** *RMB'000*	**Total**
At January 1, 2024	1,027,810	(217)	–	13,537	(155,159)	885,971
Loss for the year	–	–	–	–	(32,868)	(32,868)
Other comprehensive income for the year	–	51	–	–	–	51
Total comprehensive income (expense) for the year	–	51	–	–	(32,868)	(32,817)
As at December 31, 2024	1,027,810	(166)	–	13,537	(188,027)	853,154
Loss for the year	–	–	–	–	(131,301)	(131,301)
Other comprehensive income for the year	–	108	–	–	–	108
Total comprehensive income (expense) for the year	–	108	–	–	(131,301)	(131,193)
Placement of A shares	3,719,180	–	–	–	–	3,719,180

	Capital reserve *RMB'000*	FVTOCI reserve *RMB'000*	Treasury shares *RMB'000*	Statutory reserve *RMB'000*	Accumulated loss *RMB'000*	Total
As at December 31, 2025	4,746,990	(58)	–	13,537	(319,328)	4,441,141
Loss for the period	–	–	–	–	(28,474)	(28,474)
Other comprehensive income for the period	–	47	–	–	–	47
Total comprehensive income (expense) for the period	–	47	–	–	(28,474)	(28,427)
Repurchase of A shares	–	–	(199,977)	–	–	(199,977)
As at March 31, 2026	4,746,990	(11)	(199,977)	13,537	(347,802)	4,212,737
As at January 1, 2025	1,027,810	(166)	–	13,537	(188,027)	853,154
Loss for the period	–	–	–	–	(15,450)	(15,450)
Other comprehensive income for the period	–	100	–	–	–	100
Total comprehensive income (expense) for the period	–	100	–	–	(15,450)	(15,350)
As at March 31, 2025 *(unaudited)*	1,027,810	(66)	–	13,537	(203,477)	837,804

37. DEFERRED INCOME

The Group

	As at December 31, 2024 *RMB'000*	2025 *RMB'000*	As at March 31, 2026 *RMB'000*
Assets-related government subsidies	42,267	63,568	61,658
Expense-related government subsidies *(Note)*	–	62,250	62,250
Total	42,267	125,818	123,908
Analyzed as:			
Current	4,983	8,456	7,637
Non-current	37,284	117,362	116,271
	42,267	125,818	123,908

Note: Expense-related government subsidies are specifically for the incentive for research and development activities, which are recognized upon completion of the activities.

For the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, the Group received RMB31,339,000, RMB27,445,000, RMB5,000,000 (unaudited) and nil, respectively, in relation to incentives for certain plants and equipment acquired by the Group. The amounts were recognized as deferred income and released to profit or loss on a systematic basis over the useful lives of the relevant assets when conditions are met. During the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, assets-related government subsidies of RMB1,856,000, RMB6,144,000, RMB1,246,000 (unaudited) and RMB1,910,000, respectively, were released to profit or loss.

For the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, the Group received nil, RMB62,250,000, nil and nil, respectively, in relation to incentives for production, research and development activities of the Group. The amounts were recognized as deferred income and released to profit or loss on a systematic basis over the period in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. During the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, expense-related government subsidies of approximately RMB2,843,000 and nil, nil (unaudited) and nil, respectively, were released to profit or loss.

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Assets-related government subsidies	–	5,000	5,000
Analyzed as:			
Non-current	–	5,000	5,000

38. PLEDGE OF ASSETS

At the end of each reporting period, the Group had pledged the following assets to banks and other financing institutions as securities against general facilities and transactions, including banks borrowings, sale and leaseback payable and letter of credit issued by the Group:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	156,221	18,791	18,172
Investment properties	1,343	–	–
Right-of-use assets	20,765	–	–
Restricted bank balances	–	32,608	32,102
	178,329	51,399	50,274

39. TRANSFER OF FINANCIAL ASSETS

As at December 31, 2024 and 2025 and March 31, 2026, the Group endorsed bills receivables amounted to RMB7,476,000, RMB6,367,000 and RMB9,148,000, respectively, for the settlement of trade and other payables on a full recourse basis. If the bills are not paid on maturity, the suppliers have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the bills receivables to its suppliers upon endorsement, it continues to recognize the full carrying amounts of bills receivables and trade and other payables.

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of transferred assets	7,476	6,367	9,148
Carrying amount of associated liabilities	7,476	6,367	9,148

During the Track Record Period, the Group have derecognized certain bills endorsed to certain suppliers on a full recourse basis. In the opinion of the directors of the Company, the Group has transferred the significant risks and rewards relating to these bills receivables, and the Group's obligations to the corresponding counterparties were discharged in accordance with the commercial practice in the PRC and the risk of the default in payment of the endorsed bills receivable is low because all endorsed bills receivables are issued and guaranteed by the reputable PRC banks. The maximum exposure to the Group that may result from the default of these endorsed bills receivables at the end of each reporting period are as follows:

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Outstanding endorsed bills receivables	24,815	18,171	18,217

The outstanding endorsed bills receivables are with maturities no more than 6 months.

40. RELATED PARTIES' TRANSACTIONS

Details of transactions between the Group and its related parties are disclosed below.

(a) Transactions with related parties

As at December 31, 2024, Dr. Zhu Yi provided financial guarantees in respect of sale and leaseback payables of the Group amounted to RMB7,735,000. Such financial guarantees had been released upon repayment of the sale and leaseback payable in January 2025 and none of the related parties of the Group provided financial guarantees to the Group as at December 31, 2025 and March 31, 2026.

(b) Compensation of key management personnel

The remuneration of key management personnel of the Group for each reporting period was as follows:

	Year ended December 31,		Three months ended March 31,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Salaries and allowance	6,078	14,043	3,190	3,176
Share-based payments	4,868	26,143	6,936	4,600
Retirement benefit	233	350	109	88
	11,179	40,536	10,235	7,864

Key management represents senior management personnel of the Group including certain executive directors of the Company disclosed in Note 14. The remuneration of key management is determined with reference to the performance of both the Group and the individual.

41. CAPITAL COMMITMENTS

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Capital expenditure in respect of:			
the acquisition of property, plant and equipment and intangible assets contracted for but not provided in the Historical Financial Information	34,926	114,171	118,591

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt (which includes borrowings, lease liabilities, sale and leaseback payable, net of cash and cash equivalents) and equity attributable to owners of the Company (comprising share capital and reserves).

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, issue of new shares, raise of new debts or redemption of existing debts.

43. SHARE-BASED PAYMENTS

Equity-settled share option scheme of a subsidiary of the Company

Since 2014, SystImmune entered into share option arrangements with certain eligible employees to recognize their contributions and to strive for the future development of the Group's overseas operations. The maximum number of share options of SystImmune that were or may be granted under the share option arrangements are 44,002,000 in aggregate during the Track Record Period. Should all the share options outstanding at the end of each reporting period were exercised by the eligible employees, the Company would hold 93.94%, 93.76% and 93.76% effective interest in SystImmune, respectively.

The share options of SystImmune were granted under three tranches: (i) in or before September 2018 with a vesting period of five years ("Tranche 1"); (ii) after September 2018 but before January 2024 with a vest period of six years ("Tranche 2"); and (iii) in or after January 2024 with a vest period of four years ("Tranche 3"). Under Tranche 1, 20% and 20% of the share options shall vest and become exercisable on the first and second anniversaries of grant date, respectively; and at the third anniversary of grant date, the remaining 60% of the share options shall vest over the next 24 months and become exercisable at the end of each month. Under Tranche 2, 20% and 20% of the share options shall vest and become exercisable on the second and third anniversaries of grant date, respectively; and at the fourth anniversary of grant date, the remaining 60% of the share options shall vest over the next 24 months and become exercisable at the end of each month. Under Tranche 3, 15%, 25%, 25% and 35% of the share options shall vest and become exercisable on the first, second, third and fourth anniversaries of grant date, respectively.

The following table discloses movements of the granted share options during the Track Record Period:

	Tranche 1	Tranche 2	Tranche 3	Total
At January 1, 2024	91,000	781,250	–	872,250
Granted during the year	–	–	25,157,738	25,157,738
Forfeited during the year	(37,500)	(136,500)	(3,000)	(177,000)
At December 31, 2024	53,500	644,750	25,154,738	25,852,988
Granted during the year	–	–	1,178,400	1,178,400
Forfeited during the year	–	(32,000)	(303,000)	(335,000)
As at December 31, 2025	53,500	612,750	26,030,138	26,696,388
Forfeited during the period	–	–	(18,000)	(18,000)
As at March 31, 2026	53,500	612,750	26,012,138	26,678,388

Included in Tranche 2 and Tranche 3 are 200,000, 750 and 9,927,657 share options granted to Dr. Zhu Yi on March 1, 2023, December 1, 2023 and October 18, 2024, respectively. During the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, Dr. Zhu Yi received share-based payments amounted to RMB4,868,000, RMB26,143,000, RMB6,936,000 (unaudited) and RMB4,600,000, respectively.

Included in Tranche 2 and Tranche 3 are 10,000, 50,000 and 2,833,616 share options granted to Dr. Zhu Hai on October 1, 2019, June 14, 2023 and October 18, 2024, respectively. During the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, Dr. Zhu Hai received share-based payments amounted to RMB1,345,000, RMB7,432,000, RMB1,970,000 (unaudited) and RMB1,307,000, respectively.

As at December 31, 2024 and 2025 and March 31, 2026, the weighted average exercise prices per share option for outstanding share options are USD0.61 and USD0.62, USD0.62 respectively.

As at December 31, 2024 and 2025, and March 31, 2026, the exercisable share options are 163,100, 3,993,761 and 4,074,823, respectively and the weighted average exercise prices per share option are USD0.28 and USD0.60 and USD0.60, respectively. No eligible employees exercised their share options during the Track Record Period.

The estimated fair value of the share options granted during the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026 are RMB141,720,000, RMB9,323,000 and nil, respectively.

The fair value of share options granted were determined by using the Binomial model. Significant inputs into the model for batches granted on May 28, 2024 and October 18, 2024 for 11,574,465 and 12,761,273 share options, respectively, were as follows, while the directors of the Company consider remaining batches of grants during the Track Record Period are insignificant.

	Batches granted on	
	May 28, 2024	October 18, 2024
Exercise price	USD0.62	USD0.62
Expected volatility	48.68%	59.13%
Dividend yield	0%	0%
Expected life	10 years	10 years
Risk-free rate	4.54%	4.08%

Expected volatility was determined by using the historical volatility of comparable companies' share prices over the previous 10 years. The expected life used in the model has been adjusted, based on the directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share options outstanding at December 31, and 2024 and 2025 and March 31, 2026 had a weighted average remaining contractual life of 9.66, 8.64, and 8.53 years, respectively.

The Group recognized a total expense of RMB27,145,000, RMB54,345,000, RMB15,801,000 (unaudited) and RMB11,084,000 for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026 in the profit or loss against the share-based payments reserve of SystImmune, which is presented under non-controlling interests of the Group as at December 31, 2024 and 2025 and March 31, 2026.

Subsequent to the Track Record Period, 150,000 share options were granted by SystImmune to certain eligible employees.

44. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at FVTPL	–	2,170,047	2,167,821
Bills receivables at FVTOCI	20,118	21,617	9,627
At amortized cost			
– Cash and cash equivalents	3,207,998	5,142,149	2,929,931
– Restricted bank balances	–	32,608	32,102
– Term deposits	2,532,974	2,504,331	4,216,686
– Trade and other receivables*	165,054	100,385	96,303
	5,906,026	7,779,473	7,275,022
	5,926,144	9,971,137	9,452,470
Financial liabilities			
At amortized cost			
– Borrowings	2,020,218	3,557,524	4,148,634
– Trade and other payables**	314,212	329,820	327,772
– Sale and leaseback payable	7,735	–	–
	2,342,165	3,887,344	4,476,406

The Company

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Bills receivables at FVTOCI	9,204	3,072	707
At amortized cost			
– Cash and cash equivalents	54,585	37,294	11,140
– Restricted bank balances	–	–	2
– Amounts due from subsidiaries	1,662,599	2,520,429	2,259,643
– Trade and other receivables*	41,266	28,833	29,338
	1,758,450	2,586,556	2,300,123
	1,767,654	2,589,628	2,300,830

	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities			
At amortized cost			
– Borrowings	1,505,810	2,446,465	2,413,153
– Trade and other payables**	121,958	99,465	98,786
– Amount due to a subsidiary	–	12,686	–
	1,627,768	2,558,616	2,511,939

* Value-added tax recoverable, prepayments to suppliers, deferred share issue costs and prepaid expenses are excluded.

** Salaries and wages payables, other tax payables, accruals for test and examination costs, accruals for promotional costs and other accruals are excluded.

Financial risk management objectives and policies

The Group's and Company's major financial instruments include cash and cash equivalents, restricted bank balances, term deposits, amounts due from subsidiaries, trade and other receivables, financial assets at FVTPL, bills receivables at FVTOCI, borrowings, trade and other payables, amount due to a subsidiary and sale and leaseback payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and lease liabilities include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group and the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

Several subsidiaries of the Company have foreign currency denominated trade payable and bank balances which expose the Group to foreign currency risk. In addition, several subsidiaries incorporated in the PRC with functional currency as RMB has intra-group balances due from SystImmune denominated in USD as at December 31, 2024 and 2025 and March 31, 2026, which also exposes the Group to foreign currency risk.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

The Group

	Liabilities			Assets		
	As at December 31, 2024	2025	As at March 31, 2026	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
USD	–	–	–	4,419,817	3,193,640	191,276
HK$	–	–	–	–	210,748	344,373
JPY	–	–	–	–	482,169	1,071,681
SGD	–	–	–	–	–	1,837,730
EUR	–	–	–	–	–	1,201,773
Intra-group balance						
USD	–	–	–	504,576	1,586,580	1,017,106

The Company

	Liabilities			Assets		
	As at December 31, 2024	2025	As at March 31, 2026	As at December 31, 2024	2025	As at March 31, 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
USD	–	–	–	9	42	28
HK$	–	–	–	–	45	44

The Group entered into foreign currency forward contracts to a certain extent to mitigate the foreign currency risk associated with holding USD denominated assets as at December 31, 2025 and March 31, 2026. The management of the Group and the Company monitor foreign exchange exposure and consider hedging significant foreign exchange exposure should the need arise.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A positive number below indicates a decrease in post-tax profit or an increase in post-tax loss where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit and the amounts below would be negative.

The Group

	As at December 31,		As at March 31,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Impact on profit or loss of:			
– USD	209,287	203,159	51,356
– HK$	–	8,957	14,636
– JPY	–	20,492	45,546
– SGD	–	–	78,104
– EUR	–	–	51,075

This is mainly attributable to the exposure outstanding on trade payables, bank balances, term deposits and intra-group balance denominated in foreign currencies at the end of each reporting period.

With regard to the sensitivity related to the fair value change arising from the foreign currency forward contracts, the sensitivity analysis includes only outstanding foreign currency forward contracts entered into, and adjusts the translation at the end of each reporting period for a 5% change in foreign currency rates. For a 5% strengthen of USD against respective relevant currency, with all other variables held constant, there would be an increase in post-tax loss, whereas a 5% weakening of USD against respective relevant currency, with all other variables held constant, there would be an equal and opposite impact on the loss. The directors of the Company consider the Group's sensitivity to a 5% increase and decrease in USD against respective relevant foreign currency is not significant to post-tax loss at the end of each reporting period.

The directors of the Company consider the Company's exposure to foreign currency risk is not significant.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to certain interest-bearing bank balances, certificates of deposit, restricted bank balances and term deposits, bills receivables at FVTOCI, sale and leaseback payables, fixed-rate borrowings and lease liabilities, all bear fixed interest rates. The Group is mainly exposed to cash flow interest rate risk in relation to borrowings at floating interest rates (depends on the PRC loan prime rate). The Group currently does not have an interest rate hedging policy. There are no concentration on the Group's interest rate risks. However, the management will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to cash flow interest rate for the floating-rate (depends on the PRC loan prime rate) borrowings, assuming that the floating-rate borrowings outstanding at the end of each reporting period was outstanding for the whole relevant period.

If the interest rate on the floating-rate borrowings had been 50 basis points higher/lower, and all other variables were held constant, the Group's profit after tax would decrease/increase by approximately RMB5,662,000 for the year ended December 31, 2024 and the Group's loss after tax would increase/decrease by approximately RMB16,570,000 and RMB18,864,000, respectively, for the year ended December 31, 2025 and the three months ended March 31, 2026.

If the interest rate on the floating-rate borrowings had been 50 basis points higher/lower, and all other variables were held constant, the Company's loss after tax would increase/decrease by approximately RMB5,202,000, RMB11,015,000 and RMB10,187,000, respectively, for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026.

This is mainly attributable to the Group's and the Company's exposure to interest rates on its floating-rate borrowings as at December 31, 2024 and 2025 and March 31, 2026.

No sensitivity analysis on cash equivalents is presented as the directors of the Company consider that the exposure of cash flow interest rate risk arising from cash equivalents is minimal.

In the directors' opinion, the sensitivity analysis above is unrepresentative for the interest rate risk as the exposure at the end of reporting period does not reflect the exposure during each reporting period.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposures are primarily attributable to bank balances, certificates of deposit, restricted bank balances, term deposits, trade and other receivables, bills receivables at FVTOCI and amounts due from subsidiaries. The Group and the Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with bills receivables is mitigated because settlement of certain bills receivables is guaranteed by bills issued by reputable financial institutions.

The Group and the Company manage the risk with respect to bank balances, certificates of deposit, restricted bank balances and term deposits by placing in the banks with high reputation.

The Group and the Company have policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group and the Company review regularly the authorization of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. In respect of the business of sale of pharmaceutical products, the Group and the Company normally grant a credit period from 30 to 120 days upon delivery to customers.

During the Track Record Period, the Group and the Company have endorsed and derecognized certain bills receivables for the settlement of trade and other payables with full recourse. In the opinion of the directors of the Group, the risks of the default of these derecognized endorsed bills receivables are low because all endorsed bills receivables are issued and guaranteed by reputable PRC banks.

The Group and the Company have the receivables from different customers and debtors that operate in different areas and have different commercial scales. Thus, the Group and the Company classified the above assets into below categories:

- Category 1: trade receivables;
- Category 2: bills receivables;
- Category 3: other receivables; and
- Category 4: amounts due from subsidiaries.

(i) Trade receivables

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics by reference to aging based on the dates of goods delivery.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before each reporting period and the corresponding historical credit losses occurred within the respective period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the consumer price index to be the most relevant factors for pharmaceutical customers and accordingly adjust the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance for trade receivables as at December 31, 2024 and 2025 and March 31, 2026 was listed as follows:

The Group

	Within 1 year *RMB'000*	**1-2 years** *RMB'000*	**2-3 years** *RMB'000*	**3-4 years** *RMB'000*	**4-5 years** *RMB'000*	**Over 5 years** *RMB'000*	**Total** *RMB'000*
Trade receivables as at December 31, 2024							
Expected loss rate	5%	10%	30%	50%	80%	100%	
Gross carrying amount (excluding receivables assessed individually)	109,857	1,854	500	576	221	2,438	115,446
Loss allowance provision	5,493	185	150	288	177	2,438	8,731
Individually impaired receivables	–	–	–	–	–	2,882	2,882
Loss allowance provision	–	–	–	–	–	2,882	2,882
Total loss allowance provision	5,493	185	150	288	177	5,320	11,613

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables as at December 31, 2025							
Expected loss rate	5%	10%	30%	50%	80%	100%	
Gross carrying amount (excluding receivables assessed individually)	68,788	1,652	896	398	455	2,648	74,837
Loss allowance provision	3,439	165	269	199	364	2,648	7,084
Individually impaired receivables	–	–	–	–	–	2,882	2,882
Loss allowance provision	–	–	–	–	–	2,882	2,882
Total loss allowance provision	3,439	165	269	199	364	5,530	9,966

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables as at March 31, 2026							
Expected loss rate	5%	10%	30%	50%	80%	100%	
Gross carrying amount (excluding receivables assessed individually)	62,534	1,615	1,226	391	233	2,855	68,854
Loss allowance provision	3,126	161	368	196	186	2,855	6,892
Individually impaired receivables	–	–	–	–	–	2,882	2,882
Loss allowance provision	–	–	–	–	–	2,882	2,882
Total loss allowance provision	3,126	161	368	196	186	5,737	9,774

The Company

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables as at December 31, 2024							
Expected loss rate	5%	10%	30%	50%	80%	100%	
Gross carrying amount (excluding receivables assessed individually)	37,083	437	381	481	156	2,432	40,970
Loss allowance provision	1,854	44	114	241	124	2,432	4,809
Individually impaired receivables	–	–	–	–	–	1,797	1,797
Loss allowance provision	–	–	–	–	–	1,797	1,797
Total loss allowance provision	1,854	44	114	241	124	4,229	6,606

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables as at December 31, 2025							
Expected loss rate	5%	10%	30%	50%	80%	100%	
Gross carrying amount (excluding receivables assessed individually)	26,259	1,110	32	279	394	2,582	30,656

	Within 1 year *RMB'000*	1-2 years *RMB'000*	2-3 years *RMB'000*	3-4 years *RMB'000*	4-5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Loss allowance provision	1,313	111	10	140	315	2,582	4,471
Individually impaired receivables	–	–	–	–	–	1,797	1,797
Loss allowance provision	–	–	–	–	–	1,797	1,797
Total loss allowance provision	1,313	111	10	140	315	4,379	6,268

	Within 1 year *RMB'000*	1-2 years *RMB'000*	2-3 years *RMB'000*	3-4 years *RMB'000*	4-5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
Trade receivables as at March 31, 2026							
Expected loss rate	5%	10%	30%	50%	80%	100%	
Gross carrying amount (excluding receivables assessed individually)	24,993	1,503	39	272	198	2,771	29,776
Loss allowance provision	1,250	150	12	136	158	2,771	4,477
Individually impaired receivables	–	–	–	–	–	1,797	1,797
Loss allowance provision	–	–	–	–	–	1,797	1,797
Total loss allowance provision	1,250	150	12	136	158	4,568	6,274

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company.

Impairment losses on trade receivables are presented as net impairment losses in the profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables under the simplified approach.

The Group

	Lifetime ECL (not credit-impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
At January 1, 2024	10,357	677	11,034
– Transfer	(2,205)	2,205	–
– Impairment losses recognized	579	–	579
As at December 31, 2024	8,731	2,882	11,613
– Impairment losses reversed	(1,647)	–	(1,647)
As at December 31, 2025	7,084	2,882	9,966
– Impairment losses reversed	(192)	–	(192)
As at March 31, 2026	6,892	2,882	9,774

In the opinion of the management, there was no significant changes to the loss rates for each aging category during the Track Record Period.

The Company

	Lifetime ECL (not credit- impaired) *RMB'000*	Lifetime ECL (credit-impaired) *RMB'000*	Total *RMB'000*
At January 1, 2024	5,644	677	6,321
– Transfer	(1,120)	1,120	–
– Impairment losses recognized	285	–	285
As at December 31, 2024	4,809	1,797	6,606
– Impairment losses reversed	(338)	–	(338)
As at December 31, 2025	4,471	1,797	6,268
– Impairment losses recognized	6	–	6
As at March 31, 2026	4,477	1,797	6,274

In the opinion of the management, there was no significant changes to the loss rates for each aging category during the Track Record Period.

(ii) Bills receivables

The Group assesses the credit losses of bills receivables individually using three-stage approach. The credit risk of bills receivables is considered not significantly increased since initial recognition, and thus the impairment provision is determined as 12m ECL. As at December 31, 2024 and 2025 and March 31, 2026, amount of RMB625,000, RMB578,000 and RMB620,000 were provided as loss allowance for bills receivables respectively.

The Company assesses the credit losses of bills receivables individually using three-stage approach. The credit risk of bills receivables is considered not significantly increased since initial recognition, and thus the impairment provision is determined as 12m ECL. As at December 31, 2024 and 2025 and March 31, 2026, amount of RMB254,000, RMB80,000 and RMB175,000 were provided as loss allowance for bills receivables respectively.

(iii) Other receivables

The Group applies the IFRS 9 three-stage approach to measure ECL. Other receivables comprise advances to staff, deposits and others. Since the credit risk of other receivables is considered not significantly increased since initial recognition, therefore the impairment provision is determined as 12m ECL. As at December 31, 2024 and 2025 and March 31, 2026, amount of RMB3,427,000, RMB2,329,000, and RMB1,811,000 were provided as loss allowance for other receivables, respectively.

The Company applies the IFRS 9 three-stage approach to measure ECL. Other receivables comprise advances to staff, deposit and others. Since the credit risk of other receivables is considered not significantly increased since initial recognition, therefore the impairment provision is determined as 12m ECL. As at December 31, 2024 and 2025 and March 31, 2026, amount of RMB401,000, RMB84,000 and RMB59,000 were provided as loss allowance for other receivables, respectively.

(iv) Amounts due from subsidiaries

Since the credit risk of amounts due from subsidiaries is considered not significantly increased since initial recognition, therefore the impairment provision is determined as 12m ECL. No loss allowance for amounts due from subsidiaries were provided as at December 31, 2024 and 2025 and March 31, 2026.

Liquidity risk

The management of the Group and the Company are satisfied that the Group and Company will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future by taking into account the Group's and the Company's cash flow projection, and the Group's and the Company's future capital expenditure in respect of its non-cancellable capital commitments, the management considers that the Group and the Company has sufficient working capital to meet in full its financial obligations as they fall due for at least the next twelve months from the end of each reporting period.

The Group and the Company rely on bank borrowings as a significant source of liquidity. As at December 31, 2024 and 2025 and March 31, 2026, the Group had unutilized bank facilities of RMB1,376,550,000, RMB2,309,110,000 and RMB3,957,960,000, respectively. As at December 31, 2024 and 2025 and March 31, 2026, the Company had unutilized bank facilities of RMB1,252,940,000, RMB256,750,000 and RMB362,500,000, respectively.

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows. The table includes both interest and principal cash flows, where applicable.

The Group

	Range of interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at December 31, 2024						
Non-interest bearing						
Trade and other payables	–	314,212	–	–	314,212	314,212
Interest bearing						
Borrowings	2.35%-3.95%	881,982	698,543	527,864	2,108,389	2,020,218
Sale and leaseback payable	7.54%	7,740	–	–	7,740	7,735
Lease liabilities	4.75%	13,876	13,544	16,829	44,249	40,583
		903,598	712,087	544,693	2,160,378	2,068,536
		1,217,810	712,087	544,693	2,474,590	2,382,748

	Range of interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at December 31, 2025							
Non-interest bearing							
Trade and other payables	–	329,820	–	–	–	329,820	329,820
Interest bearing							
Borrowings	2.24%-2.60%	1,018,664	1,082,838	1,639,369	–	3,740,871	3,557,524
Lease liabilities	2.20%-5.61%	25,052	29,630	56,880	197,004	308,566	156,702
		1,043,716	1,112,468	1,696,249	197,004	4,049,437	3,714,226
		1,373,536	1,112,468	1,696,249	197,004	4,379,257	4,044,046

	Range of interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Over 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at March 31, 2026							
Non-interest bearing							
Trade and other payables	–	327,772	–	–	–	327,772	327,772
Interest bearing							
Borrowings	1.80%-2.60%	1,125,877	1,419,088	1,710,302	114,306	4,369,573	4,148,634
Lease liabilities	2.20%-5.61%	29,918	33,159	58,838	197,630	319,545	169,642
		1,155,795	1,452,247	1,769,140	311,936	4,689,118	4,318,276
		1,483,567	1,452,247	1,769,140	311,936	5,016,890	4,646,048

The Company

	Range of interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at December 31, 2024						
Non-interest bearing						
Trade and other payables	–	121,958	–	–	121,958	121,958
Interest bearing						
Borrowings	2.35%-3.95%	680,085	363,958	527,864	1,571,907	1,505,810
Lease liabilities	4.75%	1,018	676	338	2,032	1,907
		681,103	364,634	528,202	1,573,939	1,507,717
		803,061	364,634	528,202	1,695,897	1,629,675

	Range of interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at December 31, 2025						
Non-interest bearing						
Trade and other payables	–	99,465	–	–	99,465	99,465
Amount due to a subsidiary	–	12,686	–	–	12,686	12,686
		112,151	–	–	112,151	112,151
Interest bearing						
Borrowings	2.24%-2.55%	632,741	871,986	1,042,635	2,547,362	2,446,465
Lease liabilities	4.75%	676	338	–	1,014	967
		633,417	872,324	1,042,635	2,548,376	2,447,432
		745,568	872,324	1,042,635	2,660,527	2,559,583

	Range of interest rate	On demand or within 1 year *RMB'000*	1 to 2 years *RMB'000*	2 to 5 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Total carrying amount *RMB'000*
As at March 31, 2026						
Non-interest bearing						
Trade and other payables	–	98,786	–	–	98,786	98,786
Interest bearing						
Borrowings	1.80%-2.55%	727,288	1,087,962	694,726	2,509,976	2,413,153
Lease liabilities	4.75%	676	361	–	1,037	990
		727,964	1,088,323	694,726	2,511,013	2,414,143
		826,750	1,088,323	694,726	2,609,799	2,512,929

Fair value

The management of the Group have closely monitored and determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of financial instruments, the Group uses market-observable data to the extent it is available.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

The Group

Financial assets	Fair value As at December 31, 2024 *RMB'000*	Fair value As at December 31, 2025 *RMB'000*	As at March 31, 2026 *RMB'000*	Fair value hierarchy	Valuation technique(s) and key input(s)
Bills receivables at FVTOCI	20,118	21,617	9,627	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.
Foreign currency forward contracts	–	11,144	109,770	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of each reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Wealth management products	–	2,158,903	2,058,051	Level 2	Quoted value provided by financial institutions.

The Company

Financial assets	Fair value As at December 31, 2024 *RMB'000*	Fair value As at December 31, 2025 *RMB'000*	As at March 31, 2026 *RMB'000*	Fair value hierarchy	Valuation technique(s) and key input(s)
Bills receivables at FVTOCI	9,204	3,072	707	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of financial assets and financial liabilities at amortized cost recognized in the statements of financial position approximate their fair values.

45. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Borrowings *RMB'000*	Sale and leaseback payable *RMB'000*	Lease liabilities *RMB'000*	Accruals for share issue costs *RMB'000*	Total *RMB'000*
At January 1, 2024	633,409	49,066	5,719	–	688,194
Deferred share issue costs recognized	–	–	–	26,913	26,913
Financing cash flows (*Note*)	1,346,607	(42,448)	(10,772)	(19,496)	1,273,891
New lease entered	–	–	44,432	–	44,432
Finance costs recognized	40,202	1,117	1,204	–	42,523
At December 31, 2024	2,020,218	7,735	40,583	7,417	2,075,953
Deferred share issue costs recognized	–	–	–	20,591	20,591

	Borrowings *RMB'000*	Sale and leaseback payable *RMB'000*	Lease liabilities *RMB'000*	Accruals for share issue costs *RMB'000*	Total *RMB'000*
Share issue costs recognized against capital reserve	–	–	–	1,234	1,234
Financing cash flows (*Note*)	1,458,616	(7,740)	(14,653)	(12,288)	1,423,935
New lease entered	–	–	124,398	–	124,398
Reclassified to other accruals	–	–	–	(16,954)	(16,954)
Finance costs recognized	78,690	5	6,374	–	85,069
At December 31, 2025	3,557,524	–	156,702	–	3,714,226
Financing cash flows (*Note*)	567,935	–	(2,453)	–	565,482
New lease entered	–	–	12,011	–	12,011
Finance costs recognized	23,175	–	3,382	–	26,557
As at March 31, 2026	4,148,634	–	169,642	–	4,318,276
At January 1, 2025	2,020,218	7,735	40,583	7,417	2,075,953
Deferred share issue costs recognized	–	–	–	288	288
Financing cash flows (*Note*)	756,298	(7,740)	(2,416)	(7,132)	739,010
Finance costs recognized	15,657	5	299	–	15,961
As at March 31, 2025 *(unaudited)*	2,792,173	–	38,466	573	2,831,212

Note: The cash flows represent interest paid, new bank borrowings raised, repayment of bank borrowings, repayment of lease liabilities, repayment of sale and leaseback of payable transaction costs attributable to placement of A shares and transaction costs attributable to [**REDACTED**] of H shares.

46. MAJOR NON-CASH TRANSACTIONS

During the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, the Group endorsed bills receivables amounted to RMB71,500,000, RMB97,700,000, RMB37,600,000 (unaudited) and RMB20,900,000, respectively, for the settlement of purchase of property, plant and equipment.

During the years ended December 31, 2024 and 2025 and the three months ended March 31, 2025 and 2026, the Group entered into nine, eight, nil (unaudited) and 3 lease agreements for the use of leased properties for 1.5-7 years, 1.5-18 years, nil (unaudited) and 3-5 years, respectively. Upon commencement of the leases, the Group recognized right-of-use assets and lease liabilities of RMB44,432,000, RMB124,398,000, nil (unaudited) and RMB12,011,000, respectively.

47. PARTICULARS OF SUBSIDIARIES

The Company

	As at December 31, 2024 *RMB'000*	2025 *RMB'000*	As at March 31, 2026 *RMB'000*
Unlisted investments, at cost			
– Baili Pharmaceutical	1,089,718	4,821,156	4,821,156
– Lhasa Xinbo (*Note*)	4,750	4,750	4,750
– Nuoxin Bio	N/A	3,000	3,000
	1,094,468	4,828,906	4,828,906

Note: The Company directly holds 22.35% equity interest in Lhasa Xinbo

As at the end of each reporting period and date of this report, the Company had direct or indirect interests in the following subsidiaries.

Name of subsidiaries	Place of incorporation/ operation and date of establishment	Equity interest attributable to the Group				Issued and fully paid share capital/registered capital	Principal activities
		As at December 31,		As at March 31,	At the date of this report		
		2024	2025	2026			
		%	%	%	%		
Directly held:							
Baili Pharmaceutical	PRC August 23, 1996	100	100	100	100	As at December 31, 2024: RMB125,000,000 As at December 31, 2025 and March 31, 2026 and date of this report: RMB126,000,000	Production, research and development of pharmaceutical products
Nuoxin Bio	PRC March 4, 2025	N/A	100	100	100	RMB3,000,000	Provision of research and development services
Indirectly held:							
Guorui Pharmaceutical	PRC December 7, 2005	100	100	100	100	RMB20,000,000	Production, research and development of pharmaceutical products
Lhasa Xinbo	PRC August 22, 2013	100	100	100	100	RMB21,250,000	Sales and distribution of pharmaceutical products
Panku Capital Limited ("Panku Capital")	British Virgin Islands April 16, 2014	100	100	100	100	As at December 31, 2024: USD115,007,134 As at December 31, 2025: USD291,631,540 As at March 31, 2026: USD291,631,540 As at date of this report: USD291,635,464	Investment holding
SystImmune	The U.S. April 21, 2014	100	100	100	100	USD2,895	Research and development of pharmaceutical products
Jingxi Pharmaceutical	PRC September 29, 2014	100	100	100	100	RMB5,000,000	Production, research and development of pharmaceutical products
Hiatt Technology	PRC September 29, 2014	100	100	100	100	RMB1,000,000	Production, research and development of pharmaceutical products
Baili-Bio	PRC February 21, 2017	100	100	100	100	As at December 31, 2024: RMB200,000,000 As at December 31, 2025, March 31, 2026 and date of this report: RMB205,000,000	Production, research and development of pharmaceutical products

Name of subsidiaries	Place of incorporation/ operation and date of establishment	Equity interest attributable to the Group				Issued and fully paid share capital/registered capital	Principal activities
		As at December 31,		As at March 31,	At the date of this report		
		2024	2025	2026			
		%	%	%	%		
Tianze Pharmaceutical	PRC November 26, 2020	100	100	100	100	As at December 31, 2024: nil/RMB10,000,000 As at December 31, 2025: RMB2,000,000/ RMB10,000,000 As at March 31, 2026: and date of this report: RMB10,000,000	Production of pharmaceutical products
Biokin Bio	PRC December 22, 2025	N/A	100	100	100	As at December 31, 2025: nil/RMB20,000,000 As at March 31, 2026 and date of this report: RMB20,000,000	Provision of research and development services
Yuyanqi Bio	PRC December 15, 2025	N/A	100	100	100	As at December 31, 2025: nil/RMB5,000,000 As at March 31, 2026 and date of this report: RMB500,000/ RMB5,000,000	Production, research and development of cosmetic products
成都精核藥業有限責任公司 (Chengdu Jinghe Pharmaceutical Co., Ltd.*) ("Jinghe Pharmaceutical")	PRC April 2, 2026	N/A	N/A	N/A	100	As at date of this report: nil/RMB20,000,000	Production, research and development of pharmaceutical products

* *English name for identification only*

All the subsidiaries of the Company are limited liability companies. None of the subsidiaries had any debt securities outstanding as at December 31, 2024 and 2025 and March 31, 2026 or at any time during the Track Record Period.

The statutory financial statements of the Company and all of its subsidiaries established in the PRC apart from Chengdu Jinghe for each of the years ended December 31, 2024 and 2025, where applicable, were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprise and were audited by 立信會計師事務所(特殊普通合夥) (BDO China Shu Lun Pan Certified Public Accountants LLP), certified public accountants registered in the PRC.

The statutory financial statements of SystImmune for each of the years ended December 31, 2024 and 2025 were prepared in accordance with relevant accounting principles generally accepted in the U.S. and were audited by UHY LLP, certified public accountants registered in the U.S..

No statutory financial statements have been prepared for Panku Capital since there are no statutory audit requirements in the jurisdiction where it was established/incorporated. No statutory financial statements have been prepared for Jinghe Pharmaceutical as it was newly established in April 2026.

48. EVENTS AFTER TRACK RECORD PERIOD

Save as those elsewhere disclosed in the Historical Financial Information, the Group also had the following significant events took place subsequent to March 31, 2026:

In June 2026, the National Association of Financial Market Institutional Investors approved the Group's registration of sci-tech innovation bonds, pursuant to which the Group shall have the right to issue medium-term notes up to a cap amount of RMB6,000,000,000 within a period of two years since the date of approval. The timing of issuance of the medium-term notes will be at the Group's discretion and no medium-term notes had been issued as at the date of this report.

Pursuant to the share repurchase plan announced on June 2, 2026, the Company had repurchased 863,015 A shares from June 2, 2026 to the date of this report for a total cash consideration of RMB199,945,000. The repurchased A Shares are intended to be utilised for implementing an employee share ownership plan or share incentive scheme at an appropriate time, and will be held as treasury shares pending further actions by the Company.

49. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, any of its subsidiaries or the Group have been prepared in respect of any period subsequent to March 31, 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an [**REDACTED**] in the H shares, nor does it take into account the specific circumstances of any particular [**REDACTED**], some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an [**REDACTED**] in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. Prospective [**REDACTED**] are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation In mainland China

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the "IIT Law"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (hereinafter referred to as the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》)") signed by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "Fifth Protocol (《第五協議書》)") issued by the SAT and became effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) issued by NPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and amended on December 6, 2024 (hereinafter collectively referred to as the "EIT Law"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. Non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits, the relevant provisions of such tax treaty shall apply.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol (《第五協議書》) provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although there may be other provisions under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》), the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the

Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice of Ministry of Finance and State Administration of Taxation on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》) (the "Circular 36"), which was implemented on May 1, 2016 and partially repealed on July 1, 2017, January 1, 2018 and April 1, 2019, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家税務總局關於個人金融商品買賣等營業税若干免税政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, in view of no clear regulations, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall be usually subject to 12% of the VAT payable (if any).

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the Ministry of Finance and the SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The Ministry of Finance and the SAT have not expressly stated whether they will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the Ministry of Finance, SAT and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which came into effect on January 1, 2010, which states that individuals' income from the transfer of listed shares obtained from the public

offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

EIT

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as "an enterprise" or "enterprises") within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%. According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

VAT

With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the SAT issued the Notice of on Adjusting VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform

(《財政部税務總局海關總署關於深化增值税改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) ("the EIT Law"), promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and amended on February 24, 2017 and December 29, 2018, as well as the Implementation Rules of the EIT Law (《中華人民共和國企業所得税法實施條例》) ("the Implementation Rules"), promulgated by the State Council on December 6, 2007, came into force on January 1, 2008 and lastly amended on December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. And non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income are obtained outside the PRC but have an actual connection with the set-up institutions or sites. And non-resident enterprises that have not set up institutions or sites in the PRC or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC.

VAT

With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the SAT issued the Notice of on Adjusting VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the SAT and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《財政部税務總局海關總署關於深化增值税改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China (the "PBOC"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on 5 August, 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign

exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions.

This Appendix summarizes certain aspects of PRC laws and regulations, which are relevant to the Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange." This Appendix also contains a summary of certain Hong Kong legal and regulatory provisions, including summaries of certain material differences between the PRC Company Law and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, certain requirements of the Listing Rules and additional provisions required by the Stock Exchange for inclusion in the articles of association of PRC issuers. The principal objective of this summary is to provide potential [**REDACTED**] with an overview of the principal laws and regulatory provisions applicable to the Company. This summary is not intended to include all the information which are important to the potential [**REDACTED**]. For discussion of laws and regulations which are relevant to the Company's business, see "Regulatory Overview."

PRC LAWS AND REGULATIONS

PRC Legal System

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "Constitution") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023修正)》) (the "Legislation Law"), the National People's Congress (the "NPC") and the Standing Committee of the National People's Congress (the "SCNPC") are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection, and historical and cultural protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or

autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution.

The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "Supreme People's Court") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC Judicial System

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher level people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to

exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (2023 revision) (《中華人民共和國民事訴訟法(2023修正)》) (the "Civil Procedure Law"), which was adopted in 1991 and last amended by SCNPC on September 1, 2023, and came into effect on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that such choice shall not violate the requirements of the level of jurisdiction and exclusive jurisdiction.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

The Company Law, the Trial Measures for Overseas Listing and the Guidelines

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following three laws and regulations in the PRC:

The Company Law of the PRC (《中華人民共和國公司法》) (the "Company Law") which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, and was latest revised on December 29, 2023 and came into effect on July 1, 2024.

The Trial Measures for Overseas Listing which were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, and were applicable to the overseas offering and listing of PRC domestic companies' securities.

The Guidelines for the Articles of Association of Listed Companies (2025 revision) (《上市公司章程指引(2025修正)》) (the "Guidelines") which were issued by the CSRC on December 16, 1997, latest revised on March 28, 2025 and came into effect on the same date, providing the guidelines for the Articles of Association. As such, the contents provided in the Guidelines are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of Articles of Association" in this document.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures for Overseas Listing and the Guidelines applicable to the Company.

General

A joint stock limited company refers to an enterprise legal person incorporated in accordance with the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by laws, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of two but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing at least half of the shares in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority. Joint stock limited companies established by the subscription method shall file the approval on the offering of shares issued by the securities administration department of the State Council with the company registration authority for record.

A joint stock limited company's promoters shall be liable for: (i) the payment of all expenses and debts incurred in the incorporation process jointly and severally if the company cannot be incorporated; (ii) the refund of subscription monies to the subscribers, together with interest, at bank rates for a deposit of the same term jointly and severally if the company cannot be incorporated; and (iii) damages suffered by the company as a result of the default of the promoters in the course of incorporation of the company. According to the Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) promulgated

by the State Council on April 22, 1993 (which is only applicable to the issuance and trading of shares in the PRC and their related activities), if a company is established by means of public subscription, the promoters of such company are required to sign on the document to ensure that the document does not contain any misrepresentation, serious misleading statements or material omissions, and assume joint and several responsibility for it.

Registered Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council.

Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations.

Increase of Registered Capital and Issue of Shares

According to the Company Law, in the event a company proposes to issue new shares, resolutions shall be passed at general meeting in accordance with the articles of association to determine the class, amount and issue price of the new shares. All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

According to the Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

Reduction of Registered Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- the company shall prepare a balance sheet and an inventory of the assets;
- the reduction of registered capital shall be approved by a general meeting;

- the company shall inform its creditors of the reduction in registered capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the shareholders' resolution approving the reduction has been passed;

- creditors shall within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide corresponding guarantees covering the debts;

- the company shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the Guidelines, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who vote against the resolution regarding the merger or division with other companies at a general meeting; (v) to apply shares for conversion of convertible corporate bonds issued by a listed company; and (vi) to maintain the company value and protect the shareholders' interests of a listed company as necessary.

Repurchase of its own shares on the grounds set out in (i) and (ii) above shall be subject to resolution passed by the general meeting; repurchase of its own shares on the grounds set out in (iii), (v) or (vi) above shall be subject to a resolution of the company's board of directors made by a two-third majority of directors attending the meeting in accordance with the provisions of the company's articles of association or as authorized by the general meeting.

Following the repurchase of its own shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of repurchase; the shares shall be transferred or canceled within six months if the repurchase of its own shares is in accordance with either (ii) or (iv) above; and the shares repurchased in accordance with (iii), (v) or (vi) above shall not exceed 10% of the company's total issued shares, and shall be transferred or canceled within three years.

A listed company shall perform its obligation of information disclosure according to the provisions of the Securities Law when repurchasing its own shares. In the event the repurchase of its own shares is in accordance with (iii), (v) or (vi) above, centralized public trading shall be adopted.

A company shall not accept its own shares as the subject matter of a mortgage.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council.

No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of a general meeting or 5 days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

According to the Company Law, shares issued prior to the public issuance of shares shall not be transferred within 1 year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings; they shall not transfer more than 25% of all the shares they hold in the company annually during their tenure; and they shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within 6 months after their resignation from their positions with the company.

Shareholders

According to the Company Law and the Guidelines, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend general meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where the articles of association is violated by the above resolutions;
- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;
- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

General Meetings

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. According to the Company Law, the general meeting exercises the following principal powers:

- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;

- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

According to the Guidelines, annual general meeting is required to be held once every year; extraordinary general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in registered capital;
- when shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

According to the Company Law, general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

According the Company Law, notice of annual general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary general meetings shall be given to all shareholders 15 days prior to the meeting.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a general meeting.

According to the Company Law, shareholders present at general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law, resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company; (iv) other circumstances as provided for in the articles of associations.

According to the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

According to the Company Law, a joint stock limited company shall have a board of directors, which shall consist of at least 3 members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise.

The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

According to the Company Law, the board of directors mainly exercises the following powers:

- to convene the general meetings and report on its work to the general meetings;
- to implement the resolutions passed in general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;

- to decide on the hiring or dismissal the company's manager and his salary and compensation, and by recommendation of the manager, to decide on the hiring or dismissal of deputy manager(s) and the persons in charge of finance as well as their salaries and compensations;

- to formulate the company's basic management system; and

- to exercise any other power under the articles of association or authorized by the shareholders.

Board Meetings and Chairman of Board

According to the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

According to the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or

- a person who is liable for a relatively large amount of debts that are overdue.

Board of Supervisors

A joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors.

Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months.

According to the Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors, while according to the Opinions on Supplementary Amendment to Articles of Associations by Companies to be listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》), a resolution of the board of supervisors shall be passed by more than two-thirds of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of the general meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meeting under this law;
- to initiate proposals for resolutions to general meeting;
- to initiate proceedings against directors and senior management; and
- other powers specified in the articles of association.

Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense. According to the Company Law, a joint stock limited company may, in accordance with its articles of association, establish an audit committee to exercise the powers of the Board of Supervisors.

Manager and Senior Management

According to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall report to the board of directors and may exercise the following powers:

- to supervise the business and administration of the company and arrange for the implementation of resolutions of the board of directors;
- to arrange for the implementation of the company's annual business plans and investment proposals;
- to formulate the general administration system of the company;
- to formulate the company's detailed rules;
- to recommend the appointment and dismissal of deputy managers and person in charge of finance;
- to appoint or dismiss other administration officers (other than those required to be appointed or dismissed by the board of directors); and
- to other powers conferred by the board of directors or the articles of association.

The manager shall comply with other provisions of the articles of association concerning his/her powers. The manager shall attend board meetings.

According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company, and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors, and senior management of the company are required in accordance with the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company's properties. Directors and senior management are prohibited from:

- misappropriation of the company's funds;
- depositing the company's funds into accounts under his own name or the name of other individuals;
- loaning company funds to others or providing guarantees in favor of others supported by the company's assets in violation of the articles of association or without prior approval of the general meeting or board of directors;
- entering into contracts or deals with the company in violation of the articles of association or without prior approval of the general meeting;
- using their position and powers to procure business opportunities for themselves or others that should have otherwise been available to the company or operating for their own benefits or managing on behalf of others businesses similar to that of the company without prior approval of the general meeting;
- accept and possess commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable to the company.

Finance and Accounting

According to the Company Law, a company shall establish financial and accounting systems in accordance with laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A company that makes public stock offerings shall publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The Company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company.

However, the capital reserve fund may not be applied to make up the company's losses. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, the amendment to articles of association shall be registered with the relevant authority in accordance with the applicable laws.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the general meeting resolve to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

In the event of (i) or (ii) above, if the company has not yet distributed its assets to shareholders, it may carry on its existence by amending its articles of association or upon approval by resolution of the shareholders' meeting. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors or the personnel appointed by the general meeting. If a liquidation group is not established within the stipulated period, creditors may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to handle the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration, and a public notice of its termination shall be issued. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws.

Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Merger and Demerger

Companies may merge through absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Overseas Listing

According to the Trial Measures for Overseas Listing, a Chinese domestic company that seeks overseas listing shall file the application with the CSRC according to the administrative filing procedures necessary for the Trial Measures for Overseas Listing.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations deal mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "Securities Law") took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC.

Currently, the issuance and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND PRC COMPANY LAW

The Hong Kong law applicable to a company incorporated in Hong Kong is based on the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Companies Ordinance and is supplemented by common law and the rules of equity that are applicable to Hong Kong. As a joint stock limited company established in the PRC that is seeking a [**REDACTED**] of shares on the Hong Kong Stock Exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing under the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

Under Hong Kong company law, a company with share capital is incorporated by the Registrar of Companies in Hong Kong, which issues a certificate of incorporation to the Company upon its incorporation, and the company will acquire an independent corporate existence henceforth. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain pre-emptive provisions. A public company's articles of association do not contain such pre-emptive provisions.

Under the PRC Company Law, a joint stock limited company may be incorporated by promotion or public subscription.

Hong Kong law does not prescribe any minimum capital requirement for a Hong Kong company.

Share Capital

Under the Companies Ordinance, the concept of the nominal value (also known as par value) of shares of a Hong Kong company has been abolished, and the companies have increased flexibility to alter its share capital by (i) increasing its share capital; (ii) capitalizing its profits; (iii) allotting and issuing bonus shares with or without increasing its share capital; (iv) converting its shares into larger or smaller number of shares; and (v) cancelling its shares. The concept of authorized capital no longer applies to a Hong Kong company formed on or after March 3, 2014 as well. Hence, the directors of a Hong Kong company may, with the prior approval of the shareholders if required, issue new shares of the company. The PRC Company Law has no provisions on minimum registered capital of joint stock companies, except that laws, administrative regulations and State Council decisions have separate provisions on paid-in registered capital and the minimum registered capital of joint stock companies, in which case the company should follow such provisions. The Company's registered capital is the amount of its issued share capital. Any increase in the Company's registered capital must be approved at the general meeting and shall be approved by/filed with the relevant PRC governmental and regulatory authorities (if applicable).

The Companies Ordinance does not prescribe any minimum capital requirement for companies incorporated in Hong Kong.

Under the PRC Company Law, the shares may be subscribed for in the form of money or non-monetary assets (other than assets not entitled to be used as capital contributions under relevant laws or administrative regulations). For non-monetary assets to be used as capital contributions, appraisals must be carried out to ensure there is no over-valuation or under-valuation of the assets. There is no such restriction on a company incorporated in Hong Kong.

Restrictions on Shareholding and Transfer of Shares

Generally, domestic shares, which are denominated and subscribed for in Renminbi, can be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors.

Overseas listed shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau and Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors. If the H shares are eligible securities under the Southbound Trading Link, they are also subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. When the application for "full circulation" has been approved by the CSRC, the domestic unlisted shares of the H-share listed company might be listed and circulated on the Stock Exchange.

Under the PRC Company Law, a promoter of a joint stock limited company is not allowed to transfer the shares it holds for a period of one year after the date of establishment of the company. Shares in issue prior to a public offering of the company cannot be transferred within one year from the listing date of the shares on a stock exchange. Shares in a joint stock limited liability company held by its directors, supervisors and senior management and transferred each year during their term of office shall not exceed 25% of the total shares they held in a company, and the shares they held in a company cannot be transferred within one year from the listing date of the shares, and also cannot be transferred within half a year after the said personnel has left office. The articles of association may set other restrictive requirements on the transfer of a company's shares held by its directors, supervisors and senior management. There are no such restrictions on shareholdings and transfers of shares under Hong Kong law apart from the six-month lockup on the company's issue of shares and the 12-month lockup on controlling shareholders' disposal of shares, as illustrated by the undertakings given by the Company and our controlling shareholder to the Hong Kong Stock Exchange.

Financial Assistance for Acquisition of Shares

The PRC Company Law does not prohibit or restrict a joint stock limited company or its subsidiaries from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares.

Notice of Shareholders' General Meetings

Under the PRC Company Law, notices of an annual session of the shareholders' assembly and an interim meeting of the shareholders' assembly must be given to shareholders 20 days and 15 days before the meeting, respectively. For a limited liability company incorporated in Hong Kong, the minimum period of notice is 14 days in case of other shareholders' meetings other than an annual general meeting and 21 days in the case of an annual general meeting.

Quorum for Shareholders' General Meetings

Under Hong Kong company law, the quorum for a shareholders' general meeting must be two members unless the articles of association of the company otherwise provide. For companies with only one member, the quorum must be one member. The PRC Company Law does not specify any quorum requirement for a shareholders' assembly.

Voting at Shareholders' General Meeting

Under the PRC Company Law, the passing of any resolution of a shareholders' assembly requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the assembly except in cases of resolutions on amendments to a company's articles of association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights represented by the shareholders who attend the assembly.

Under Hong Kong law, (i) an ordinary resolution may be passed by a simple majority of affirmative votes of the shareholders who attend the shareholders' general meeting in person or by proxy, and (ii) a special resolution may be passed by no less than three fourths of affirmative votes of the shareholders who attend the shareholders' general meeting in person or by proxy.

Variation of Class Rights

The PRC Company Law makes no specific provision relating to variation of class rights. However, the PRC Company Law states that the State Council can promulgate requirements relating to other kinds of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the passing of a special resolution by the shareholders of the relevant class at a separate meeting sanctioning the variation, (ii) with the written consent of shareholders representing at least three-fourths of the total voting rights of shareholders of the relevant class, or (iii) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Derivative Action by Minority Shareholders

Under Hong Kong company law, a shareholder may, with the leave of the Court, start a derivative action on behalf of a company for any misconduct committed by its directors against the company. For example, leave may be granted where the directors control a majority of votes at a general meeting, and could thereby prevent the company from suing the directors in its own name.

Pursuant to the PRC Company Law, in the event where the directors and senior management of a joint stock limited company violate laws, administrative regulations or its articles of association, resulting in losses to the company, the shareholders individually or jointly holding 1% or more of the shares in the company for more than one hundred and eighty (180) consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. In the event that the board of supervisors violates as such, the above said shareholders may send written request to the board of directors to initiate proceedings in the people's court. Upon receipt of such written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within thirty (30) days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the court in their own name.

The Guidelines for the Articles of Association of Listed Companies also provide other remedies against the directors, and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors of the company in default.

Minority Shareholder Protection

Under the Companies Ordinance, a shareholder who alleges that the affairs of a company are conducted in a manner unfairly prejudicial to his interests may petition to the Court to make an appropriate order to give relief to the unfairly prejudicial conduct. Alternatively, pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a shareholder may seek to wind up the company on the just and equitable ground. In addition, on the application of a specified number of members, the Financial Secretary may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated or registered in Hong Kong.

The PRC Company Law provides that any shareholders holding 10% or above of voting rights of all issued shares of a company may request a People's Court to dissolve the company to the extent that the operation or management of the company experiences any serious difficulties and its continuous existence would cause serious losses to them, and no other alternatives can resolve such difficulties.

The Guidelines for the Articles of Association of Listed Companies also provide other remedies against the directors, and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

Directors

The PRC Company Law, unlike Hong Kong law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' rights to carry out major disposals or companies providing certain benefits, or prohibitions against compensation for loss of office without shareholders' approval. The PRC Company Law restricts the directors of a listed company who have interests or associations in the enterprises involved in the resolution of the board meetings from voting on the said resolution. All the above provisions have been incorporated in the articles of association, which are summarized in Appendix V.

Supervisors

Under the PRC Company Law, a joint stock limited company's directors and senior management are subject to the supervision of a board of supervisors or an audit committee. There is no mandatory requirement for the establishment of a board of supervisors for a company incorporated in Hong Kong.

Fiduciary Duties

In Hong Kong, directors owe fiduciary duties to the company, including the duty not to act in conflict with the company's interests. Furthermore, the Companies Ordinance has codified the directors' statutory duty of care. Under the PRC Company Law, directors, supervisors and senior management shall assume the duty of loyalty and diligence.

Financial Disclosure

Under the Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report twenty (20) days before its annual general meeting. In addition, a joint stock limited company of which the shares are publicly offered must publish its financial report. The Companies Ordinance requires a company incorporated in Hong Kong to send to every shareholder a copy of its financial statements, auditors' report and directors' report, which are to be presented before the company in its annual general meeting, not less than twenty one (21) days before such meeting. According to the PRC laws, a company shall prepare its financial accounting reports as at the end of each accounting year, and submit the same to accounting firms for auditing as required by law.

Information on Directors and Shareholders

The Company Law gives shareholders the right to inspect the company's articles of association, minutes of the general meetings and financial and accounting reports. Under the articles of association, shareholders have the right to inspect and copy (at reasonable charges) certain information on shareholders and on directors which is similar to the rights of shareholders of Hong Kong companies under the Companies Ordinance.

Receiving Agent

Under the Hong Kong law, dividends once declared by the board of directors will become debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC law this limitation period is three years.

Corporate Reorganization

Corporate reorganization involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company in the course of voluntary winding up to another company pursuant to Section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its members pursuant to Section 673 and Division 2 of Part 13 of the Companies Ordinance, which requires the sanction of the court. In addition, subject to the shareholders' approval, an intra-group wholly-owned subsidiary company may also be amalgamated horizontally or vertically under the Companies Ordinance. Under PRC law, merger, division, dissolution or change to the status of a joint stock limited liability company has to be approved by shareholders in general meeting.

Mandatory Deductions

Under the Company Law, a joint stock limited liability company is required to make transfers equivalent to certain prescribed percentages of its after-tax profit to the statutory common reserve fund. There are no corresponding provisions under Hong Kong law.

Arbitration of Disputes

In Hong Kong, disputes between shareholders and a company or its directors, managers and other senior management may be resolved through the courts. The Guidelines for the Articles of Association of Listed Companies provide that shareholders may sue directors, managers and other senior management of the company, and shareholders may sue the company, and the company may sue its shareholders, directors, managers and other senior management personnel.

The Securities Arbitration Rules of the HKIAC contain provisions allowing, upon application by any party, an arbitral tribunal to conduct a hearing in Shenzhen for cases involving the affairs of companies incorporated in the PRC and listed on the Stock Exchange so that PRC parties and witnesses may attend. Where any party applies for a hearing to take place in Shenzhen, the tribunal shall, where satisfied that such application is based on bona fide grounds, order the hearing to take place in Shenzhen conditional upon all parties, including witnesses and arbitrators, being permitted to enter Shenzhen for the purpose of the hearing. Where a party, other than a PRC party or any of its witnesses or any arbitrator, is not permitted to enter Shenzhen, then the tribunal shall order that the hearing be conducted in any practicable manner, including the use of electronic media. For the purpose of the Securities Arbitration Rules of the HKIAC, a PRC party means a party domiciled in the PRC other than the territories of Hong Kong, Macau and Taiwan.

Remedies of a Company

Under the Company Law, if a director, supervisor or manager in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or manager should be responsible to the company for such damages. In addition, the Hong Kong Listing Rules require listed companies' articles to provide for remedies of the company similar to those available under Hong Kong law (including rescission of the relevant contract and recovery of profits from a director, supervisor or senior management).

Dividends

The company has the power in certain circumstances to withhold, and pay to the relevant tax authorities, any tax payable under PRC law on any dividends or other distributions payable to a shareholder. Under Hong Kong law, the limitation period for an action to recover a debt (including the recovery of declared dividends) is six years, whereas under PRC laws, the relevant limitation period is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not be closed for the registration of transfers of shares for more than thirty (30) days (extendable to sixty (60) days in certain circumstances) in a year. Unless otherwise stipulated by laws, share transfers shall not be registered within twenty (20) days prior to convening a shareholders' general meeting or five (5) days before the base date of distribution of dividends.

This Appendix contains a summary of the principal provisions of the Company's Articles of Association. The major objective of this Appendix is to provide potential [**REDACTED**] *with an overview of the Company's Articles of Association, and therefore it may not contain all the information that may be important to potential* [**REDACTED**].

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of share certificates. The par value of the shares shall be denominated in RMB.

The shares of the Company shall be issued in accordance with the principles of open, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the Shares it/he/she subscribes for.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

Based on its operation and development needs, in accordance with the relevant laws and regulations, and subject to the resolutions of the general meeting, the Company may increase its capital by any of the following ways:

(i) public issuance of shares;

(ii) non-public issuance of shares;

(iii) distribution of bonus shares to existing Shareholders;

(iv) conversion of capital reserve into share capital;

(v) other means permitted by laws and administrative regulations and approved by the CSRC.

The Company may reduce its registered capital. The reduction of registered capital shall comply with the PRC Company Law and other relevant regulations as well as the procedures stipulated in the Articles of Association.

Repurchase of Shares

The Company shall not buy back its shares, except in one of the following circumstances:

(i) reduction of the Company's registered capital;

(ii) mergers with another company holding shares of the Company;

(iii) use of shares for employee shareholding scheme or equity incentives;

(iv) Shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to purchase their shares;

(v) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(vi) where it is necessary for the Company to preserve its value and Shareholders' interest.

Where the Company purchases its shares under the circumstances set forth in items (i) and (ii) above, it shall be resolved at a general meeting. Where the Company purchases its shares under the circumstances set forth in items (iii), (v) and (vi) above, a resolution thereon may, pursuant to the securities regulatory rules of the place where the shares of the Company are listed, be resolved at a Board meeting that is attended by more than two-thirds of the Directors. Upon the purchase of its shares by the Company pursuant to the above provisions, under the circumstance set forth in item (i), such shares shall be cancelled within 10 days from the day of purchase; under the circumstances set forth in items (ii) and (iv), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (v) and (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years; under the circumstances set forth in items (iii), the total number of shares held by the Company shall not exceed 5% of the total issued shares of the Company, and the funds for the acquisition should be disbursed from the company's after-tax profits; the shares acquired should be transferred to the employees within one year.

The Company may purchase its own shares by the centralized trading on the stock exchange or other ways approved by the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed, and the CSRC and other stock exchanges of the place where the Company's shares are listed.

Transfer of Shares

Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. Shares issued prior to the public offering of A shares of the Company shall not be transferred within one year from the date on which the A shares of the Company are listed and traded on the stock exchange(s).

Directors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof. During their term of office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company held by them. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The above personnel shall not transfer the shares of the Company held by them within 6 months after the expiry of their term of office.

Where Shareholders holding 5% or above shares of the Company, Directors and senior management sell the shares of the Company or other securities with an equity nature within 6 months after purchasing the same, or purchase the shares of the Company or other securities with an equity nature as held within 6 months after selling the same, the earnings arising therefrom shall belong to the Company, and the Board of the Company shall recover such earnings. However, the restriction shall not be applicable to a securities company holding 5% or above of the shares of the Company as a result of its purchase of the remaining unsold shares underwritten by it and other circumstances stipulated by the CSRC. Other listing rules at the place where the shares of the Company are listed shall prevail.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of members with the evidence provided by the securities registration authority of the place where the Company's shares are listed. The register of members shall be sufficient evidence of the holding of the shares of the Company by the Shareholders. The original copy of the register of members of H shares listed in Hong Kong shall be kept in Hong Kong for shareholders inspection. However, the Company may suspend the registration of Shareholders in accordance with the provisions of the applicable laws and

regulations and the securities regulatory rules of the place where shares of the Company are listed. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) to receive dividends and other distributions in proportion to the shares they hold;

(ii) to request, convene, hold, attend or appoint a proxy to attend general meetings and exercise the corresponding voting rights in accordance with laws;

(iii) to supervise, present suggestions on or make inquiries about the operations of the Company;

(iv) to transfer, gift or pledge the shares it holds in accordance with laws, administrative regulations and regulations of the Articles of Association;

(v) to inspect the Articles of Association, register of members, record of bondholders, minutes of general meetings, resolutions of Board meetings, and financial reports;

(vi) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion with the number of shares held by them;

(vii) to require the Company to purchase their shares in the event of objection to the resolutions of the general meeting on merger or division of the Company;

(viii) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and regulations of the Articles of Association.

If any resolution of a general meeting or the Board is in violation of the laws or administrative regulations, Shareholders shall have the right to request the People's Court to invalidate the said resolution. If the convening procedures and voting method of the general meetings or Board meetings are in violation of the laws, administrative regulations or the Articles of Association or if the contents of any resolution are in breach of the Articles of Association, Shareholders shall have the right to request the People's court to revoke such resolution within 60 days from the date on which the resolution is approved.

Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws, administrative regulations and the Articles of Association;

(ii) to pay capital contribution as per the shares subscribed for and the method of subscription;

(iii) not to return Shares unless prescribed otherwise in laws and regulations;

(iv) not to abuse Shareholders' rights to impair the interests of the Company or other Shareholders; not to abuse the independent status of legal person or Shareholders' limited liabilities to impair the interests of the creditors of the Company;

(v) to assume other obligations prescribed by the laws, administrative regulations and the Articles of Association.

Shareholders of the Company who abuse their Shareholders rights and thereby cause loss on the Company or other Shareholders shall be liable for loss compensation according to the laws. Where Shareholders of the Company abuse the Company's position as an independent legal person and the limited liabilities of Shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such Shareholders shall be jointly and severally liable for the debts owed by the Company.

General Provisions for General Meeting

The general meeting is the organ of authority of the Company and shall exercise the following duties and powers in accordance with laws:

(i) to elect and replace Directors and to determine matters relating to the remuneration of the Directors;

(ii) to consider and approve the reports of the Board;

(iii) to consider and approve the profit distribution plan and loss recovery plans of the Company;

(iv) to resolve on the increase or reduction of the registered capital of the Company;

(v) to resolve on the issue of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation or change in corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve on the appointment and dismissal of accounting firms by the Company;

(ix) to consider and approve the guarantee issues specified in Article 46 of the Articles of Association;

(x) to consider matters relating to the purchase and sale by the Company within 12 months of material assets valued at more than 30% of the audited total assets of the Company as at the most recent period;

(xi) to consider and approve matters relating to changes in the use of proceeds;

(xii) to consider share incentive scheme and employee shareholding scheme;

(xiii) the annual general meeting of the company may authorize the board of directors to decide to issue a total amount of financing not exceeding RMB300 million and not exceeding 20% of the net assets at the end of the most recent year to specific objects; such authorization will expire on the date of the next annual general meeting;

(xiv) to review all transactions with a percentage calculated in accordance with Rule 14.07 of the Listing Rules, where the percentage is not less than 25% (including one-off transactions and a series of transactions requiring the calculation of the percentage) and not less than 5% of related transactions (including one-off transactions and a series of transactions requiring the calculation of the percentage);

(xv) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The following provision of external guarantees by the Company is subject to the consideration and approval of the general meeting:

(i) the total amount of the external guarantees provided by the Company and its holding subsidiaries exceeding 50% of the latest audited net assets;

(ii) the total amount of the external guarantees provided by the Company exceeding 30% of the latest audited total assets;

(iii) the amount of the guarantees provided by the Company within one year exceeding 30% of the latest audited total assets;

(iv) any guarantee to be provided to a recipient of such security whose asset to liability ratio is over 70%;

(v) any single guarantee with an amount exceeding 10% of the latest audited net assets;

(vi) any guarantee provided to Shareholders, de facto controllers, and their related parties;

(vii) any guarantees to be considered and approved by the general meeting as required by relevant laws and regulations, listing rules at the place where the shares of the Company are listed and the Articles of Association.

When a guarantee mentioned in item (3) above is considered at the general meeting, it shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the meeting.

The general meetings are classified into annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once a year within six months from the end of the previous fiscal year.

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(i) when the number of Directors is less than the statutory minimum quorum provided for in the PRC Company Law or two-thirds of the number specified in the Articles of Association;

(ii) when the uncovered loss of the Company reaches one-third of its total paid-up share capital;

(iii) upon written request(s) by shareholder(s) individually or collectively holding 10% or above of the shares of the Company;

(iv) when the Board deems it necessary;

(v) when the Audit Committee proposes such a meeting be held;

(vi) other circumstances required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Summoning of General Meetings

Subject to the consent of more than half of all independent Directors, the independent Directors shall have the right to propose to the Board to convene an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. If the Board does not agree to convene the extraordinary general meeting, it shall give the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board in writing to convene an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the Audit Committee. If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, the Audit Committee may convene and preside over such meeting on its own.

Shareholders that hold, individually or collectively, 10% or more of the shares in the Company shall have the right to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant Shareholders. If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, the Shareholders that hold, individually or collectively, 10% or more of the Shares of the Company may propose to the Audit Committee to convene an extraordinary general meeting. If the Audit Committee agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the relevant Shareholders. If the Audit Committee fails to give the notice convening such meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The Shareholders that hold, individually or collectively, 10% or more of the shares in the Company for 90 days or more consecutively may convene and preside over such meeting on their own.

Where the Audit Committee or the Shareholder(s) decide to convene a general meeting on its or their own, it or they shall notify the Board in writing and file with the stock exchange(s) pursuant to the securities regulatory rules of the place where the shares of the Company are listed. Before the announcement of the resolutions of the general meeting is made, the shareholding of the convening shareholder(s) shall not be less than 10%. Upon giving the notice of the general meeting and the announcement of the resolutions of the general meeting, the Audit Committee or the convening shareholder(s) shall file with the stock exchange(s) pursuant to the securities regulatory rules of the place where the shares of the Company are listed.

Where the Audit Committee or the Shareholder(s) convene a general meeting on its or their own, the Board and the board secretary shall provide assistance. The Board will provide the register of members as of the date of the share registration.

PROPOSALS AND NOTICES OF GENERAL MEETINGS

The content of proposals shall fall within the functions and powers of the general meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Board, the Audit Committee or Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company shall have the right to propose resolutions.

Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company may submit ad hoc proposals in writing to the convener 10 days before the convening of the general meeting. The convener shall give a supplemental notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

The convener of an annual general meeting shall notify all Shareholders by means of an announcement 21 days before the meeting; the convener of an extraordinary general meeting shall notify all Shareholders by means of an announcement 15 days before the meeting. When calculating the period for giving notice, the day of the meeting shall not be included.

A notice of a general meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) matters and proposals submitted to the meeting for consideration;

(iii) a prominent written statement that all Shareholders are entitled to attend general meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(iv) the record date of registration of Shareholders entitled to attend the general meeting;

(v) the name and contact method of the regular contact person for the meeting;

(vi) the time and procedure for voting online or through other means.

Notices or supplementary notices of general meetings shall adequately and completely disclose the specific contents of all proposals. Where the opinions of an independent Director are required on the matters to be discussed, such opinions and reasons thereof shall also be disclosed when the notices or supplementary notices of general meetings are served.

CONVENING OF GENERAL MEETINGS

All Shareholders registered on the share right registration date or their proxies shall be entitled to attend the general meetings and exercise voting rights in accordance with relevant laws, regulations and the Articles of Association. Shareholder may attend the general meeting in person, or appoint a proxy (need not be a shareholder) to attend or vote on behalf of such Shareholder.

Individual shareholders attending the meeting in person shall present his or her identity card or other valid license or certificate or stock account card that can prove his or her identity. Proxies appointed to attend the meeting shall present valid proof of their identities and the power of attorney from the appointing shareholder.

Shareholder that is a legal person shall attend the meeting by its legal representative or by proxies appointed by it. If a legal representative attends the meeting, he/she shall present his/her identity card or valid certificate proving his/her qualifications as a legal representative. Where the meeting is attended by proxy, he/she shall present his/her identity card and written power of attorney issued by the legal representative of the corporate shareholder unit in accordance with the law.

Where such Shareholder is a Recognized Clearing House (or its nominees) as defined by the relevant ordinances or regulations enacted in Hong Kong from time to time, it may authorize one or more persons or company representatives as it thinks fit to act as its representative(s) at any meeting (including but not limited to general meeting and creditor meeting); however, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized, and be signed by the person authorized by the Recognized Clearing House. The person(s) so authorized will be entitled to attend meetings (without being required to present share certificate, notarized authorization and/or further evidence of formal authorization) to speak and exercise the same power on behalf of the Recognized Clearing House (or its nominees) at the meeting as if such person was an individual shareholder of the Company.

Shareholders shall appoint a proxy in writing, signed by the appointing shareholder or the agent entrusted by him in writing; if the appointing shareholder is a legal person, it shall be affixed with the seal of the legal person or signed by its director or formally appointed agent. The power of attorney issued by a shareholder to appoint a proxy to attend any general meeting shall contain the following:

(i) name of the proxy;

(ii) whether there are voting rights;

(iii) instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of general meeting;

(iv) the date of issuance and term of validity of the power of attorney;

(v) the signature of the principal (or official seal); and a corporate seal should be affixed or signed by a legally authorized person if the principal is a corporate shareholder.

If the Shareholder does not give specific instructions on authorizing a proxy to attend the general meeting, the power of attorney shall state whether the proxy may vote as he/she thinks fit.

If the power of attorney is sign by other personnel authorized by consignor, the power of attorney for authorized signature or other authorization documents should be certified by a notary. The certificate of authorization or other authorization documents certified by a notary. The power of attorney or other authorization documents upon notarized shall, together with the power of attorney for voting, be placed at the domicile of the Company or such other location as specified in the notice of the meeting. If the consignor is a legal person, its legal representative or any person authorized by resolutions of the Board or other decision-making institutions shall attend the general meeting on behalf of the consignor.

All Directors and secretary to the Board shall attend general meetings of the Company, and the general manager and other senior management shall attend the meeting as non-voting participants. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend the meeting through the internet, video, telephone or other means with equivalent effect.

A general meeting shall be presided over by chairman of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A general meeting convened by the Audit Committee shall be presided over by the chairman of the Audit Committee. Where the chairman of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member jointly elected by more than half of the members of the Audit Committee. A general meeting convened by Shareholders shall be presided over by a representative elected by convener(s). Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the Shareholders present at the meeting with voting rights, the general meeting may elect a person to serve as the host of the meeting and continue the meeting.

Voting of General Meetings

Resolutions of a general meeting are divided into ordinary resolutions and special resolutions. Ordinary resolutions of a general meeting shall be passed by votes representing more than half of the voting rights held by Shareholders (including proxies thereof) attending the general meeting. Special resolutions of a general meeting shall be passed by votes representing more than two-thirds of voting rights held by Shareholders (including proxies thereof) attending the general meeting.

The following matters shall be passed by ordinary resolutions at a general meeting:

(i) work reports of the Board;

(ii) profit distribution plans and plans for recovery of losses formulated by the Board;

(iii) appointment and dismissal of members of the Board and their remunerations and methods of payment;

(iv) matters other than those required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be passed by special resolution.

The following matters shall be passed by special resolutions at a general meeting:

(i) increase or reduction of registered capital of the Company;

(ii) division, spin-off, merger, dissolution and liquidation of the Company;

(iii) the amendment of the Articles of Association;

(iv) the purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;

(v) share incentive scheme;

(vi) other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies thereof) shall exercise their voting rights based on the number of voting shares they represent. Each share is entitled to one vote.

When considering the material matters affecting the interests of minority investors at the general meeting, the votes by minority investors shall be counted separately, and the results of such separate vote counting shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by Shareholders attending a general meeting.

Shareholders who purchase the voting shares of the Company in violation of the provisions of Clause 1 and Clause 2 of Article 63 of the Securities Law shall not exercise the voting right of the shares that exceed the prescribed ratio within 36 months after the purchase, and such number shall not be counted in the total number of voting shares represented by Shareholders attending a general meeting.

The Board, independent Directors and Shareholders who hold more than one percent of voting shares of the Company or investors protection institutes established in accordance with laws, administrative regulations or the securities regulatory rules of the stock exchange(s) where the shares of the Company are listed may publicly solicit for the voting shares from Shareholders. Information including the specific voting intention shall be fully disclosed to the Shareholders from whom voting rights are being collected. Consideration or de facto consideration for soliciting Shareholders voting rights is prohibited. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.

When a connected transaction is considered at a general meeting, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Announcement of resolutions of the general meeting shall fully disclose the voting of non-connected shareholders.

BOARD OF DIRECTORS

Directors

Directors may include executive Directors, non-executive Directors, and independent Directors. Directors of the Company shall be natural persons and shall be subject to the qualification required by the laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed. A person may not serve as a Director of the Company in case of any of the following circumstances:

(i) the person is without civil conduct capacity or with limited civil conduct capacity;

(ii) the person who has committed an offence of corruption, bribery, conversion of property, misappropriation of property or sabotaging the market economic order of socialism and has been punished therefor; or who has been deprived of his/her political rights, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation or who has been granted probation, where less than two years have elapsed since the date of the expiration of the probation period;

(iii) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(iv) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to shut down due to a violation of the law and who incurred personal liability, where less than three years have elapsed since the date of such revocation of the business license;

(v) the person fails to repay a relatively large amount of due debts and has been treated as a dishonest person subject to enforcement by the court;

(vi) the person has been banned by the CSRC from access to the securities market, and the term of prohibition has not expired;

(vii) the person is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management of a listed company, and the term of prohibition has not expired;

(viii) other contents stipulated by laws, administrative regulations or departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Directors shall be elected or replaced at the general meeting and may be dismissed by the general meeting prior to the expiry of the term of their office. The general meeting may depose any director whose term has not expired by ordinary resolution (but claims that may be made under any contract will not be affected). A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms in accordance with securities regulatory rules of the place where the shares of the Company are listed.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director assumes the office.

Senior management officers may serve concurrently as Directors, provided that the total number of such Directors who concurrently serve as senior management officers and the employee representatives shall not exceed a half of the total number of the Directors of the Company.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. Relevant information shall be disclosed by the Board within 2 days. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement, the resignation of an independent Director results in the proportion of independent directors in the Board of Directors or a special committee not complying with legal regulations or the provisions of the Articles of Association, or no accounting professionals are among the independent Directors, the resigned Directors shall continue to perform his/her duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director assumes the office.

The terms of appointment, nomination and election procedures, functions and powers of independent Directors shall be implemented in accordance with the laws, the relevant securities regulatory rules of the place where the shares of the Company are listed. The number of independent Directors shall not be less than three and shall not be less than one-third of all Directors, and at least one shall include financial or accounting expertise in compliance with the requirements of the Listing Rules. One independent Director should be permanently resident in Hong Kong. All independent Directors must possess the independence as provided under the Listing Rules.

Unless otherwise specified by relevant laws, administrative regulations, and the securities regulatory rules of the place where the shares of the Company are listed, the term "independent Director" as referred to in the Articles of Association includes "independent non-executive Directors" as defined in the Listing Rules.

Board of Directors

The Company has established a Board which shall be accountable to the general meetings. The Board shall comprise 7 to 19 Directors.

The Board shall exercise the following duties and powers:

(i) to convene general meetings and report its work to the general meetings;

(ii) to implement the resolutions of the general meetings;

(iii) to formulate business operation plans and investment plans of the Company;

(iv) to formulate annual budgets and final accounts of the Company;

(v) to formulate the profit distribution plans and plans for recovery of losses of the Company;

(vi) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vii) to draft plans for major acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change in the form of the Company;

(viii) to determine, to the extent authorized by the general meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company;

(ix) to determine the internal management structure of the Company;

(x) to determine the appointment or dismissal of the manager of the Company, the Board secretary or other senior management officers, and decide on their remuneration, rewards and penalties; and based on the nomination of the manager, to determine the appointment or dismissal of the senior management including vice manager(s) and chief financial officer of the Company and determine their remuneration, rewards and penalties;

(xi) to formulate the basic management system of the Company;

(xii) to formulate proposals for any amendment of the Articles of Association;

(xiii) to manage the information disclosure of the Company;

(xiv) to propose to the general meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(xv) to listen to work reports of the manager of the Company and review his/her work;

(xvi) other duties as stipulated in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Special committees are set up under the Board of the Company, namely Audit Committee, Strategy Committee, Nomination Committee and Remuneration and Evaluation Committee. The Audit Committee shall assume and exercise the powers of the Supervisory Committee as prescribed by the PRC Company Law.

Borrowing Powers

The Articles of Association do not contain any specific provisions regarding Directors exercise of borrowing powers, but there are relevant provisions regarding Directors power to determine, to the extent authorized by the general meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company.

The Board shall consider the following major transactions within the scope of permissions: (save for the Company's provision of guarantee):

(i) the total amount of assets involved in the transaction exceeds 10% of the latest audited total assets of the Company; where the total amount of assets involved in the transaction exceeds 50% of the latest audited total assets of the Company, such transaction shall be submitted to the general meeting for consideration; and if such total amount of assets involved in the transaction has both book value and assessed value, the higher shall be used for calculation.

(ii) the transaction consideration exceeds 10% of the latest market value of the Company; where the transaction consideration exceeds 50% of the latest market value of the Company, such transaction shall be submitted to the general meeting for consideration.

(iii) the net assets involved in the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the latest market value of the Company; where the net assets involved in the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the latest market value of the Company, such transaction shall be submitted to the general meeting for consideration.

(iv) the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB10 million; where the operating revenue generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 50% of the audited operating revenue of the Company in the most recent financial year, and the absolute amount of which exceeds RMB50 million, such transaction shall be submitted to the general meeting for consideration.

(v) the profit arising from the transaction exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million; where the profit arising from the transaction exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million, such transaction shall be submitted to the general meeting for consideration.

(vi) the net profit generated by the subject matter (such as equity interest) of the transaction in the most recent financial year exceeds 10% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB1 million; where the net profit generated by the subject matter (such as equity interest) of

the transaction in the most recent financial year exceeds 50% of the audited net profit of the Company in the most recent financial year, and the absolute amount of which exceeds RMB5 million, such transaction shall be submitted to the general meeting for consideration.

Transactions between the Company and its controlling subsidiaries or other entities under its control within the scope of consolidated statements, or transactions between the said controlling subsidiaries or other entities under its control, shall be exempted from the requirements of disclosure and fulfillment of the corresponding procedures in accordance with the Articles of Association, unless otherwise provided by the securities regulation authorities and stock exchanges where the shares of the Company are listed.

The chairman of the Board shall be elected by more than half of all the Directors. The chairman of the Board shall exercise the following duties and powers:

(i) to convene and preside over Board meetings, and to preside over general meetings;

(ii) to supervise and examine the implementation of resolutions of Board;

(iii) other duties and powers as authorized by the Board.

Where the chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by a Director jointly elected by more than half of the Directors.

The Board shall convene at least two meetings per year. Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Audit Committee may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days from the receipt of the proposal. The Board of Directors shall notify all Directors in writing 14 days before convening the regular meeting of the Board, while 5 days before convening the extraordinary meeting of the Board. If the notice is not delivered directly, it shall also be confirmed by telephone and recorded accordingly.

The quorum of a Board meeting shall consist of more than one half of all Directors. A resolution of the Board shall be passed by more than half of all Directors. When the Board considers a resolution on the guarantees of the Company within the Board's decision-making authority, the resolution shall be passed by more than two thirds of the Directors present at the meeting. When voting on the resolutions of the Board, each Director shall have one vote.

Where a Director has any connected relationship with the enterprise involved in the matter to be decided at the meeting, he/she shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. Such a Board meeting may be held only if more than one half of the Directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than one half of the Directors without a connected relationship. If the number of non-connected Directors in presence is less than 3 persons, the matter shall be submitted to the general meeting for consideration. If there are any additional restrictions imposed by laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed on the participation of Directors in the Board meetings and voting, such provisions shall apply.

The voting in respect of a resolution made at a Board meeting shall be by open ballot. Each Director has the right to one vote. Resolutions of extraordinary meetings of the Board may be adopted by voting through telecommunication (including but not limited to telephone, facsimile etc.), provided that the Directors are allowed to freely express their views and the resolutions shall be signed by the attending Directors.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right at the meeting.

Managers and other senior management

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The Company may have several deputy general managers as necessary. Deputy general managers shall be nominated by the general manager and appointed or dismissed by the Board, and the deputy general manager shall assist the general manager in his/her work.

The circumstances of disqualification for Directors prescribed in the Articles of Association, the fiduciary duty of the Directors prescribed in the Articles of Association, and the diligence duty prescribed in the Articles of Association shall also be applicable to senior management.

The general manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

The general manager shall report to the Board and exercise the following duties and powers:

(i) to take charge of the production, operation and management of the Company, organize the implementation of the Board, and report to the Board;

(ii) to organize the implementation annual business plans and investment plans of the Company;

(iii) to draft the plans for establishment of the internal management organization of the Company;

(iv) to draft the basic management system of the Company;

(v) to formulate the rules and regulations of the Company;

(vi) to propose to the Board the appointment or dismissal of the deputy general manager and chief financial officer of the Company;

(vii) to determine the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be determined by the Board;

(viii) other duties and powers as may be conferred by the Articles of Association or by the Board.

The Company shall have a Board secretary, who is responsible for preparing for general meeting and Board meetings, maintaining documents and managing Shareholders information, as well as handling information disclosure matters.

The senior management of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all Shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public Shareholders, they shall be liable for compensation in accordance with the laws.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of the securities regulatory rules of the place where the shares of the Company are listed.

A Share Reports: The Company shall report and disclose its annual reports to the CSRC and the stock exchange(s) within four months from the ending date of each fiscal year, and report and disclose its interim report to the delegated authority of the CSRC and the stock exchange(s) within two months from the end of the first half of each fiscal year. The aforementioned annual reports and interim reports shall be prepared in accordance with relevant laws, administrative regulations and regulations of the CSRC and the stock exchange(s).

H Share Reports: The Company shall disclose a preliminary announcement of the annual performance within 3 months from the end of each accounting year and prepare and disclose the annual report within 4 months from the end of each accounting year, with at least 21 days before the annual general meeting of shareholders. The Company shall disclose a preliminary announcement of the interim performance within 2 months from the end of the first 6 months of each accounting year and prepare and disclose the interim report within 3 months from the end of the first 6 months of each accounting year.

The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit distribution

When distributing after-tax profits of the year, the Company shall set aside 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision.

Subject to a resolution passed at a general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund. Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of statutory reserve funds, shall be distributed to Shareholders in proportion to their shareholdings. Where the general meeting distributes its profits before recovery of losses and appropriation of statutory reserve funds to the shareholders in breach of the provisions of the preceding provision, Shareholders must refund to the Company the profits distributed in violation of the provisions. No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

The Company may distribute profits in the form of cash, shares or a combination of both, or in any other manner permitted by laws and regulations. The Company shall prioritize the use of cash dividends for profit distribution.

Internal audit

The Company shall implement an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board. The audit department shall be accountable and report to the Board.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the securities regulatory rules of the place where the shares of the Company are listed for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of general meetings. The Board shall not appoint accounting firm before the approval of the general meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm shall be determined by the general meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance; when the general meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation.

An accounting firm proposing to resign shall state at a general meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved. If the price paid for a merger of any corporation does not exceed 10% of the Company's net assets, it may not be approved by a resolution of the general meeting of Shareholders, but shall subject to a resolution by the Board.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the newspapers publicly issued at the provincial level or above or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange (**www.hkexnews.hk**) within 30 days as of the date of such resolution. A creditor may within 30 days

as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts. Other listing rules at the place where the shares of the Company are listed shall prevail.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on the newspapers publicly issued at the provincial level or above or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange (**www.hkexnews.hk**) within 30 days as of the date of such resolution. Other listing rules at the place where the shares of the Company are listed shall prevail.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on the newspapers publicly issued at the provincial level or above or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange (**www.hkexnews.hk**) within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts. Other listing rules at the place where the shares of the Company are listed shall prevail.

The registered capital of the Company after the reduction shall not be less than the statutory minimum amount.

Where there is a merger or division of the Company, the Company shall, in accordance with the laws, apply for change in its registration with the company registration authority for any changes of its registered information caused thereby. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

Where there is an increase or reduction in the registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

Dissolution and Liquidation

The Company shall be dissolved upon the occurrence of any of the following events:

(1) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;

(2) a resolution on dissolution is passed by general meeting;

(3) dissolution is required due to the merger or division of the Company;

(4) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(5) the Company suffers significant hardships in operation and management that cannot be resolved through other means, and its continuation may cause substantial loss in Shareholders' interests, Shareholders representing 10% or above of the total voting rights of the Company may plead the people's court to dissolve the Company.

With regard to the occurrence of the situation described in sub-paragraph (1) and (2) above, the Company may continue to exist by amending the Articles of Association or by resolution of the general meeting of Shareholders.

Where the Company is dissolved pursuant to sub-paragraph (1), (2), (4) or (5) above, it shall establish a liquidation committee within 15 days as of the dissolution circumstance arises, and the liquidation shall be thereby started. The liquidation committee shall comprise Directors or those determined by the general meeting.

As of the date of its establishment, the liquidation committee shall notify the creditors within 10 days and make public announcement on the newspapers publicly issued at the provincial level or above or on the National Enterprise Credit Information Publicity System and the website of the Hong Kong Stock Exchange (**www.hkexnews.hk**) within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee. Other listing rules at the place where the shares of the Company are listed shall prevail.

Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims.

The liquidation committee shall not pay off any debts to any creditors during period of credit declaration.

After checking the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation by general meeting or the people's court. The remaining properties of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs, taxes and debts of the Company, shall be distributed to the shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding article.

If the liquidation committee, after checking the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the people's court for bankruptcy. After the Company is declared bankrupt by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for de-registration of the Company and announce the termination of the Company.

Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

Amendments to the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

(1) after amendments are made to the PRC Company Law or other relevant laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed, any term contained in the Articles of Association become inconsistent with the said amendments;

(2) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

(3) the general meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the general meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on August 17, 2006 and was converted into a joint stock limited company on November 29, 2011 under the laws of the PRC. Our Company completed the listing of our A Shares on the SSE STAR Market (stock code: 688506) in January 2023. Accordingly, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. The relevant PRC laws and regulatory provisions and a summary of our Articles of Association are set out in "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association," respectively.

Our registered office is located at 1#, Building 1, No. 161, Baili Road, Cross-Strait Science and Technology Industrial Park, Wenjiang District, Chengdu City, Sichuan Province, PRC. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on July 22, 2024, and our principal place of business in Hong Kong is at 46/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Ms. Ho Wing Nga (何詠雅) has been appointed as our authorized representative for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

2. Changes in the Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure" and below there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

On December 31, 2025 and June 2, 2026, following approval by the Board in each case, our Company announced plans to repurchase A Shares through centralized bidding transactions. All A Shares repurchased under the plan are intended to be used for the implementation of an employee share ownership plan or share incentive scheme at an appropriate time. As of the Latest Practicable Date, our Company had repurchased and held as treasury Shares an aggregate of 1,558,877 A Shares.

Upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), our total issued share capital will increase from RMB412,873,817 to RMB[**REDACTED**], comprising 412,873,817 A Shares and [**REDACTED**] H Shares, all of which will be fully paid up.

3. Changes in the Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in "History, Development and Corporate Structure" and Note 47 to the Accountants' Report in Appendix I to this document.

Save as disclosed below, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

On November 7, 2025, the registered capital of Baili Pharmaceutical was increased from RMB125,000,000 to RMB126,000,000.

On November 7, 2025, the registered capital of Baili-Bio was increased from RMB200,000,000 to RMB205,000,000.

4. Resolutions of our Shareholders

Pursuant to the resolutions passed at general meetings of our Shareholders on July 8, 2024 and February 9, 2026, the following resolutions, among others, were passed by the Shareholders:

(a) the [**REDACTED**] by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the SEHK;

(b) the number of H Shares to be [**REDACTED**] shall not be more than [**REDACTED**]% of the total issued share capital of our Company as enlarged by the [**REDACTED**] (assuming the [**REDACTED**] is not exercised);

(c) the number of additional H Shares to be [**REDACTED**] pursuant to the exercise of the [**REDACTED**] granted to the [**REDACTED**] shall not be more than [**REDACTED**]% of the number of H Shares initially [**REDACTED**] under the [**REDACTED**];

(d) subject to the completion of the [**REDACTED**], the conditional adoption of the Articles of Association, which shall become effective on the [**REDACTED**], and the Board has been authorized to amend the Articles of Association in accordance with any comments from the SEHK and other relevant regulatory authorities; and

(e) authorizing our Board and its authorized persons to handle all matters relating to, among other things, the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of the H Shares.

5. Restrictions on Repurchase

Please refer to "Appendix IV — Summary of Principal Legal and Regulatory Provisions" and "Appendix V — Summary of Articles of Association" for details of the restrictions on the share repurchase by our Company.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this document, which are or may be material:

(a) [**REDACTED**]; and

(b) [●]

2. Our Material Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Place of registration	Registration number	Class	Validity period
1		Our Company	PRC	12023054	35	June 28, 2024 to June 27, 2034

No.	Trademark	Registered owner	Place of registration	Registration number	Class	Validity period
2	乐维泰	Guorui Pharmaceutical	PRC	7149088	5	August 14, 2020 to August 13, 2030
3	乐维松	Guorui Pharmaceutical	PRC	7141450	5	August 14, 2020 to August 13, 2030
4	乐维静	Guorui Pharmaceutical	PRC	3390406	5	July 28, 2024 to July 27, 2034
5	精西	Jingxi Pharmaceutical	PRC	22398751	5	February 7, 2018 to February 6, 2028
6	百利多特	Baili Pharmaceutical	PRC	73592189	42	April 28, 2024 to April 27, 2034
7	百利多特	Baili Pharmaceutical	PRC	73591486	35	April 28, 2024 to April 27, 2034
8	百利天恒	Baili Pharmaceutical	PRC	71057791	42	October 14, 2023 to October 13, 2033
9	百利天恒	Baili Pharmaceutical	PRC	71040230	40	October 7, 2023 to October 6, 2033
10	百利天恒	Baili Pharmaceutical	PRC	71040223	35	October 7, 2023 to October 6, 2033
11	BIOKIN Pharma	Baili Pharmaceutical	PRC	65434240	35	March 7, 2023 to March 6, 2033
12	BAILI BIO	Baili Pharmaceutical	PRC	59190269	5	May 14, 2022 to May 13, 2032
13	百利	Baili Pharmaceutical	PRC	50675605	10	May 28, 2022 to May 27, 2032
14	好好	Baili Pharmaceutical	PRC	48761260A	5	August 28, 2021 to August 27, 2031
15	天泽	Baili Pharmaceutical	PRC	50340444	5	July 7, 2021 to July 6, 2031
16	玉颜芪	Baili Pharmaceutical	PRC	56488172	3	December 14, 2021 to December 13, 2031

No.	Trademark	Registered owner	Place of registration	Registration number	Class	Validity period
17	SYSTIMMUNE	Baili Pharmaceutical	PRC	22279704	35	January 28, 2018 to January 27, 2028
18	SYSTIMMUNE	Baili Pharmaceutical	PRC	22279638	42	January 28, 2018 to January 27, 2028
19	百利天恒药业	Baili Pharmaceutical	PRC	11374435	30	January 21, 2024 to January 20, 2034
20	百利天恒药业	Baili Pharmaceutical	PRC	11374417	35	January 21, 2024 to January 20, 2034
21	百利天恒	Baili Pharmaceutical	PRC	11374401	35	January 21, 2024 to January 20, 2034
22	百利天恒药业	Baili Pharmaceutical	PRC	11374286	5	January 21, 2024 to January 20, 2034
23	百利天恒	Baili Pharmaceutical	PRC	11374232	5	January 21, 2024 to January 20, 2034
24	百利药业	Baili Pharmaceutical	PRC	8546146	5	August 14, 2021 to August 13, 2031
25	新博	Baili Pharmaceutical	PRC	8546145	5	August 21, 2021 to August 20, 2031
26	百利	Baili Pharmaceutical	PRC	4193979	5	February 14, 2018 to February 13, 2028
27	新百利	Baili Pharmaceutical	PRC	4193977	5	February 14, 2018 to February 13, 2028
28		Baili Pharmaceutical	PRC	1636408	5	September 21, 2021 to September 20, 2031
29		Baili Pharmaceutical	PRC	1636406	5	September 21, 2021 to September 20, 2031

No.	Trademark	Registered owner	Place of registration	Registration number	Class	Validity period
30		Our Company	Hong Kong	306590719	5, 42	June 24, 2024 to June 23, 2034
31	百利天恒	Our Company	Hong Kong	306590728	5, 42	June 24, 2024 to June 23, 2034
32	Biokin Pharma	Our Company	Hong Kong	306590737	5, 42	June 24, 2024 to June 23, 2034
33	伊泽康	Baili Pharmaceutical	PRC	79248303	5	February 14, 2025 to February 13, 2035
34	怡泽康	Baili Pharmaceutical	PRC	79254337	5	February 14, 2025 to February 13, 2035
35	亦泽康	Baili Pharmaceutical	PRC	79261125	5	February 14, 2025 to February 13, 2035
36	百利多特	Baili Pharmaceutical	PRC	73596967	5	February 14, 2025 to February 13, 2035
37	金百利金百利	Baili Pharmaceutical	PRC	80815547	5	June 14, 2025 to June 13, 2035
38	宜泽康	Baili Pharmaceutical	PRC	79248311	5	December 7, 2024 to December 6, 2034

(b) Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

No.	Patent	Place of registration	Patent number	Owners	Announcement date of grant
1.	An antibody-drug conjugate with acid-stable linker (一種帶酸性自穩定接頭的抗體-藥物偶聯物)	PRC	ZL201810620856.7	Baili-Bio	November 26, 2021
2.	A camptothecin drug and its antibody conjugate thereof	Australia	AU2020442003	SystImmune	January 11, 2024

No.	Patent	Place of registration	Patent number	Owners	Announcement date of grant
3.	A camptothecin-type drug having highly stable hydrophilic binding units and their complexes (一種帶有高穩定性親水連接單元的喜樹鹼類藥物及其偶聯物)	PRC	ZL202110610405.7	Baili-Bio	September 30, 2025
4.	Camptothecin-type drugs having highly stable hydrophilic binding units and their complexes	Japan	JP7686677	SystImmune	May 23, 2025
5.	Bispecific tetravalent antibody and methods of making and using the thereof	U.S.	US10919977B2	SystImmune	January 27, 2021
6.	Bispecific tetravalent antibody and methods of making and using the thereof (雙特異性四價抗體及其製造和使用方法)	PRC	ZL201580036408.7	Baili-Bio	May 18, 2021
7.	Bispecific antibody-camptothecin drug conjugates and pharmaceutical uses thereof	Japan	JP7767613	SystImmune	October 31, 2025
8.	Anti-PD-1 antibodies and methods of making and using thereof	U.S.	US11466084	SystImmune	October 11, 2022
9.	Anti-ROR1 antibodies and methods of making and using thereof	U.S.	US11518815	SystImmune	December 6, 2022
10.	Anti-CD3 antibodies and methods of making and using thereof	U.S.	US11535667	SystImmune	December 27, 2022
11.	Multi-specific antibodies and methods of making and using thereof	U.S.	US11787863	SystImmune	October 17, 2023
12.	Multi-specific antibodies and methods of making and using thereof (多特異性抗體及其製備和使用方法)	PRC	ZL201880039401.4	Baili-Bio	August 15, 2023

(c) Domain Names

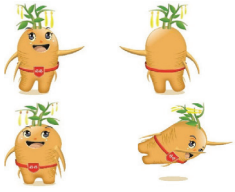
As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain name	Owner	Registration date	Expiry date
1	biokin-pharm.com	Our Company	March 20, 2023	March 20, 2028
2	biokin-pharm.cn	Our Company	March 20, 2023	March 20, 2028
3	biokin-pharm.com.cn	Our Company	May 23, 2024	May 23, 2029
4	biokin-pharm.net	Our Company	May 23, 2024	May 23, 2029
5	baili-pharm.com.cn	Our Company	May 23, 2024	May 23, 2029
6	baili-pharm.net	Our Company	May 23, 2024	May 23, 2029
7	baili-bio.com.cn	Our Company	June 17, 2024	June 17, 2029

No.	Domain name	Owner	Registration date	Expiry date
8	baili-bio.cn	Our Company	June 17, 2024	June 17, 2029
9	biokin.co	Our Company	June 17, 2024	June 17, 2029
10	biokin.ltd	Our Company	June 17, 2024	June 17, 2029
11	biokin-pharm.co	Our Company	June 17, 2024	June 17, 2029
12	biokin-pharm.ltd	Our Company	June 17, 2024	June 17, 2029
13	baili-pharm.co	Our Company	June 17, 2024	June 17, 2029
14	baili-pharm.ltd	Our Company	June 17, 2024	June 17, 2029
15	baili-bio.com	Our Company	June 17, 2024	June 17, 2029
16	baili-bio.co	Our Company	June 17, 2024	June 17, 2029
17	baili-bio.ltd	Our Company	June 17, 2024	June 17, 2029
18	baili-bio.net	Our Company	June 17, 2024	June 17, 2029

(d) Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Registered Owner	Copyright	Date of registration
1	Baili Pharmaceutical		August 11, 2010
2	Baili Pharmaceutical		October 20, 2014
3	Baili Pharmaceutical		July 3, 2019
4	Baili Pharmaceutical		July 4, 2019
5	Baili Pharmaceutical		December 3, 2019

No.	Registered Owner	Copyright	Date of registration
6	Baili Pharmaceutical	好好 黄芪颗粒 好好 黄芪颗粒	August 28, 2020
7	Baili Pharmaceutical		December 22, 2020
8	Baili Pharmaceutical	百利 百利药业	December 11, 2020
9	Baili Pharmaceutical	百利药业 百利药业	December 11, 2020
10	Baili Pharmaceutical	杜拉宝	June 15, 2021
11	Baili Pharmaceutical		June 15, 2021
12	Baili Pharmaceutical		June 15, 2021
13	Baili Pharmaceutical		August 19, 2022
14	Baili Pharmaceutical	百利天恒 BIOKIN PHARMACEUTICAL 真诚伙伴，健康快乐!!	May 31, 2023
15	Guorui Pharmaceutical		December 2, 2016

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which were or may be material in relation to our business.

C. FURTHER INFORMATION ABOUT DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and that there is no change in the number of A Shares in issue between the Latest Practicable Date and the [**REDACTED**]), the interests and short positions of our Directors and chief executive of our Company in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to our Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be

entered in the register referred to therein, or (iii) which will be required to be notified to our Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, in each case once our Shares are [**REDACTED**] on the SEHK:

(i) Interests in Shares and underlying Shares

Name of Director/ chief executive	Position	Capacity/Nature of interest	Description of Shares	Number of Shares directly or indirectly held	Approximate percentage of shareholding in our A Shares	Approximate percentage of shareholding in our total issued Shares[1]
Dr. Zhu	Executive Director, chairperson of the Board, general manager and Chief Scientific Officer	Beneficial owner	A Shares	298,159,400	72.22%	[**REDACTED**]%
		Interested in treasury shares[2]	A Shares	1,558,877	0.38%	[**REDACTED**]%
Ms. Zhang Suya (張蘇婭)	Executive Director, executive deputy general manager and chief financial officer	Beneficial owner	A Shares	9,575,543	2.32%	[**REDACTED**]%

Notes:

(1) The calculation is based on 412,873,817 A Shares (including 1,558,877 A Shares being held as treasury Shares repurchased by our Company) and [**REDACTED**] H Shares in issue.

(2) As of the Latest Practicable Date, our Company had repurchased an aggregate of 1,558,877 A Shares, all of which were held as treasury Shares. As such, under the SFO, Dr. Zhu Yi, who controls more than one third of the voting power at the general meetings of our Company, would be taken to have an interest in such repurchased A Shares held by our Company.

(ii) Interests in our associated corporation

Name of Director/ chief executive	Position	Capacity/Nature of interest	Associated corporation	Number of shares of the associated corporation underlying the share options[1]	Approximate percentage of shareholding interest in the associated corporation underlying the share options[2]
Dr. Zhu	Executive Director, chairperson of the Board, general manager and Chief Scientific Officer	Beneficial owner	SystImmune	10,128,407[3]	3.50%
Dr. Zhu Hai (朱海)	Executive Director	Beneficial owner	SystImmune	2,893,616[3]	1.00%

Notes:

(1) The number of shares held by Dr. Zhu or Dr. Zhu Hai represents the total number of shares of SystImmune underlying the share options granted to them under the SystImmune Incentive Plans, respectively. For further details of the SystImmune Incentive Plans, see "— D. SystImmune Incentive Plans."

(2) Assuming no new shares are issued pursuant to the outstanding options under the SystImmune Incentive Plans.

(3) Consists of options corresponding to different classes of shares.

(b) Interests of the substantial Shareholders in the Shares

Save as disclosed in "Substantial Shareholders," immediately following the completion of the [**REDACTED**], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the SEHK under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(c) Interests of the substantial Shareholders in other members of our Group

So far as our Directors are aware, as of the Latest Practicable Date, no persons were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group.

2. Particulars of Directors' Service Contracts

We have entered into a service contract with each of our Directors which contains provisions in relation to, among other things, compliance with relevant laws and regulations and observance of the Articles of Association. The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years following his/her respective effective date of his/her appointment; and (b) each of the contracts is subject to termination in accordance with their respective terms. The contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed in "Directors and Senior Management" and above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 14 to the Accountants' Report set out in Appendix I to this document for the years ended December 31, 2024 and 2025 and the three months ended March 31, 2026, none of our Directors received other remunerations of benefits in kind from us.

4. Disclaimers

(a) Save as disclosed in "— C. Further information about Directors, Senior Management and Substantial Shareholders — 1. Disclosure of Interests," none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the SEHK pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**] on the SEHK.

(b) So far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the number of issued shares of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

(c) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole.

(d) None of our Directors or any of the experts listed in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

D. SYSTIMMUNE INCENTIVE PLANS

The following is a summary of the principal terms of the SystImmune Incentive Plan I, SystImmune Incentive Plan II, SystImmune Incentive Plan III and SystImmune Incentive Plan IV as adopted by our subsidiary SystImmune in 2015, 2022, 2023 and 2024. The terms of the SystImmune Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules, as SystImmune is not a principal subsidiary of the Company under Rule 17.14 of the Listing Rules. Terms of each of the SystImmune Incentive Plans are substantially similar.

1. Summary of terms

(a) Purpose

The purpose of the SystImmune Incentive Plans is to motivate and retain employees within the Group or consultants to contribute to the growth of SystImmune.

(b) Eligible participants

Eligible participants of the SystImmune Incentive Plans may include: (i) employees (including officers, directors and other employees) of SystImmune and/or certain members within the Group, or (ii) consultants who provide services to SystImmune and/or certain members within the Group.

(c) Administration

Each of the SystImmune Incentive Plans is administered by the board of directors of SystImmune ("**SystImmune Board**"), or a committee or committees appointed by the SystImmune Board consisting of two or more members of, the SystImmune Board (collectively, the "**Plan Administrator**").

(d) Awards

An award may take the form of option and/or restricted share.

(e) Grant of awards

Awards granted will be evidenced by a written agreement, which will contain the terms, conditions, limitations, and restrictions determined by the Plan Administrator. Such written agreements must include or incorporate by reference at least the following terms and conditions: number of shares, exercise price, vesting schedule, term and termination.

(f) Validity period of the SystImmune Incentive Plans

Unless being terminated earlier, the term of the SystImmune Incentive Plans is ten years from the date of adoption by the board or shareholders (as the case may be).

(g) Term of options

Unless determined by the Plan Administrator, the option has a term of 10 years commencing from the grant date.

(h) Vesting period of options

The Plan Administrator will establish and include in each written agreement the time at which and the installments in which, the option granted will vest and become exercisable. The Plan Administrator may waive or accelerate any vesting requirement for any outstanding and unexercised options. The major vesting period arrangements are as follows:

	Vesting period	**Maximum percentage that can be vested**
Four-year vesting period:		
First vesting period	on the first anniversary of the grant date	15%
Second vesting period	on the second anniversary of the grant date	25%
Third vesting period	on the third anniversary of the grant date	25%
Fourth vesting period	on the fourth anniversary of the grant date	35%
Five-year vesting period:		
First vesting period	on the first anniversary of the grant date	20%
Second vesting period	on the second anniversary of the grant date	20%
Third vesting period	in 24 equal monthly increments beginning with the first calendar month following the third anniversary of the grant date	60%
Six-year vesting period:		
First vesting period	on the second anniversary of the grant date	20%
Second vesting period	on the third anniversary of the grant date	20%
Third vesting period	in 24 equal monthly increments beginning with the first calendar month following the fourth anniversary of the grant date	60%

(i) Restricted shares

The Plan Administrator may award restricted shares, subject to conditions established by the Plan Administrator.

When a right to purchase or receive restricted share is granted under the SystImmune Incentive Plans, the participant will be advised in writing of the terms, conditions, and restrictions related to the offer, including the number of shares which may be purchased, the exercise price which will be determined by the Plan Administrator, and the time within which the participant may accept the offer.

(j) Exercise price

The exercise price for each award will be determined by the Plan Administrator, but may not be less than 100% of the fair market value of the share of SystImmune on the grant date.

(k) Maximum number of shares subject to the SystImmune Incentive Plans

The maximum number of shares of SystImmune underlying the awards that may be further granted under the SystImmune Incentive Plans shall be 26,913,865 in aggregate.

2. Awards granted

As of the Latest Practicable Date, share options representing the right to subscribe for 17,087,135 SystImmune shares granted to 141 employees of the Group remain outstanding.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

3. Preliminary expenses

Our Company did not incurred material preliminary expenses in relation to the incorporation of our Company.

4. Promoters

Information of our promoters as of the time of our Company's conversion into a joint stock company in November 2011 is as follows:

No.	Name
1.	Dr. Zhu
2.	Ms. Zhang Suya (張蘇婭)
3.	Ms. Zhu Ying (朱英)
4.	Xinjiang Xinxi Equity Investment Limited Partnership (新疆新璽股權投資有限合夥企業)
5.	Hangzhou Ronggao Equity Investment Co., Ltd. (杭州融高股權投資有限公司)

Save as disclosed in "Appendix I — Accountants' Report — 40. Related Parties' Transactions", within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters named above in connection with the [**REDACTED**] and the related transactions described in this document.

5. Taxation of Holders of H Shares

(a) Hong Kong

The [**REDACTED**] of H Shares are subject to Hong Kong stamp duty if such [**REDACTED**] are effected on the [**REDACTED**] of members of our Company, including in circumstances where such transaction is effected on the SEHK. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being [**REDACTED**]. For further details in relation to taxation, see "Appendix III — Taxation and Foreign Exchange."

(b) Consultation with professional advisers

Potential [**REDACTED**] in the [**REDACTED**] are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of [**REDACTED**] our H Shares (or exercising rights attached to them). None of us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], or any other person or party involved in the [**REDACTED**] accept responsibility for any tax effects on, or liabilities of, any person, resulting from the [**REDACTED**] or the exercise of any rights in relation to our H Shares.

6. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in "Appendix I — Accountants' Report — 40. Related Parties' Transactions."

7. No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, being the latest date of our consolidated financial statements as set out in Appendix I to this document, and there is no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.

8. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinion and/or advice in this document are as follows:

Name	Qualifications
CITIC Securities (Hong Kong) Limited	A corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Jefferies Hong Kong Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Deutsche Securities Asia Limited	A corporation licensed to conduct Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts) and Type 6 (Advising on Corporate Finance in respect of Hong Kong IPO sponsor activity only) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified public accountants and Registered Public Interest Entity Auditor
JunHe LLP	Legal adviser to our Company as to PRC laws
China Insights Industry Consultancy Limited	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Consents of Experts

Each of the experts as listed in this Appendix has given and has not withdrawn its respective written consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and the references to its name included herein in the form and context in which it is respectively included.

10. Compliance Adviser

We have appointed TFI Capital Limited as our Compliance Adviser upon the [**REDACTED**] in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

11. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the [**REDACTED**] of the SEHK for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares of our Company. All necessary arrangements have been made to enable the securities to be admitted into [**REDACTED**].

As of the Latest Practicable Date, CITIC Securities Company Limited ("**CITICS Securities**") held less than 5% of the total issued share capital of the Company. CITIC Securities (Hong Kong) Limited ("**CITICS Hong Kong**") is an indirectly wholly-owned subsidiary of CITICS Securities. CITICS Securities is a member of the sponsor group of CITICS Hong Kong as defined under the Listing Rules.

As none of the sponsor group of CITICS Hong Kong, its directors or its directors' close associates collectively holds and will, immediately following the completion of the [**REDACTED**], hold, directly or indirectly, more than 5% of the number of issued Shares (excluding treasury Shares) of the Company, the independence of CITICS Hong Kong as a sponsor would not be affected under Rule 3A.07 of the Listing Rules.

Therefore, all the Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Joint Sponsors, the Joint Sponsors' fees payable by us to each of the Joint Sponsors in respect of their services as sponsors in connection with the proposed [**REDACTED**] on the SEHK is US$500,000.

12. Binding Effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

13. Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purpose only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

14. Miscellaneous

Save as disclosed below:

(i) within the two years immediately preceding the date of this document:

(a) save as disclosed in "— A. Further Information about Our Group — 2. Changes in the Share Capital of Our Company" and "— A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries," no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(b) save as disclosed in "— D. SystImmune Incentive Plans," no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

(c) save for the A Shares of our Company that are listed on the SSE STAR Market, and save for the H Shares to be [**REDACTED**] in connection with the [**REDACTED**], no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(d) save for the A Shares of our Company that are listed on the SSE STAR Market, and save for the H Shares to be [**REDACTED**] in connection with the [**REDACTED**], no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(ii) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(iii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(iv) our Company has no outstanding convertible debt securities or debentures;

(v) there is no arrangement under which future dividends are waived or agreed to be waived;

(vi) save for the A Shares of our Company that are listed on the SSE STAR Market, and save for the H Shares to be [**REDACTED**] in connection with the [**REDACTED**], none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(vii) all necessary arrangements have been made to enable the H shares to be [**REDACTED**] into [**REDACTED**] for clearing and settlement.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

1. the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 9. Consents of Experts;" and

2. a copy of each of the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts."

DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of the SEHK at **www.hkexnews.hk** and on the website of our Company at **www.baili-pharm.com** during a period of 14 days from the date of this document:

1. the Articles of Association;

2. the accountants' report prepared by Deloitte Touche Tohmatsu on the historical financial information of our Group, the text of which is set forth in Appendix I to this document;

3. the audited consolidated financial statements of our Company for the years ended December 31, 2024 and 2025 and [**REDACTED**];

4. the report prepared by Deloitte Touche Tohmatsu on the unaudited [**REDACTED**] financial information of our Group, the text of which is set forth in Appendix II to this document;

5. the industry report issued by CIC, the summary of which is set forth in "Industry Overview;"

6. the legal opinion issued by JunHe LLP, our PRC Legal Advisor, in respect of, the general corporate matters of our Group under the PRC laws;

7. the material contracts referred to in "Appendix VI — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts;"

8. the service contracts referred to in "Appendix VI — Statutory and General Information — C. Further Information about Directors, Senior Management and Substantial Shareholders — 2. Particulars of Directors' Service Contracts;"

9. the written consents referred to in "Appendix VI — Statutory and General Information — E. Other Information — 9. Consents of Experts;" and

10. the PRC Company Law, Securities Law, and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, together with unofficial English translations thereof.