

SUMMARY

This summary aims to give you an overview of the information contained in this document and does not contain all the information that may be important to you. 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 out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are an integrated biopharmaceutical company dedicated to the discovery, development, and commercialization of innovative small-molecule and biologic therapies, with a strategic focus on oncology, autoimmune diseases, and hemostasis/hematology. Our business is powered by a dual innovation engine, combining two proprietary technology platforms to build a diversified pipeline: a small-molecule drug R&D platform, and a bispecific/trispecific antibody and complex recombinant protein R&D platform. Together, they have empowered us to build a diversified pipeline, including multiple candidates in different therapeutic areas progressing toward clinical and registrational milestones.

As of the Latest Practicable Date, we had four commercialized drugs: Zepsun® 澤普生® (Donafenib Tosilate Tablets), the first domestically-developed small-molecule multi-targeted drug in China for the first-line treatment of advanced HCC; Zepuping 澤普平® (Gecacitinib Hydrochloride Tablets), the first domestically-developed innovative JAK inhibitor in China for the treatment of myelofibrosis; Zepuning 澤普凝® (Recombinant Human Thrombin), the only recombinant human thrombin developed with recombinant DNA technology and successfully commercialized in China; and Zesuning 澤速寧® (Human Thyrotropin beta for Injection), the only recombinant human thyrotropin approved in China for diagnostic use in postoperative follow-up of differentiated thyroid cancer patients for radioactive iodine whole-body imaging and serum thyroglobulin monitoring. Our strategically-tiered pipeline of drug candidates comprises 10 drug candidates across 29 key clinical programs, as of the Latest Practicable Date. Among them, there are four drug candidates with eight indications already at the stage of BLA/NDA or pivotal/Phase III registration trials, including Gecacitinib Hydrochloride Tablet, which is undergoing NDA for ankylosing spondylitis and atopic dermatitis, and Human Thyrotropin beta for Injection which is at the stage of BLA for postoperative treatment of thyroid cancer. We continue to invest in new targets and breakthrough technologies, with priority programs such as ZG006 (Alveltamig), the world’s first trispecific antibody targeting DLL3/DLL3/CD3, and ZG005 (Nilvanstomig), a PD-1/TIGIT bispecific antibody that ranks as one of the most advanced programs globally. Further, we are also building a portfolio of frontier early-stage programs, including ZGGS18, ZGGS34, ZGGS15, ZG2001, ZG0895 and ZG2273, spanning T-cell engagers, bispecific and multispecific antibodies, and small-molecule therapies designed to address traditionally “undruggable” targets.

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OUR PIPELINE

The following chart summarizes the development status of our commercialized products and key drug candidates as of the Latest Practicable Date:

Drugs/ Drug Candidates	Drug Target	Drug Type	Indications	Preclinical	IND	Clinical Trials			NDA/ BLA	Launched	Source	Commercialization Rights
						Phase I	Phase II	Phase III				
★ Zepsun® 澤普生® (Donafenib Tosilate Tablets)	Raf, MEK, ERK, VEGFR, PDGFR	Small-molecule targeted drug	Advanced HCC Radiation-refractory differentiated thyroid cancer								Self-developed	Global
★ Zepunig 澤普寧® (Recombinant Human Thrombin)	Thrombin	Recombinant protein	Hemostasis								Self-developed	Global
★ Zepunig 澤普寧® (Gecacitinib Hydrochloride Tablets)	JAK	Small-molecule targeted drug	Myelofibrosis Severe alopecia areata Moderate-to-severe atopic dermatitis Ankylosing spondylitis								Self-developed	Global
★ Zesuning 澤速寧® (Human Thyrotropin beta for Injection)	TSH	Recombinant protein	Postoperative diagnosis of thyroid cancer Postoperative treatment of thyroid cancer								Self-developed	Global
ZG006 (Alvettamig)	CD3/DLL3/DLL3	Trispecific T cell engager	Extensive-stage SCLC (3rd-line and above)								Self-developed	Chinese Mainland, Hong Kong and Macau (AbbVie holds rights in other regions)
			Extensive-stage SCLC (2nd-line)									
			Extensive-stage SCLC (1st-line)									
			Extensive-stage SCLC									
ZG005 (Nilvanstomig)	PD-1/TIGIT	Bispecific antibody	HCC								Self-developed	Global
			NEC									
			Cervical cancer									
			Biliary tract cancer									
ZGS18	VEGF/TGF-β	Bifunctional fusion protein	Other advanced solid tumors								Self-developed	Global
			Advanced solid tumors									
			Advanced solid tumors including NSCLC									
			Advanced solid tumors									
ZGS34	MUC17/CD3/CD28	Trispecific T cell engager	Advanced solid tumors including gastric cancer and pancreatic cancer								Self-developed	Global
			Advanced solid tumors									
ZGS15	LAG-3/TIGIT	Bispecific antibody	Advanced solid tumors								Self-developed	Global
ZG2001	Pan-KRAS	Small-molecule targeted drug	Advanced solid tumors								Self-developed	Global
ZG0895	TLR8	Small-molecule targeted drug	Advanced solid tumors								Self-developed	Global
ZG2273	Pan-RAS	Small-molecule targeted drug	Advanced solid tumors with RAS mutation								Self-developed	Global

Note: CD28 = cluster of differentiation 28; CD3 = cluster of differentiation 3; DLL3 = delta-like ligand 3; ERK = extracellular signal-regulated kinase; HCC = hepatocellular carcinoma; JAK = Janus Kinase; KRAS = Kirsten rat sarcoma viral oncogene homologue; LAG-3 = lymphocyte-activation gene 3; MEK = MAPK/ERK Kinase; MUC17 = Mucin 17; NEC = neuroendocrine carcinoma; NSCLC = non-small cell lung cancer; PD-1 = programmed death protein 1; PDGFR = platelet-derived growth factor receptors; RAS = rat sarcoma; SCLC = small-cell lung cancer; TGF-β = transforming growth factor beta; TIGIT = T-cell immunoreceptor with Ig and ITIM domains; TLR8 = Toll-like receptor 8; TSH = thyroid-stimulating hormone; VEGF = vascular endothelial growth factor; VEGFR = vascular endothelial growth factor receptor.

★ Commercialized drugs

● China

● Global

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A Mature and Innovative Portfolio of Commercialized Drugs

Through years of dedicated research in discovery, clinical development and manufacturing improvement, we have built a mature portfolio of four commercialized innovative drugs as listed below, establishing a continuous cash flow stream.

Zepsun® 澤普生® (Donafenib Tosilate Tablets). Zepsun® is the first domestically-developed small-molecule multi-targeted drug approved in China in June 2021 for the first-line treatment of advanced HCC. Moreover, Zepsun® is the only monotherapy that has demonstrated superior survival outcome over sorafenib in a head-to-head clinical trial for advanced liver cancer. In August 2022, Zepsun® was subsequently approved for progressive, locally-advanced or metastatic radioactive iodine-refractory differentiated thyroid cancer. Both indications have been included in the National Reimbursement Drug List (“NRDL”), which has supported the steady sales growth since launching. As of the Latest Practicable Date, Zepsun® has been recommended as a first-line therapy in 32 national treatment guidelines and expert consensus statements for liver and thyroid cancers.

Zepuping 澤普平® (Gecacitinib Hydrochloride Tablets). Zepuping is the first domestically-developed JAK inhibitor approved in China in May 2025 for the treatment of myelofibrosis and included in the NRDL in January 2026 for this indication. It has been recommended in the 2026 *Chinese Society of Clinical Oncology (“CSCO”) Guidelines for Malignant Hematologic Diseases* as (i) a Grade I recommendation for the first-line treatment of primary myelofibrosis, (ii) a first-line treatment for patients with myelofibrosis-related anemia accompanied by symptomatic splenomegaly or systemic symptoms, and (iii) the preferred treatment (Grade II recommendation) for second-line treatment and patients with disease progression. It has also been recommended in the *Guiding Principles for Clinical Application of Gecacitinib in Treatment of Myelofibrosis* by the Leukemia Expert Committee of CSCO in 2025 and the *Guidelines for the Diagnosis and Treatment of 86 Rare Diseases* by the National Health Commission of the PRC in 2025. In June 2026, Zepuping also received commercialization approval for severe alopecia areata, successfully broadening its indications into the field of autoimmune diseases.

Zepuning 澤普凝® (Recombinant Human Thrombin). Approved in January 2024 for commercialization and included in the NRDL in January 2025, Zepuning is the only recombinant human thrombin developed with recombinant DNA technology and successfully commercialized in China as of the Latest Practicable Date. It has been recommended in the *Chinese Expert Consensus on Hemostasis in Hip and Knee Arthroplasty* by the Joint Surgery Group of the Orthopaedic Society of the Chinese Medical Association in 2025 and the *Guideline for Perioperative Blood Management in Adult Abdominal Surgery* by the Chinese Society of Surgery of Chinese Medical Association and Chinese Society of Anesthesiology of Chinese Medical Association in 2026. We have also partnered with Grand Life Sciences (Shandong) Co., Ltd. (“Grand Life Sciences”), a renowned domestic company in China specializing in hemostasis and perioperative care, to accelerate its market uptake.

Zesuning 澤速寧® (Human Thyrotropin beta for Injection). Approved in January 2026, Zesuning has filled a major gap in the thyroid cancer postoperative diagnosis market in China. As of the Latest Practicable Date, it is the only recombinant human thyrotropin approved in China for diagnostic use in postoperative follow-up of differentiated thyroid cancer patients for radioactive iodine whole-body imaging and serum thyroglobulin monitoring. It has been recommended in the *Chinese Management Guidelines for Radioactive Iodine-refractory Differentiated Thyroid Cancer* by Chinese Society of Nuclear Medicine in 2025. We have entered into exclusive commercialization collaboration with ATSA, a Swiss subsidiary of Merck, providing a strong foundation for its rapid market uptake.

Our commercialized drugs not only demonstrate strong clinical value and market competitiveness but also highlight our ability to generate sustainable revenue and execute successful commercialization. We have demonstrated a track record of sustained growth supported by stable income from marketed drugs. With this solid foundation, we will continue to develop, advance, and commercialize our pipeline products, further strengthening our capabilities in innovative drug development in China and globally.

Highlights of Our Diversified Pipeline

We have established a diversified pipeline spanning small molecule therapies and biologics across multiple therapeutic areas, with candidates at different stages of R&D. In oncology, our programs target tumor immunity, tumor microenvironment, tumor growth, resistance mechanisms and gene mutations through T-cell engagers, bispecific antibodies, fusion proteins, and small-molecule inhibitors. Several of our drug candidates have progressed into clinical trials in China and overseas. Key programs include: (i) Gecacitinib Hydrochloride Tablet for ankylosing spondylitis and atopic dermatitis, both of which are at the stage of NDA; (ii) Human Thyrotropin beta for Injection for postoperative treatment of thyroid cancer, which is undergoing BLA; (iii) ZG006 (Alveltamig), a trispecific antibody targeting DLL3/DLL3/CD3, which has received breakthrough

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therapy designations from the NMPA for relapsed or progressive advanced SCLC and DLL3-positive NEC and orphan drug designations from the U.S. Food and Drug Administration (“FDA”) for SCLC and NEC, and has entered Phase III trials for both indications following encouraging Phase II results on efficacy and safety; and (iv) ZG005 (Nilvanstomig), a PD-1/TIGIT bispecific antibody, which is advancing through Phase III clinical trials in HCC and NEC and Phase II clinical trials in other indications including cervical cancer with early data supporting antitumor activity and tolerability. Additional candidates such as ZGGS18, ZGGS34, ZGGS15, ZG2001, and ZG0895 are also in clinical development, reflecting our continued investment in innovative drugs to address unmet medical needs.

OUR TECHNOLOGY PLATFORMS

Our two proprietary technology platforms underscore our capabilities in next-generation therapies and demonstrate pivotal achievements, marking the advancement of our multispecific antibody research into the realization phase. Through our small-molecule drug R&D platform, we have introduced several commercialized drugs and promising candidates with strong clinical and commercial potential, including Zepsun®, Zepuning, ZG2001, ZG0895 and ZG2273. In parallel, through our bispecific/trispecific antibody and complex recombinant protein R&D platform, we have pioneered technically challenging innovations, such as Zepuning, Zesuning and built a patent-protected pipeline of bispecific/trispecific antibodies, including ZG006, ZG005, ZGGS18, ZGGS34 and ZGGS15.

OUR STRENGTHS AND STRATEGIES

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) a robust, differentiated pipeline driving expansive market opportunities and enduring competitive advantages; (ii) solid commercialization progress accelerating biotech-to-biopharma transformation; (iii) advanced R&D engine powered by dual technology platforms; (iv) integrated, scalable production system enabling commercialization and market expansion; (v) international development and collaboration enhancing clinical impact and market potential; and (vi) veteran leadership delivering end-to-end excellence and sustainable growth.

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) continue to drive dual engines of innovation with synergy in small molecules and biologics; (ii) focus on clinical value to address unmet needs through differentiated innovation; (iii) maximize commercial value with competitive advantages of core products; (iv) strengthen commercialization capabilities with diversified business models; and (v) advance global R&D and partnerships to enhance competitiveness.

RESEARCH AND DEVELOPMENT

We have established a world-class R&D system anchored by our dual technology platforms and reinforced our research capabilities and industry position in oncology, enabling the efficient and continuous advancement of our pipeline. Our R&D team comprised of experts with extensive experience in drug discovery, chemistry, manufacturing and controls (“CMC”) research, preclinical development, clinical development, regulatory affairs and post-market research, covering the entire R&D cycle. Our R&D activities are primarily conducted through our R&D centers in Kunshan and Shanghai, PRC. For details see “Business — Research and Development.”

OUR COLLABORATIONS AND LICENSE AGREEMENT

We have entered into collaborations with industry-renowned contract sales organizations (“CSOs”) to promote certain of our products. As of June 30, 2026, we had three CSOs, two of which were engaged on an exclusive basis, namely Grand Life Sciences, which we appointed as the exclusive commercialization service provider for Zepuning in Chinese Mainland, Hong Kong, Macau, and Taiwan (collectively, “Greater China”), and ATSA, a Swiss subsidiary of Merck, which we granted an exclusive right to commercialize Zesuning in the PRC. See “Business — Sales, Promotion and Distribution — Sales and Promotion.” On December 30, 2025, we entered into a collaboration and option to license agreement (as may be amended from time to time, the “AbbVie Agreement”) with AbbVie Group Holdings Limited (“AbbVie”), pursuant to which we granted AbbVie an exclusive option to obtain an exclusive license to develop, manufacture, commercialize, or otherwise exploit ZG006 and any product containing ZG006 in all countries or jurisdictions worldwide outside Chinese Mainland, Hong Kong, and Macau. See “Business — Our Collaboration and License Agreement.”

We pursue a differentiated, region-specific out-licensing strategy aligned with our pipeline positioning and maturity. For core innovative assets, we will generally retain development and commercialization rights in Chinese Mainland, Hong Kong and Macau while out-licensing overseas

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rights. Marketed and non-oncology products are commercialized through exclusive strategic collaborations with domestic or international partners. Licensing agreements typically involve upfront payments, development and sales milestones, and tiered royalties.

DISTRIBUTION

We sell a substantial majority of our products to third-party distributors, who are our direct customers and are responsible for selling and delivering our products to hospitals, other medical institutions and pharmacies. As of June 30, 2026, our distribution network comprised 166 distributors across China. See “Business — Sales, Promotion and Distribution — Distribution.”

COMPETITION

The pharmaceutical market in China is highly competitive. We face competition from other pharmaceutical companies and emerging biotechnology companies engaged in R&D, production, promotion or sales of pharmaceutical products, particularly in our therapeutic areas. Our products primarily compete with products for similar indications on the basis of efficacy, safety, price, brand, general market acceptance, and recognition. See “Industry Overview” for more details about the major competitors of our products.

BUSINESS SUSTAINABILITY

We recorded net losses of RMB295.1 million, RMB150.3 million and RMB165.1 million in 2023, 2024 and 2025, respectively, and a net loss of RMB68.1 million for the six months ended June 30, 2025, compared to a net profit of RMB640.0 million for the same period in 2026. Our net losses recorded during the Track Record Period were primarily attributable to: (i) sustained high R&D investment; and (ii) early stages of commercialization; while the net profit was primarily attributable to the significant licensing revenue arising from upfront fee paid by AbbVie under the AbbVie Agreement during the six months ended June 30, 2026. For details, see “Financial Information — Business Sustainability” and “Business — Our Collaboration and License Arrangement.” Our net profit for six months ended June 30, 2026 may not be sustainable in the near future, due to the one-off nature of the upfront payment from AbbVie and uncertainties regarding the timing and amounts of subsequent milestone payments. See also “Risk Factors — Risks Relating to Our Financial Position and Need for Additional Capital — We have incurred net losses and may continue to incur losses for the foreseeable future, and we may not achieve or maintain profitability.”

Sustainability of Profitability

While our business recorded losses during most of the Track Record Period, we recorded net profit for the six months ended June 30, 2026. As such net profit was primarily driven by the upfront payment from AbbVie, we recognize that near-term profitability may be subject to fluctuation. We are committed to building a sustainable profitability trajectory through measures including (i) continuing to advance commercialization and build a multi-product marketing framework; (ii) strategically focusing on product R&D and continuously strengthening our competitiveness; and (iii) optimizing cost structure and enhancing operational efficiency. For details, see “Financial Information — Business Sustainability — Sustainability of Profitability.”

INTELLECTUAL PROPERTY RIGHTS

The intellectual property rights that our products have relate principally to their compound, compositions, preparation methods and/or production processes. As of June 30, 2026, we held 39 registered patents in the PRC and 113 registered patents in other jurisdictions, as well as 378 pending patent applications. As of the same date, we also held nine registered domain names and 30 registered trademarks in the PRC. For details, see “Business — Intellectual Property Rights” and “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights.”

PRODUCTION AND QUALITY CONTROL

We have established comprehensive in-house manufacturing capabilities covering the production of chemical drug tablets, as well as drug substances and drug products of recombinant protein drugs. During the Track Record Period and up to the Latest Practicable Date, all of our commercialized drugs were produced in-house. For details regarding our production process, production facilities, collaborations with CDMOs, raw material suppliers and procurement, quality management, and inventory management, see “Business — Production and Quality Control.”

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OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of our distributors which directly purchase pharmaceutical products from us. The aggregate sales to our five largest customers for 2023, 2024, 2025 and the six months ended June 30, 2026, were RMB320.3 million, RMB447.6 million, RMB659.0 million, and RMB1,089.4 million, respectively, representing 82.2%, 84.2%, 81.4%, and 90.4% of our revenue for the respective period. For details, see “Business — Our Customers and Suppliers — Our Customers.”

Our suppliers primarily include suppliers of the raw materials and drugs to support our R&D, manufacturing, and marketing activities. Purchases from our five largest suppliers for 2023, 2024, 2025 and the six months ended June 30, 2026, were RMB128.6 million, RMB163.4 million, RMB282.0 million, and RMB192.5 million, respectively, representing 28.0%, 32.3%, 40.2%, and 40.4% of our total purchase cost for the respective period. For details, see “Business — Our Customers and Suppliers — Our Suppliers.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary Data of Consolidated Statements of Profit or Loss

The following table sets forth summary data from our consolidated statements of profit or loss and other comprehensive expenses for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue	383,557	531,529	810,188	375,542	1,204,390
Cost of sales	(28,209)	(34,278)	(80,866)	(42,138)	(66,209)
Gross profit	355,348	497,251	729,322	333,404	1,138,181
Other income and gains	138,380	102,376	106,313	56,153	52,722
Selling and distribution expenses	(250,488)	(271,448)	(465,359)	(211,258)	(284,670)
Administrative expenses	(17,584)	(59,636)	(82,654)	(35,132)	(41,342)
R&D expenses	(496,330)	(387,999)	(429,907)	(196,504)	(199,537)
Other expenses	(4,094)	(6,699)	(2,169)	(2,725)	(15,406)
Finance costs	(24,317)	(28,893)	(24,201)	(13,872)	(11,303)
(Loss)/Profit before tax	(299,085)	(155,048)	(168,655)	(69,934)	638,645
Income tax credit	3,950	4,749	3,528	1,845	1,365
(Loss)/Profit for the year/period	(295,135)	(150,299)	(165,127)	(68,089)	640,010

Revenue

During the Track Record Period, we generated our revenue from sales of pharmaceutical products in the PRC and licensing activities. In 2025, our licensing revenue arose from an upfront fee paid by an overseas distributor under a license and distribution agreement. In the six months ended June 30, 2026, our licensing revenue arose from upfront payment from AbbVie in accordance with the AbbVie Agreement, partially offset by a deduction in respect of the upfront fee previously received from the previously mentioned overseas distributor, which has been reversed in our financial statements following the termination of the license and distribution arrangement with it. For details regarding our licensing activities, see “Business — Sales, Promotion and Distribution — Our Overseas Distribution Arrangement” and “Business — Our Collaboration and License Arrangement.” The following table sets forth our revenue from the sales of our pharmaceutical products by product and from licensing activities, as well as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,					
	2023		2024		2025		2025		2026			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%		
Sales of Pharmaceutical Products	383,557	100.0	531,529	100.0	802,641	99.1	375,542	100.0	549,628	45.6		
Licensing	-	-	-	-	7,547	0.9	-	-	654,762	54.4		
Total	383,557	100.0	531,529	100.0	810,188	100.0	375,542	100.0	1,204,390	100.0		

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Gross Profit and Gross Profit Margin

Gross profit represents our revenue less our cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit and gross profit margin by source of revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(Unaudited)		(Unaudited)	
Sales of										
Pharmaceutical										
Products	355,348	92.6	497,251	93.6	721,775	90.0	333,404	88.8	492,228	89.6
Licensing	-	-	-	-	7,547	100.0	-	-	645,953	98.7
Total	<u>355,348</u>	<u>92.6</u>	<u>497,251</u>	<u>93.6</u>	<u>729,322</u>	<u>90.0</u>	<u>333,404</u>	<u>88.8</u>	<u>1,138,181</u>	<u>94.5</u>

In 2023 and 2024, all of our gross profit was attributable to sales of pharmaceutical products. In 2025, our total gross profit amounted to RMB729.3 million, taking into account sales of pharmaceutical products as well as licensing activities with Lancet. For the six months ended June 30, 2025, our gross profit amounted to RMB333.4 million, attributable to sales of pharmaceutical products, while for the six months ended June 30, 2026, our gross profit amounted to RMB1,138.2 million, taking into account sales of pharmaceutical products as well as upfront payment received from AbbVie in accordance with our licensing arrangement with it. For further details, see “Financial Information — Description of Major Components of Our Results of Operations.”

(Loss)/Profit for the Year/Period

We recorded net losses of RMB295.1 million, RMB150.3 million and RMB165.1 million in 2023, 2024 and 2025, respectively, and a net loss of RMB68.1 million for the six months ended June 30, 2025, compared to a net profit of RMB640.0 million for the same period in 2026. Our net losses recorded during 2023, 2024, 2025 and the six months ended June 30, 2025 were primarily in relation to: (i) our substantial investment in R&D activities, mainly related to our expenses in pre-clinical and clinical research, as well as staff costs, and (ii) selling and distribution expenses primarily used in the promotion and marketing of our newly commercialized drug products. We recorded net profit during the six months ended June 30, 2026, primarily due to the licensing revenue arising from upfront payment received from AbbVie in accordance with the AbbVie Agreement. See “Financial Information — Business Sustainability” for more details.

Summary Data from Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated.

	As of December 31,			As of June,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Total non-current assets	366,872	428,715	526,081	564,270
Total current assets	2,520,336	2,575,899	2,443,105	2,961,969
Total current liabilities	1,135,182	1,373,444	1,427,939	1,185,163
Net current assets	<u>1,385,154</u>	<u>1,202,455</u>	<u>1,015,166</u>	<u>1,776,806</u>
Total non-current liabilities	107,189	378,568	460,797	620,589
Net assets	<u>1,644,837</u>	<u>1,252,602</u>	<u>1,080,450</u>	<u>1,720,487</u>

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Our net assets increased from RMB1,080.5 million as of December 31, 2025 to RMB1,720.5 million as of June 30, 2026, mainly because we recorded net profit of RMB640.0 million for the six months ended June 30, 2026, primarily attributable to the upfront payment received from AbbVie in accordance with the AbbVie Agreement.

Our net assets decreased from RMB1,644.8 million as of December 31, 2023 to RMB1,252.6 million as of December 31, 2024, and further to RMB1,080.5 million as of December 31, 2025, primarily due to (i) net losses of RMB150.3 million and RMB165.1 million recorded in 2024 and 2025, respectively; and (ii) our acquisitions of additional 36.43% and 7.83% equity interests in Gensun Biopharma Inc. (“**Gensun Biopharma**”) from non-controlling shareholders for RMB234.8 million and RMB9.5 million in 2024 and 2025, respectively.

Our net assets increased from RMB787.5 million as of January 1, 2023 to RMB1,644.8 million as of December 31, 2023, mainly because our share capital increased by RMB1,200.0 million in 2023 as a result of new issuances of our A Shares, partially offset by our net loss of RMB295.1 million recorded in 2023. For further details on issuance of our A Shares, see note 32 to the Accountant’s Report set forth in Appendix I to this document.

For further details on the changes of our net assets, please refer to “Consolidated Statements of Changes in Equity” in the Accountant’s Report set forth in Appendix I to this document. For further details of our financial position, see “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position” in this document.

Summary Data from Consolidated Statements of Cash Flows

The following table sets forth summary data from our consolidated statements of cash flows for the periods indicated. For further details, see “Financial Information — Liquidity and Capital Resources — Cash Flows.”

	Year Ended December 31,			Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Net cash from/(used in) operating activities . . .	(289,924)	42,308	(32,575)	(10,324)	814,558
Net cash from/(used in) investing activities . . .	(589,133)	(566,649)	(55,356)	(62,191)	407,458
Net cash from/(used in) financing activities . . .	1,507,522	(54,750)	(3,968)	19,233	(338,694)
Net increase (decrease) in cash and cash equivalents	628,465	(579,091)	(91,899)	(53,282)	883,322
Cash and cash equivalents at the beginning of the year/period	171,106	799,777	217,265	217,265	124,658
Effect of foreign exchange rate changes .	206	(3,421)	(708)	(621)	(5,349)
Cash and cash equivalents at the end of the year/period . . .	799,777	217,265	124,658	163,362	1,002,631

For the six months ended June 30, 2026, our net cash from operating activities was RMB814.6 million, which was primarily attributable to our profit before tax of RMB638.6 million arising from the upfront payment received from AbbVie, as adjusted by certain non-cash and working capital items. Positive adjustments primarily included (i) an increase in deferred income of RMB164.8 million, mainly representing the upfront payment we received from Merck as agreed in the exclusive commercialization service agreement in relation to our strategic promotional partnership with it, (ii) an increase in contract liabilities of RMB38.0 million, and (iii) an increase in trade and bills payables of RMB38.4 million. Negative adjustments primarily included (i) an increase in trade and bills receivables of RMB52.8 million, (ii) interest income of RMB27.9 million, and (iii) an increase in inventories of RMB24.9 million.

In 2025, our net cash used in operating activities was RMB32.6 million, which was primarily attributable to our loss before tax of RMB168.7 million, as adjusted by certain non-cash and working capital items. Positive adjustments primarily included (i) an increase in deferred income of RMB64.9 million, mainly representing the upfront payment we received from Merck as agreed in the exclusive commercialization service agreement in relation to our strategic promotional

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partnership with it, (ii) an increase in trade and bills payables of RMB60.1 million, and (iii) depreciation of property, plant and equipment, and right-of-use assets, and amortization of intangible assets of RMB55.6 million. Negative adjustments primarily included (i) an increase in other receivables, deposits and prepayments of RMB13.1 million, (ii) interest income of RMB55.1 million and (iii) an increase in trade and bills receivables of RMB11.0 million.

In 2024, our net cash generated in operating activities was RMB42.3 million, as adjusted by certain non-cash and working capital items. Positive adjustments primarily included (i) an increase in deferred income of RMB236.0 million, mainly attributable to the upfront payment we received from Grand Life Sciences in relation to our strategic promotional partnership, (ii) an increase in trade and bills payables of RMB36.3 million, and (iii) depreciation of property, plant and equipment of RMB33.3 million. Negative adjustments primarily included (i) an increase in inventories of RMB72.0 million, (ii) interest income of RMB58.3 million and (iii) an increase in trade and bills receivables of RMB44.7 million.

In 2023, our net cash used in operating activities was RMB289.9 million, which was primarily attributable to our loss before tax of RMB299.1 million, as adjusted by certain non-cash and working capital items. Positive adjustments primarily included (i) depreciation of property, plant and equipment, and right-of-use assets, and amortization of intangible assets of RMB59.2 million, (ii) finance costs of RMB24.3 million and (iii) an increase in deferred income of RMB23.1 million. Negative adjustments primarily included forfeitures of share options of RMB36.7 million.

We expect to improve our operating cash flow position through (i) strengthening commercialization and revenue growth, (ii) enhancing budget discipline and cost control and (iii) optimizing working capital management. For further details, see “Financial Information—Liquidity and Capital Resources—Cash Flows—Operating Activities.”

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates indicated. For further details, see “Financial Information — Key Financial Ratios.”

	Year Ended/As of December 31,			Six Months Ended/ As of June 30,
	2023	2024	2025	2026
Gross profit margin ⁽¹⁾	92.6%	93.6%	90.0%	94.5%
Current ratio ⁽²⁾	2.2	1.9	1.7	2.5
Quick ratio ⁽³⁾	2.1	1.7	1.6	2.3
Gearing ratio ⁽⁴⁾	54.0%	82.7%	104.8%	47.3%

- (1) Gross profit margin equals gross profit for the year/period divided by revenue for the respective year/period and multiplied by 100%.
- (2) Current ratio equals total current assets divided by total current liabilities as of the relevant dates.
- (3) Quick ratio equals total current assets less inventories divided by total current liabilities as of the relevant dates.
- (4) Gearing ratio is calculated by dividing bank loans and lease liabilities divided by total equity as of the end of the year/period multiplied by 100%.

RISK FACTORS

Our business and the [REDACTED] involve certain risks including those set out in the section headed “Risk Factors” in this document. You should read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our [REDACTED]. Some of the major risks that we face include: (i) our business and prospects depend substantially on the successful clinical development, regulatory approval, and commercialization of our drug candidates; (ii) if we fail to obtain timely regulatory approvals in the target markets for our drug candidates, or if the approval process is delayed, our business may suffer material and substantial damage; (iii) we rely on the sales of certain major products in China, and our products may fail to achieve or maintain market acceptance or the expected market size, which could materially and adversely affect our business; (iv) adverse events 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; (v) we recorded net cash outflows used in our operating activities during the Track Record Period, and we may need to obtain additional financing to fund our operations and execute our growth strategy. Any inability to obtain sufficient funding, or any failure to effectively manage or realize the returns on our R&D investments, could materially and adversely affect our business, financial condition, results of operations and prospects; (vi) we incurred net losses during the Track Record Period and may incur losses for the foreseeable future, and we may not maintain profitability; (vii) we face substantial competition and our competitors may discover, develop or commercialize competing products faster or more successfully than we do; (viii) if the products we sell are excluded, removed, or limited

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from government-sponsored or commercial medical insurance programs, or are included in any national negative catalogs in China or assigned with black box warnings issued by the NMPA, the FDA, our sales, profitability and business prospects could be adversely affected; and (ix) if we are unable to conduct effective promotion or maintain a qualified sales force, the sales volume of our products and our operations, revenue, profitability and business prospects could be adversely affected.

OUR SINGLE LARGEST SHAREHOLDER GROUP

Pursuant to the Concert Party Agreement dated April 12, 2019, and the latest Renewed Concert Party Agreement dated January 23, 2026, which shall remain valid for 12 months and be further renewed after both parties’ negotiation before expiry, Ms. Lu has remained and will continue to act in concert with Dr. Sheng in respect of matters at shareholders’ general meetings and board meetings of the Company. By virtue of the Concert Party Agreement and the Renewed Concert Party Agreement, Dr. Sheng and Ms. Lu directly controlled an aggregate of 62,268,264 Shares, representing approximately 23.52% of the voting rights in the Company as at the Latest Practicable Date, and approximately [REDACTED]% of the voting rights in the Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [REDACTED]). For details, see “History, Development and Corporate Structure — Concert Party Arrangement” in this document.

APPLICATION FOR [REDACTED] ON THE HONG KONG STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED] our H Shares to be issued pursuant to the [REDACTED] on the basis that we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

[REDACTED]

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK\$[REDACTED] (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per H Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no H Shares are issued pursuant to the [REDACTED]. For further details, see “Financial Information — [REDACTED] Expenses.”

DIVIDENDS

We do not currently have a formal dividend policy or a fixed dividend payout ratio. No dividend has been proposed, paid or declared by us during the Track Record Period and up to Latest Practicable Date. After the completion of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. According to the applicable PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax; and allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by a Shareholders’ meeting. In view of our accumulated losses, as advised by our PRC Legal Adviser, according to the relevant PRC laws and regulations and the Articles of Association,

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we shall not declare or pay dividend until the accumulated losses are covered by our after-tax profits and sufficient statutory common reserve are drawn in accordance with the relevant laws, regulations and our Articles of Association. For further details, see “Financial Information — Dividends.”

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since the Company’s listing on the STAR Market of the Shanghai Stock Exchange in 2020 and up to the Latest Practicable Date, we had not received any notice from the Shanghai Stock Exchange alleging any non-compliance incidents on the part of the Company or our subsidiaries, and we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Adviser is of the view that during the Track Record Period, we have not been subject to any material administrative penalties or regulatory measures imposed by CSRC or the Shanghai Stock Exchange. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respects.

The Company seeks to be [REDACTED] on the Stock Exchange in order to further advance our international strategy, allow better access to the international capital market, enhance our capabilities to attract more overseas [REDACTED] and optimize our international brand image, which in turn may further enhance our overall competitiveness.

USE OF [REDACTED]

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

In line with our strategies, we intend to use the [REDACTED] for the following purposes, subject to changes in light of our evolving business needs and changing market conditions: (A) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be allocated to our R&D initiatives and clinical development of our drug candidates, including advancing antibody therapies with a particular focus on bispecific and trispecific antibodies and expanding our pipeline of next generation small-molecule targeted drugs, specifically: (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the R&D activities for ZG006; (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the R&D activities for ZG005; (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the R&D activities for ZGGS34; (iv) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the R&D activities for ZGGS18; and (v) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be allocated to research and discovery, including pre-clinical and early-stage clinical trials for immune cell engagers in bispecific and multi-specific antibodies, and small-molecule targeted drugs; and (B) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED], is expected to be allocated to working capital and general corporate purposes. For details, see “Future Plans and Use of [REDACTED].”

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants’ Report in Appendix I to this document.