*The information and statistics set forth in this section were extracted from official government publications, public market research and independent research. In particular, we engaged Frost & Sullivan, an independent market research and consulting company, to prepare an industry report, or the Frost & Sullivan Report, for the* [**REDACTED**]. *Except as otherwise noted, all of the information contained in this section is derived from the Frost & Sullivan Report. We believe that the sources of the information set forth in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor,* [**REDACTED**]*, any of their respective directors, officers and advisors, or any other persons or parties involved in the* [**REDACTED**].

## OVERVIEW OF PHARMACEUTICAL MARKET

### Overview

Drug development is a complex and time-consuming process subject to stringent regulatory oversight. It typically includes preclinical studies to assess safety and biological activity, followed by the submission of an investigational new drug application. Clinical development is generally conducted in three phases, with Phase I focusing on safety and pharmacokinetics, Phase II evaluating dosing and preliminary efficacy, and Phase III confirming efficacy and safety in larger patient populations. Following successful clinical trials, a new drug application or biologics license application is submitted for regulatory review prior to commercialization. From preclinical research to regulatory approval, the overall development process typically spans several years and may even extend over a decade.

The global pharmaceutical market, comprising chemical drugs and biologics, is projected to reach US$1,691.4 billion by 2026, and it is further projected to increase to US$2,630.7 billion by 2035, at a CAGR of 5.0% from 2026 to 2035. The China pharmaceutical market, accompanying with the growth of economy and healthcare demand, increased from RMB1,447.9 billion in 2020 to RMB1,654.6 billion in 2025 at a CAGR of 2.7%. China's pharmaceutical market is further projected to increase to RMB3,017.6 billion in 2035, at a CAGR of 7.7% from 2030 to 2035.

We strategically focus on therapeutic areas with significant unmet medical needs and growth potential, including oncology, hematology and auto-immune disease. China's pharmaceutical market is expected to continue expanding, driven by population aging, progress in innovative antibody therapies, development of global R&D capabilities and international partnerships.

The PRC government has continuously introduced supportive policies incentivizing the development of innovative drugs. For example, in January 2025, the State Council promulgated Comprehensively Deepening the Reform of Drug and Medical Device Regulation and Promoting the High-Quality Development of the Pharmaceutical Industry (《國務院辦公廳關於全面深化藥品醫療器械監管改革促進醫藥產業高質量發展的意見》), which aimed at improving the review and approval of innovative drugs and medical devices. In July 2025, the National Healthcare Security Administration and the National Health Commission released Several Measures to Support the High-Quality Development of Innovative Pharmaceuticals (《支持創新藥高質量發展的若干措施》), which broadened access pathways for high-value innovative medicines and promoted the rational use of innovative drugs.

Further, out-licensing activities in China have grown rapidly in recent years. In 2024, there were 94 out-licensing deals in China, with a total disclosed deal value of US$51.9 billion. In 2025, 157 out-licensing deals were recorded in China, with total disclosed deal value amounting to US$135.6 billion, reflecting strong momentum of the out-licensing activities. Globally, pharmaceutical transaction trends show declining deal volumes but sustained growth in total transaction value — rising from US$177.5 billion in 2021 to US$187.4 billion in 2024. This shift reflects a strategic pivot in the industry toward value enhancement and quality-focused investments, driving a substantial increase in average transaction value.

Key growth drivers for the biopharmaceutical market in Chinese Mainland include: (i) increasing disease burden and unmet medical needs: population aging, lifestyle changes and improved diagnosis rates are contributing to the increasing disease burden, while substantial unmet medical needs remain in cancer, hematologic and autoimmune diseases; (ii) rapid adoption of innovative treatment modalities: targeted therapies, monoclonal antibodies, T cell engagers and other biologics are increasingly adopted as treatment paradigms shift toward more precise and mechanism-based therapies; and (iii) expanding reimbursement coverage for innovative therapies: broader coverage under the NRDL and commercial health insurance programs is improving patient affordability and supporting broader adoption of innovative biopharmaceuticals. Key challenges for the biopharmaceutical market in Chinese Mainland include: (i) intensifying market competition: increasing competition among domestic and multinational companies targeting similar mechanisms and indications, together with the rapid entry of biosimilars and follow-on biologics, is putting greater pressure on pricing, market share and commercialization efficiency; (ii) high R&D costs and clinical development risks: innovative therapies typically require significant R&D investment, long development timelines and complex clinical trials, with high failure risks arising from challenges in demonstrating sufficient efficacy and safety amid evolving clinical standards and competitive treatment landscapes; and (iii) increasing clinical and regulatory complexity: more stringent regulatory requirements, including larger trials, longer follow-up periods, more demanding endpoints and increasing expectations for real-world evidence and post-marketing surveillance, are adding to clinical development and regulatory burdens.

## MARKETS OF THE GROUP'S COMMERCIALIZED PRODUCTS

### Oncology

#### *Overview*

Cancer remains the leading cause of mortality worldwide, resulting in millions of deaths each year. Both globally and in China, cancer incidence continues to rise. The global incidence of cancer was 21.9 million cases in 2025 and is expected to reach 24.1 million cases by 2030. In China, the incidence of cancer was 5.1 million cases in 2025 and is expected to reach 5.7 million by 2030. Among all cancer types, lung cancer, colorectal cancer, thyroid cancer, liver cancer and stomach cancer rank as the top five in China, collectively accounting for over 50% of new cases annually.

The global oncology drug market grew from US$150.3 billion in 2020 to US$278.2 billion in 2025, at a CAGR of 13.1%, and is projected to reach US$435.6 billion by 2030, at a CAGR of 9.4% from 2025 to 2030, and further to US$683.0 billion by 2035, at a CAGR of 9.4% from 2030 to 2035. In China, the market grew from RMB197.5 billion in 2020 to RMB279.1 billion in 2025, at a CAGR of 7.2%, and is projected to reach RMB504.0 billion by 2030, at a CAGR of 12.5% from 2025 to 2030, and further to RMB980.0 billion in 2035, at a CAGR of 14.2% from 2030 to 2035.

#### *Liver Cancer*

HCC is the most common type of primary liver cancer (approximately 90%) and is the most common cause of death in patients with cirrhosis. According to CSCO Guidelines, HCC treatment options are different depending on the stage of the disease. For early-stage HCC patients, surgical resection and locoregional therapies are mostly adopted while for late-stage patients, the recommended treatment options are majorly systemic therapies.

In China, new case of liver cancer reached 389.6 thousand in 2025 at a CAGR of 2.1% from 2020 to 2025. It is projected to further increase to 436.0 thousand in 2030, and 481.0 thousand in 2035. China's HCC drug market increased from RMB7.2 billion in 2020 to RMB16.7 billion in 2025, at a CAGR of 18.4%. The market is further expected to expand to RMB29.1 billion by 2030 and RMB43.9 billion by 2035, at a CAGR of 11.8% from 2025 to 2030 and 8.5% from 2030 to 2035.

In China, treatment options for liver cancer include surgical resection, liver transplantation, locoregional therapies and systemic therapies. For patients with advanced or unresectable HCC, systemic therapy has become the primary treatment approach, among which small-molecule targeted drugs are widely used due to their convenient oral administration and established efficacy. Accordingly, the market share of Zepsun® is calculated within the small-molecule targeted therapy market. The following chart shows the competitive landscape of approved small-molecule targeted drugs for liver cancer in China as of the Latest Practicable Date.

| Brand Name | Generic Name | Target | Company | First Approval Date | Liver Cancer Small Molecule Targeted Drugs Market Share in terms of revenue in 2025 |
|---|---|---|---|---|---|
| Zepsun® | Donafenib Tosilate Tablets | BRAF \| BRAF V600E \| FLT3 \| KIT \| PDGFRB \| RAF1 \| VEGFR2 \| VEGFR3 | The Company | 2021-06-08 | 26.8% |
| Fukewei 福可维® | Anlotinib Hydrochloride Capsules | FGFR \| KIT \| PDGFR \| RET \| VEGFR | Sino Biopharmaceutical Limited ("**Sino Biopharma**")(1) | 2025-12-26 | / |
| Lenvima® | Lenvatinib Mesilate Capsules | FGFR \| KIT \| PDGFA \| RET \| VEGFR | Eisai Co., Ltd.(2) | 2018-09-04 | 34.6% |
| Aitan® | Apatinib Mesylate Tablets | VEGFR2 | Jiangsu Hengrui Pharmaceuticals Co., Ltd. ("**Hengrui**")(3) | 2020-10-27 | 25.6% |
| Stivarga® | Regorafenib Tablets | ABL1 \| BRAF \| DDR2 \| EPHA2 \| FGFR \| FRK \| KIT \| MAPK11 \| NTRK1 \| PDGFR \| RAF1 \| RET \| TEK \| VEGFR | Bayer AG(4) | 2017-12-12 | 7.9% |
| Nexavar® | Sorafenib Tosylate Tablets | BRAF \| BRAF V600E \| FLT3 \| KIT \| PDGFRB \| RAF1 \| VEGFR2 \| VEGFR3 | Bayer AG(4) | 2008-06-30 | 5.1% |

*(1) Sino Biopharma is a China-based pharmaceutical company founded in 2000, focusing on oncology, hepatology and respiratory diseases. It is listed on the Stock Exchange. It conducts its pharmaceutical operations primarily through its core operating subsidiary in China, Chia Tai Tianqing Pharmaceutical Group Co., Ltd. ("**Chia Tai Tianqing**"), which has registered capital of approximately USD124 million.*

*(2) Eisai Co., Ltd. is a Japan-based global pharmaceutical company founded in 1941, focusing on neurology and oncology. It is listed on the Tokyo Stock Exchange. It conducts its pharmaceutical operations in China primarily through Eisai (China) Investment Co., Ltd., which has a registered capital of approximately US$109 million.*

*(3) Hengrui is a China-based innovative pharmaceutical company founded in 1970 with a strong oncology-focused pipeline. It is dual listed on the Stock Exchange and the Shanghai Stock Exchange, with registered capital of approximately US$870 million.*

*(4) Bayer AG is a Germany-based multinational life sciences company founded in 1863. It is listed on the Frankfurt Stock Exchange. It conducts its pharmaceutical operations in China primarily through its subsidiary, Bayer (China) Limited, which has registered capital of approximately USD300 million.*

*Sources: NMPA, Frost & Sullivan analysis*

Zepsun® is an oral tyrosine kinase inhibitor approved in Chinese Mainland for the first-line treatment of advanced HCC, which demonstrated an improvement in mOS compared with sorafenib, providing clinical evidence supporting its use as a monotherapy treatment option in this setting.

In terms of safety and tolerability, Zepsun® has shown a manageable adverse event profile, which may support its clinical use in patients requiring oral, outpatient-based treatment. As an oral therapy, it also offers convenience and potential adherence advantages compared with intravenous regimens, which may be relevant in long-term treatment management.

In the current standard-of-care landscape for HCC, first-line treatment has increasingly shifted toward combination regimens involving immune checkpoint inhibitors and targeted therapies, such as PD-1-based combinations with anti-VEGF agents or tyrosine kinase inhibitors. Within this evolving treatment paradigm, Zepsun® is positioned as a monotherapy tyrosine kinase inhibitor option that remains clinically relevant within selected patient populations, and may also be considered in combination-based treatment strategies with immunotherapies or other agents, based on emerging clinical practice. It is also included in relevant clinical guidelines in China as a recommended systemic therapy option for advanced hepatocellular carcinoma.

### *Thyroid Cancer*

Thyroid cancer is a malignancy originating from the thyroid tissue, with the potential to metastasize to distant sites. Common symptoms include swelling in the neck or the presence of a hard lump. Thyroid cancer is mainly classified into differentiated thyroid carcinoma ("**DTC**"), medullary thyroid carcinoma, and anaplastic thyroid carcinoma.

In China, new case of thyroid cancer reached 481.5 thousand in 2025 at a CAGR of 1.6% from 2020. It is projected to reach 474.6 thousand by 2030. China's thyroid cancer drug market has grown from RMB1.4 billion in 2020 to RMB1.8 billion in 2025 at a CAGR of 4.8%. The market is further projected to expand to RMB3.5 billion by 2030 and RMB5.6 billion by 2035, at a CAGR of 14.7% from 2025 to 2030 and 9.8% from 2030 to 2035.

The following chart shows the competitive landscape of approved small-molecule targeted drugs for differentiated thyroid cancer in China as of the Latest Practicable Date.

| Brand Name | Generic Name | Target | Company | First Approval Date |
|---|---|---|---|---|
| Zepsun® | Donafenib Tosilate Tablets | BRAF \| BRAF V600E \| FLT3 \| KIT \| PDGFRB \| RAF1 \| VEGFR2 \| VEGFR3 | The Company | 2022-08-10 |
| Mekinist® | Trametinib tablets | MEK1 \| MEK2 | Novartis AG(1) | 2026-06-10 |
| Tafinlar® | Dabrafenib mesylate capsules | BRAF | Novartis AG(1) | 2026-06-10 |
| Fukewei (福可维®) | Anlotinib Hydrochloride Capsules | FGFR \| KIT \| PDGFR \| RET \| VEGFR | Sino Biopharma | 2022-04-08 |
| Lenvima® | Lenvatinib Mesilate Capsules | FGFR \| KIT \| PDGFA \| RET \| VEGFR | Eisai Co., Ltd. | 2020-11-04 |
| Nexavar® | Sorafenib Tosylate Tablets | BRAF \| BRAF V600E \| FLT3 \| KIT \| PDGFRB \| RAF1 \| VEGFR2 \| VEGFR3 | Bayer AG | 2017-03-21 |

*(1) Novartis AG is a global pharmaceutical company founded in 1996, focusing on innovative prescription medicines across oncology, immunology, cardiovascular and neuroscience. It is dual listed on the New York Stock Exchange and the SIX Swiss Exchange. It conducts its pharmaceutical operations in China primarily through Beijing Novartis Pharma Co., Ltd., which has a registered capital of approximately US$30 million.*

*Sources: NMPA, Frost & Sullivan analysis*

Compared with conventional treatments, donafenib provides a long-term systemic targeted therapy option for patients with RAI-refractory DTC. For patients ineligible for surgery or unresponsive to radiotherapy, it represents a clear clinical alternative.

Zepsun® is indicated in Chinese Mainland for the treatment of radioactive iodine-refractory differentiated thyroid cancer. Clinical evidence has demonstrated clinically meaningful antitumor activity, including significant improvements in progression-free survival and objective response rate, as well as reductions in the risk of disease progression and death. Domestic Phase III clinical studies further demonstrated clinical benefits in both treatment-naïve patients and those previously treated with tyrosine kinase inhibitors. In addition to its efficacy profile, Zepsun® has demonstrated favorable safety and tolerability. Clinical data showed a lower incidence of serious adverse events, as well as fewer treatment interruptions and discontinuations due to adverse reactions, compared with certain existing tyrosine kinase inhibitor therapies. These characteristics may be particularly relevant for long-term outpatient management of patients with radioactive iodine-refractory differentiated thyroid cancer.

Within this competitive treatment landscape, Zepsun® is positioned as an orally administered multikinase inhibitor with demonstrated efficacy and tolerability advantages. Patients may experience intolerance or develop resistance during treatment with sorafenib or lenvatinib, while subsequent treatment options remain limited. As a result, there is a need for additional domestically developed treatment options for patients with radioactive iodine-refractory differentiated thyroid cancer. Against this backdrop, Zepsun® provides an additional option within the established multikinase inhibitor treatment class and strengthens the range of available treatment choices for patients with advanced radioactive iodine-refractory differentiated thyroid cancer.

***Myelofibrosis***

MF is a clonal hematopoietic stem cell disorder classified among the Philadelphia-negative myeloproliferative neoplasms. The disease is driven by aberrant JAK-STAT signaling, most commonly involving JAK2, CALR, or MPL mutations.

China's myelofibrosis drug market size reached RMB2.1 billion in 2025, at a CAGR of 3.6% from 2020 to 2025. The market size is projected to reach RMB2.5 billion in 2030 and RMB3.3 billion in 2035, at a CAGR of 4.1% from 2025 to 2030 and a CAGR of 5.4% from 2030 to 2035. The number of patients with myelofibrosis in China grew to 62.4 thousand in 2025, at a CAGR of

0.4% during 2020 and 2025. This number is projected to reach 63.5 thousand in 2030 and 64.6 thousand in 2035. As of the Latest Practicable Date, there were four small molecule targeted drugs approved for the treatment of MF in China, as listed below.

| Brand Name | Generic Name | Target | Company | First Approval Date |
|---|---|---|---|---|
| Zepuping | Gecacitinib Hydrochloride Tablets | ALK2 \| JAK1 \| JAK2 \| JAK3 \| TYK2 | The Company | 2025-05-27 |
| Bangruishun 邦瑞順® | Bezacitinib Tablets | JAK2 | Hangzhou Bangshun Pharmaceutical Co., Ltd.(1) | 2026-04-29 |
| Anxu 安煦® | Rovadicitinib Tablets | JAK1 \| JAK2 \| ROCK1 \| ROCK2 | Chia Tai Tianqing(2) | 2026-02-28 |
| Jakafi® | Ruxolitinib Phosphate Tablets | JAK1 \| JAK2 | Incyte Corporation(3) | 2017-03-10 |

*(1) Hangzhou Bangshun Pharmaceutical Co., Ltd. is a China-based pharmaceutical company focused on the research and development of innovative oral small-molecule drug candidates, primarily targeting oncology and autoimmune diseases, with registered capital of approximately US$7.1 million.*

*(2) Chia Tai Tianqing, a subsidiary of Sino Biopharma, is a China-based pharmaceutical company engaged in the research, development and commercialization of innovative and generic medicines, with registered capital of approximately US$124 million.*

*(3) Jakafi® is developed by Incyte Corporation and marketed by Incyte Corporation and Novartis AG. Incyte Corporation is a US-based innovative biopharmaceutical company founded in 1991 with a focused pipeline in oncology and immunology. It is listed on the Nasdaq Stock Market. It conducts its operations in China primarily through Incyte Pharmaceutical Technology (Shanghai) Co., Ltd., which has a registered capital of approximately US$18 million.*

*Sources: NMPA, Frost & Sullivan analysis*

## Recombinant Human Thyroid Stimulating Hormone

### *Overview*

Thyroid stimulating hormone ("**TSH**") is a glycoprotein hormone produced by basophilic cells of the anterior pituitary. It plays a central role in regulating thyroid gland growth, hormone synthesis, and secretion, thereby controlling metabolism and maintaining homeostasis. Recombinant human TSH ("**rhTSH**") is a biotechnologically produced form of human TSH with an amino acid sequence identical to that of endogenous pituitary TSH, used clinically to provide exogenous TSH stimulation without the need for thyroid hormone withdrawal in patients with differentiated thyroid cancer.

China's rhTSH drug market size reached RMB31.7 million in 2025. The market size is projected to reach RMB1,228.3 million and RMB2,606.3 million by 2030 and 2035, respectively, at a CAGR of 107.8% from 2025 to 2030 and 16.2% from 2030 to 2035.

There currently are only two human thyrotropin approved in China. Zesuning, developed by us, is approved for use in postoperative follow-up of differentiated thyroid cancer patients. Another drug developed by SmartNuclide Biopharma Co., Ltd. is approved for use in adjuvant treatment with iodine-131 for ablation of residual thyroid tissue in patients with differentiated thyroid carcinoma without distant metastasis following total or near-total thyroidectomy. SmartNuclide Biopharma Co., Ltd. is a China-based biopharmaceutical company founded in 2015, focusing on nuclear medicine-related biologics including recombinant human thyroid-stimulating hormone, and listed in China.

## Recombinant Human Thrombin

### *Overview*

Topical hemostatic products used in surgery mainly fall into two categories. The first category includes absorbable hemostatic materials such as oxidized regenerated cellulose, gelatin sponges, and chitosan-based materials. The second category comprises topical or locally applied hemostatic drugs, such as thrombin preparations, fibrin sealants, and thrombin–gelatin matrices, which act by directly catalyzing fibrin formation and accelerating clot development. Thrombin is widely used in China because it offers rapid onset, is suitable for diffuse oozing or irregular wound surfaces.

Recombinant human thrombin is a genetically engineered, sequence-identical form of human thrombin produced in mammalian expression systems. Compared with bovine, porcine, or plasma-derived thrombin products, recombinant human thrombin provides clinically comparable hemostatic efficacy but offers several important advantages. Its immunogenicity is markedly lower, avoiding the well-documented issue of anti-bovine thrombin antibodies and the associated immune-mediated coagulopathy that can occur with animal-derived preparations. As of the Latest Practicable Date, Zepuning is the only approved recombinant human thrombin in China.

China's surgical topical hemostatic agents market grew from RMB6.8 billion in 2020 to RMB9.9 billion in 2025 at a CAGR of 7.7%, and is projected to reach RMB14.1 billion by 2030 and RMB18.9 billion by 2035 at a CAGR of 7.3% from 2025 to 2030 and 6.0% from 2030 to 2035.

## MARKETS OF THE GROUP'S MAJOR DRUG CANDIDATES

### Autoimmune Diseases

#### *Overview*

Autoimmune diseases comprise a heterogeneous group of disorders in which the immune system mounts an inappropriate response against self-antigens, leading to inflammation and tissue injury. Broadly, autoimmune diseases are classified into organ-specific and systemic forms. Although the precise etiology has not been completely understood, current evidence indicates a multifactorial pathogenesis involving genetic susceptibility, environmental triggers, epigenetic alterations, and dysregulation of central and peripheral immune tolerance.

From 2020 to 2025, the global autoimmune disease drug market increased from US$120.6 billion to US$154.9 billion, at a CAGR of 5.1%, and is expected to reach US$218.8 billion and US$272.8 billion by 2030 and 2035, at a CAGR of 7.2% and 4.5% from 2025 to 2030 and from 2030 to 2035, respectively. From 2020 to 2025, China's autoimmune disease drug market increased from RMB17.4 billion to RMB38.0 billion, representing a CAGR of 16.9%, and is projected to reach RMB123.7 billion and RMB313.4 billion by 2030 and 2035, at a CAGR of 26.6% and 20.4% from 2025 to 2030 and from 2030 to 2035, respectively.

#### *Alopecia Areata*

Alopecia areata is a non-scarring hair loss symptom and is also regarded as an autoimmune disease. Certain patients, particularly those with mild or patchy disease, may experience spontaneous regrowth. Current treatment options include both local and systemic therapies aimed at reducing inflammation, promoting hair regrowth, and controlling disease flares.

The number of patients with alopecia areata in China grew to 3.8 million in 2025, the number is projected to reach 3.9 million in 2035. China's alopecia areata drug market size reached RMB1.1 billion in 2025, at a CAGR of 10.0% from 2020 to 2025. The market size is projected to reach RMB2.7 billion in 2030 and RMB5.4 billion in 2035, at a CAGR of 20.2% from 2025 to 2030 and a CAGR of 14.8% from 2030 to 2035.

The following chart shows the competitive landscape of approved JAK inhibitors for alopecia areata in China as of the Latest Practicable Date.

| Brand Name | Generic Name | Target | Company | First Approval Date |
|---|---|---|---|---|
| Zepuping | Gecacitinib Hydrochloride Tablets | ALK2 \| JAK1 \| JAK2 \| JAK3 \| TYK2 | The Company | 2026-06-10 |
| Aisuda 艾速达® | Ivarmacitinib Sulfate Tablets | JAK1 | Hengrui | 2025-06-24 |
| Litfulo® | Ritlecitinib Tosylate Capsules | JAK3 \| TEC | Pfizer Inc.(1) | 2023-10-18 |
| Olumiant® | Baricitinib Tablets | JAK1 \| JAK2 | Incyte Corporation | 2023-03-24 |

*(1) Pfizer Inc. is a US-based global biopharmaceutical company founded in 1849 with a diversified innovative drug portfolio across oncology, vaccines and rare diseases. It is listed on the New York Stock Exchange and conducts its pharmaceutical operations in China primarily through Pfizer Investment Co., Ltd., which has a registered capital of approximately US$84 million.*

*Sources: NMPA, Frost & Sullivan analysis*

### *Atopic Dermatitis*

Atopic dermatitis is a chronic, relapsing inflammatory skin disease characterized by intense pruritus and eczematous lesions with age-dependent morphology and distribution. Clinically, atopic dermatitis presents a broad spectrum of symptoms from mild localized dermatitis to severe, generalized disease that significantly impair patients' quality of life. The basic treatment options for atopic dermatitis in China include topical corticosteroids and calcineurin inhibitors. For moderate-to-severe atopic dermatitis, systemic therapies become essential, including traditional immunosuppressants, biologic agents targeting type-2 inflammation, and JAK inhibitors, all of which have demonstrated clinical efficacy in controlling symptoms and reducing disease burden.

The number of patients with atopic dermatitis in China reached 74.1 million in 2025, at a CAGR of 1.9% from 2020 to 2025. This number is projected to reach 79.1 million in 2030 and 81.2 million in 2035. China's atopic dermatitis drug market size reached RMB13.2 billion in 2025, at a CAGR of 25.1% from 2020 to 2025. The market size is projected to climb to RMB36.1 billion in 2030 and RMB53.2 billion in 2035, at a CAGR of 22.3% from 2025 to 2030 and a CAGR of 8.0% from 2030 to 2035.

The following chart shows the competitive landscape of approved JAK inhibitors for atopic dermatitis in China as of the Latest Practicable Date.

| Brand Name | Generic Name | Target | Company | First Approval Date |
|---|---|---|---|---|
| Aisuda 艾速达® | Ivarmacitinib Sulfate Tablets | JAK1 | Hengrui | 2025-04-01 |
| Cibinqo® | Abrocitinib Tablets | JAK1 | Pfizer Inc. | 2022-04-08 |
| Rinvoq® | Upadacitinib Sustained-release Tablets | JAK1 | AbbVie Inc.(1) | 2022-02-18 |

*(1) AbbVie Inc. is a US-based innovative biopharmaceutical company founded in 2013 with a strong pipeline across immunology, oncology, neuroscience and aesthetics. It is listed on the New York Stock Exchange and conducts its pharmaceutical operations in China primarily through AbbVie Pharmaceutical Trading (Shanghai) Co., Ltd., which has a registered capital of approximately US$26 million.*

*Sources: NMPA, Frost & Sullivan analysis*

The following chart shows the competitive landscape of JAK inhibitors under clinical development (Phase III and above) for atopic dermatitis in China as of the Latest Practicable Date.

| Generic Name | Target | Company | Clinical stage | First Posted Date |
|---|---|---|---|---|
| LNK01001 | JAK1 | Lynk Pharmaceuticals Co., Ltd. | NDA | 2026-04-08 |
| PG011 | JAK1 \| JAK2 | Beijing Prime Gene Therapeutics Co., Ltd. | NDA | 2026-02-11 |
| MH 004 | JAK | Minghui Pharmaceutical Co., Ltd. | NDA | 2025-05-31 |
| Gecacitinib Hydrochloride Tablets | ALK2 \| JAK1 \| JAK2 \| JAK3 \| TYK2 | The Company | Phase III completed | 2022-06-21 |
| JYP0061 | JAK1 | Guangzhou Jiayue Pharmaceutical Technology Co., Ltd. | Phase III | 2026-06-08 |
| LW402 | JAK1 | Shanghai Longwood Biopharmaceuticals Co., Ltd. | Phase III | 2026-01-27 |
| QY201 | JAK1 \| TYK2 | E-nitiate Biopharmaceuticals Co., Ltd. | Phase III | 2025-02-07 |
| VC005 | JAK1 | Jiangsu Vcare PharmaTech Co., Ltd. | Phase III | 2024-12-09 |
| ICP332 | JAK1 \| TYK2 | InnoCare Pharma Limited | Phase III | 2024-08-26 |

*Sources: CDE, Frost & Sullivan analysis*

### *Ankylosing Spondylitis*

Ankylosing spondylitis is a type of arthritis characterized by long-term inflammation of the spinal joints, typically with inflammation of the sacroiliac joint and spinal attachment points as the main symptoms. Currently, there is no curative treatment for ankylosing spondylitis.

First-line therapy for ankylosing spondylitis includes non-steroidal anti-inflammatory drugs ("**NSAIDs**"). If there is an inadequate response to first-line therapy, TNF inhibitors may also be considered. IL-17 inhibitors are also effective alternatives for patients who fail or cannot tolerate TNF blockers.

The number of patients with ankylosing spondylitis in China reached 3968.4 thousand in 2025, the number is projected to reach 4045.2 thousand in 2030 and 4121.8 thousand in 2035. China's ankylosing spondylitis drug market size reached RMB17.0 billion in 2025, at a CAGR of 12.1% from 2020 to 2025. The market size is projected to climb to RMB40.0 billion in 2030 and RMB57.3 billion in 2035, at a CAGR of 18.7% from 2025 to 2030 and a CAGR of 7.4% from 2030 to 2035.

The following chart shows the competitive landscape of approved JAK inhibitors for ankylosing spondylitis in China as of the Latest Practicable Date.

| Brand Name | Generic Name | Target | Company | First Approval Date |
|---|---|---|---|---|
| Aisuda 艾速达® | Ivarmacitinib Sulfate Tablets | JAK1 | Hengrui | 2025-03-18 |
| Rinvoq® | Upadacitinib Sustained-release Tablets | JAK1 | AbbVie Inc. | 2023-10-24 |
| Xeljanz® | Tofacitinib Citrate Tablets | JAK1 \| JAK2 \| JAK3 | Pfizer Inc. | 2022-04-12 |

*Sources: NMPA, Frost & Sullivan analysis*

The following chart shows the competitive landscape of JAK inhibitors under clinical development (Phase III and above) for ankylosing spondylitis in China as of the Latest Practicable Date.

| Generic Name | Target | Company | Clinical stage | First Posted Date |
|---|---|---|---|---|
| Gecacitinib Hydrochloride Tablets | ALK2 \| JAK1 \| JAK2 \| JAK3 \| TYK2 | The Company | Phase III completed | 2023-05-16 |
| VC005 | JAK1 | Jiangsu Vcare PharmaTech Co., Ltd. | Phase III | 2025-09-11 |
| LNK01001 | JAK1 | Lynk Pharmaceuticals Co., Ltd. | Phase III | 2024-01-17 |

*Sources: CDE, Frost & Sullivan analysis*

## DLL3/DLL3/CD3 Trispecific Antibody

### *Overview*

CD3 is a critical component of the TCR complex, expressed specifically on the surface of T cells, and is essential for transmitting activation signals upon antigen recognition. Engagement of CD3 by antibodies or T-cell engagers triggers T-cell activation, proliferation, and cytotoxic effector functions.

DLL3 is a single-pass transmembrane protein belonging to the Notch ligand family. DLL3 is minimally expressed in normal adult tissues but is highly overexpressed in SCLC and other neuroendocrine tumors, making it an attractive tumor-associated antigen. DLL3 expression is associated with tumor cell survival, proliferation, and maintenance of neuroendocrine features.

Trispecific DLL3/DLL3/CD3 T-cell engagers are engineered to simultaneously bind DLL3 on tumor cells and CD3 on T cells. This dual engagement induces the formation of a potent, MHC-independent cytolytic synapse, thereby redirecting T cells to kill tumor cells efficiently. As of the Latest Practicable date, the only globally approved DLL3/CD3 (bispecific, single DLL3 engagement) drug is Imdelltra® (Tarlatamab), which was approved by FDA on May 16, 2024 and by NMPA on April 07, 2026, for the treatment of adult patients with extensive-stage SCLC with disease progression on or after platinum-based chemotherapy.

The following chart shows the competitive landscape of DLL3/CD3 and DLL3/DLL3/CD3 antibody drugs under clinical development worldwide as of the Latest Practicable Date.

| Generic Name | Target | Clinical stage | Indication | Company | First Posted Date | Region |
|---|---|---|---|---|---|---|
| ZG006 | DLL3 \| DLL3 \| CD3 | Phase III | SCLC | The Company | 2025-09-23 | China |
| BI764532 | DLL3 \| CD3 | Phase III | SCLC | Boehringer Ingelheim International GmbH | 2026-03-16 | Global |
| SHR-7787 | DLL3 \| CD3 | Phase II | Solid tumors | Hengrui | 2025-12-02 | China |
| HPN328 | DLL3 \| CD3 \| Albumin | Phase I/II | SCLC, NEPC, NET | Merck & Co. | 2020-07-15 | US, China |
| CTM012 | DLL3 \| CD3 \| 4-1BB | Phase I/II | Solid tumors | Lepu Biopharma Co., Ltd. | 2025-09-28 | China |
| HLX3901 | DLL3 \| CD3 \| CD28 | Phase I | SCLC, NEC | Shanghai Henlius Biotech, Inc. | 2026-02-18 | China |
| IBI15 | DLL3 \| CD3 | Phase I | SCLC | Innovent Biologics, Inc. | 2026-05-06 | China |
| RO7616789 | DLL3 \| CD3 \| 4-1BB | Phase I | NET, SCLC | F. Hoffmann-La Roche AG | 2022-11-17 | US, EU, Japan |

*Note: For each drug candidate, only the indications at the most advanced stage of clinical development are included. Global means more than three countries. NEPC: neuroendocrine prostate cancer, NET: neuroendocrine neoplasm.*

*Sources: Clinicaltrials.gov, CDE, Frost & Sullivan analysis*

### *Small Cell Lung Cancer*

SCLC is an aggressive neuroendocrine carcinoma of the lung, accounting for approximately 15% of all lung cancers. SCLC is characterized by rapid growth, early and widespread metastasis, and poor prognosis. Most patients are diagnosed at an advanced stage due to the disease's asymptomatic and fast-progressing nature.

In 2020, the incidence of SCLC in China was 150.5 thousand, rising to 170.5 thousand in 2025 at a CAGR of 2.5%. It is expected to reach 196.3 thousand by 2030 and 221.2 thousand by 2035. Globally, the number of new SCLC cases rose to 399.2 thousand in 2025, at a CAGR of 2.7% from 2020 to 2025, and is expected to reach 458.0 thousand by 2030 and 519.2 thousand by 2035. Global SCLC drug market size reached US$5.1 billion in 2025, at a CAGR of 12.9% from 2020 to 2025, and is expected to reach US$7.9 billion and US$11.5 billion by 2030 and 2035, respectively, at a CAGR of 9.1% from 2025 to 2030 and a CAGR of 7.8% from 2030 to 2035. In China, SCLC drug market size reached RMB7.1 billion in 2025, at a CAGR of 14.2% from 2020 to 2025, and is expected to reach RMB15.7 billion and RMB32.7 billion by 2030 and 2035, respectively, at a CAGR of 17.2% from 2025 to 2030 and a CAGR of 15.7% from 2030 to 2035.

### *Neuroendocrine Carcinoma*

NENs are a heterogeneous group of tumors arising from neuroendocrine cells, and can occur throughout the body, most commonly in the lung, pancreas, stomach, colon, and rectum. Pathologically, NENs are classified into well-differentiated NETs and poorly differentiated NECs. NECs are highly aggressive, characterized by rapid tumor growth, early metastasis, frequent recurrence, and poor prognosis, accounting for approximately 20% of all NENs. In contrast, NETs are generally indolent, with slower progression and more favorable clinical outcomes.

In 2020, the global incidence of NEC globally was 69.2 thousand, rising to 90.6 thousand in 2025 at a CAGR of 5.5%. It is projected to reach 105.4 thousand by 2030, and 120.4 thousand by 2035. In China, the incidence of NEC increased from 17.0 thousand in 2020 to 24.1 thousand in 2025, at a CAGR of 7.3%. By 2030 and 2035, the incidence of NEC is predicted to reach 29.9 thousand and 35.5 thousand, respectively. Global NEC drug market size reached US$5.2 billion in 2025, at a CAGR of 7.2% from 2020 to 2025, and is projected to reach US$9.3 billion and US$19.8 billion by 2030 and 2035, at a CAGR of 12.2% from 2025 to 2030 and a CAGR of 16.4% from 2030 to 2035. China's NEC drug market size reached RMB1.9 billion in 2025, at a CAGR of 16.1% from 2020 to 2025, and is projected to reach RMB4.8 billion and RMB13.4 billion by 2030 and 2035, at a CAGR of 21.1% and 22.7% from 2025 to 2030 and from 2030 to 2035, respectively.

## PD-1/TIGIT Bispecific Antibody

### *Overview*

Programmed death protein 1 is a common immunosuppressive member on the surface of T cells and plays an imperative part in downregulating the immune system and advancing self-tolerance. The TIGIT signaling pathway is an important immunosuppressive pathway that inhibits the proliferation of T cells and NK cells and promotes their apoptosis. The PD-1/PD-L1 signaling pathway and the TIGIT signaling pathway are both immunosuppressive pathways. As such, PD-1/TIGIT bispecific antibody can simultaneously inhibiting both pathways and synergistically activate T cells and NK cells, thereby enhancing antitumor immunity to improve efficacy.

The following chart shows the competitive landscape of PD-1/TIGIT antibody drugs under clinical development worldwide as of the Latest Practicable Date.

| Generic Name | Target | Clinical stage | Indication | Company | First Posted Date | Region |
|---|---|---|---|---|---|---|
| AZD2936 | TIGIT \| PD-1 | Phase III | Biliary tract cancer, NSCLC, nsqNSCLC, sqNSCLC, GC, HCC, endometrial cancer | AstraZeneca PLC | 2023-10-31 | Global |
| ZG005 | TIGIT \| PD-1 | Phase III<br>Phase II | NEC, HCC<br>Biliary tract cancer, cervical cancer, other advanced solid tumors | The Company | 2026-08-06<br>2024-08-16 | China |
| HY07121 | TIGIT \| PD-1 \| IL15 | Phase I/II | Solid tumors | Sichuan Huiyu Pharmaceutical Co., Ltd. | 2024-10-11 | China |
| SHR-3276 | TIGIT \| PD-1 \| PVRIG | Phase I/II | Solid tumors | Hengrui | 2024-10-15 | China |
| BC008-1A | TIGIT \| PD-1 | Phase I | NSCLC, EC, solid tumors | REMD Biotherapeutics, Inc. | 2023-02-02 | China |

*Note: Global means more than three countries. Only the indications at the most advanced stage of clinical development are included. GC: gastric cancer, sqNSCLC: squamatic non-small cell lung cancer, nsqNSCLC: non-squamous non-small cell lung cancer, EC: esophageal cancer.*

*Sources: CDE, Clinicaltrials.gov, Frost & Sullivan analysis*

For more details on the competitive landscape of HCC and NEC in China, which are also indications of the Group's drug candidates ZG005, see "— Markets of the Group's Commercialized Products — Oncology — Liver Cancer" and "— Markets of the Group's Major Drug Candidates — DLL3/DLL3/CD3 Trispecific Antibody — Neuroendocrine Carcinoma."

### *Cervical Cancer*

Cervical cancer is a malignant tumor arising from the epithelial cells of the cervix, most commonly driven by persistent infection with high-risk human papillomavirus ("**HPV**"), especially types such as HPV-16 and HPV-18.

Cervical cancer is one of the most frequently occurring cancers in China. New cases of cervical cancer in China reached 158.9 thousand in 2025. It is projected to reach 164.5 thousand by 2030 and 168.6 thousand in 2035. Global new cases of cervical cancer reached 702.6 thousand in 2025. It is estimated to reach 760.1 and 814.5 thousand by 2030 and 2035. China's cervical cancer drug market size reached RMB2.3 billion in 2025, at a CAGR of 9.0% from 2020 to 2025, and is expected to reach RMB3.6 billion and RMB4.8 billion by 2030 and 2035, at a CAGR of 9.0% and 6.0% from 2025 to 2030 and from 2030 to 2035, respectively.

### *Non-small-cell Lung Cancer*

Non-small-cell lung cancer ("**NSCLC**") is a group of epithelial lung cancers distinct from SCLC, accounting for approximately 85% of all lung cancer cases. In China, the incidence of NSCLC increased from 852.8 thousand in 2020 to 966.2 thousand in 2025, at a CAGR of 2.5%. By 2030 and 2035, the incidence of NSCLC is projected to reach 1,112.1 thousand and 1,253.7 thousand, respectively. In 2020, the incidence of NSCLC globally was 1,991.7 thousand, rising to 2,262.1 thousand in 2025. It is projected to reach 2,596.6 thousand by 2030, and 2,942.4 thousand by 2035. Global NSCLC drug market size reached US$104.3 billion in 2025, at a CAGR of 14.6% from 2020 to 2025, and is expected to reach US$184.8 billion and US$272.4 billion by 2030 and

2035, at a CAGR of 12.1% and 8.1% from 2025 to 2030 and from 2030 to 2035, respectively. China's NSCLC drug market size reached RMB88.1 billion in 2025, at a CAGR of 14.4% from 2020 to 2025, and is expected to reach RMB172.3 billion and RMB291.6 billion by 2030 and 2035, at a CAGR of 14.3% and 11.1% from 2025 to 2030 and from 2030 to 2035, respectively.

***Other Advanced Solid Tumors***

The Group's drug candidates, including ZGGS34, ZG2201, ZG2273, hold strong potentials to address the clinical needs of indications including gastric cancer and pancreatic cancer. Gastric cancer originates from the epithelial lining of the stomach and typically develops gradually over several years. It is an aggressive malignancy capable of metastasizing to distant organs, most commonly the liver, lungs, bones, peritoneum, and regional lymph nodes. Gastric cancer is one of the most frequently occurring cancers in China with new cases reached 383.1 thousand in 2025. It is further projected to reach 442.8 thousand in 2030 and 502.6 thousand in 2035. China's gastric cancer drug market size reached RMB56.8 billion in 2025, at a CAGR of 13.8% from 2020 to 2025, and is further projected to reach RMB82.9 billion and RMB111.3 billion by 2030 and 2035, at a CAGR of 7.8% from 2025 to 2030 and a CAGR of 6.1% from 2030 to 2035.

Pancreatic cancer is a malignant neoplasm arising from the pancreas, a gland involved in both digestive and endocrine functions. The majority of pancreatic tumors originate from exocrine cells, with pancreatic ductal adenocarcinoma accounting for over 90% of cases. China's pancreatic cancer new cases were 111.8 thousand in 2020 and reached 127.7 thousand in 2025, at a CAGR of 2.7%. It is further projected to reach 148.9 thousand in 2030 and 170.2 thousand in 2035. China's pancreatic cancer drug market increased from RMB2.7 billion in 2020 to RMB3.5 billion in 2025, at a CAGR of 5.1% from 2020 to 2025. It is further projected to reach RMB6.0 billion in 2030 and RMB10.8 billion in 2035 at a CAGR of 11.3% from 2025 to 2030 and 12.5% from 2030 to 2035.

## REPORT COMMISSIONED BY FROST AND SULLIVAN

In connection with the [**REDACTED**], we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on the major markets for which our drug candidates are positioned. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the U.S.. We have agreed to pay Frost & Sullivan a total fee of approximately RMB500,000 for the preparation of the Frost & Sullivan Report, and we believe that such fee is consistent with the market rate. The payment of such amount was not contingent upon our successful [**REDACTED**] or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the [**REDACTED**]. The market projections in the Frost & Sullivan Report were based on the following key assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the Frost & Sullivan Report may be affected by the accuracy of the foregoing key assumptions, including those used to make future projections, are factual, correct and not misleading.