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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. Since our inception in 2009, we have developed comprehensive capabilities across discovery, development, manufacturing, and commercialization, which have enabled us to build a diversified, multi-layered pipeline and achieve proven commercialization success.

Our business is powered by a dual innovation engine, combining two proprietary technology platforms: 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. By advancing both small-molecule and biologic therapies in parallel and supported by our end-to-end business model, we aim to become a biopharmaceutical company with broad market focus, delivering sustainable growth through continuous innovation.

Our product portfolio and pipeline encompass commercialized drugs, late-stage clinical candidates and early-stage discovery programs positioned at the forefront of innovation. 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. Collectively, our commercialized drugs provide us with strong and sustainable cash flow.

Our strategically-tiered pipeline of drug candidates comprises 10 drug candidates across 29 key clinical programs (including Gecacitinib Hydrochloride Tablet and its clinical programs for ankylosing spondylitis and atopic dermatitis and Human Thyrotropin beta for Injection and its clinical programs for postoperative treatment of thyroid cancer), 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 at the stage of NDA for ankylosing spondylitis and atopic dermatitis, broadening its indications in the field of autoimmune diseases, 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. Specifically in oncology, we are developing innovative combination regimens that leverage synergistic strengths of our product portfolio and pipeline, with a focused strategy to address the global unmet needs in refractory and relapsed cancers, including overcoming PD-1 resistance through combination regimens such as ZG005 + ZGGS18 and ZG005 + Zepuping. Each of our key assets including ZG006 and ZG005 provides a strong value foundation for global business development and partnership opportunities. 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. These programs highlight our accumulated technical expertise and our ability to translate sustained scientific investment into breakthrough innovation.

With an expanding pipeline and late-stage programs, we are well positioned for future commercial growth. We remain committed to developing innovative drugs with global intellectual property rights that are safe, effective, and affordable, aiming to address significant unmet clinical needs in China and globally.

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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 Radioiodine-refractory differentiated thyroid cancer								Self-developed	Global
★ Zepunig 澤普冠® (Recombinant Human Thrombin)	Thrombin	Recombinant protein	Hemostasis								Self-developed	Global
★ Zepuping 澤普平® (Gecacitinib Hydrochloride Tablets)	JAK	Small-molecule targeted drug	Myelofibrosis								Self-developed	Global
			Severe alopecia areata Moderate-to-severe atopic dermatitis Ankylosing spondylitis									
★ Zesuning 澤速寧® (Human Thyrotropin beta for Injection)	TSH	Recombinant protein	Postoperative diagnosis of thyroid cancer								Self-developed	Global
			Postoperative treatment of thyroid cancer									
			Extensive-stage SCLC (3rd-line and above)									
ZG006 (Alvettamig)	CD3/DLL3/DLL3	Trispecific T cell engager	Extensive-stage SCLC (2nd-line)								Self-developed	Chinese Mainland, Hong Kong and Macau (AbbVie holds rights in other regions)
			Extensive-stage SCLC (1st-line)									
			Extensive-stage SCLC HCC NEC									
ZG005 (Nilvanstomig)	PD-1/TIGIT	Bispecific antibody	Cervical cancer								Self-developed	Global
			Biliary tract cancer									
			Other advanced solid tumors									
ZGGS18	VEGF/TGF-β	Bifunctional fusion protein	Advanced solid tumors								Self-developed	Global
			Advanced solid tumors including NSCLC									
ZGGS34	MUC17/CD3/CD28	Trispecific T cell engager	Advanced solid tumors including gastric cancer and pancreatic cancer								Self-developed	Global
			Advanced solid tumors									
ZGGS15	LAG-3/TIGIT	Bispecific antibody	Advanced solid tumors								Self-developed	Global
ZG2001	Pan-KRAS	Small-molecule targeted drug	Advanced solid tumors with KRAS mutation								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

Since our inception, we have committed to innovation and continuously advanced our novel drug development. Through years of dedicated research in discovery, rapid clinical development and manufacturing improvement, we have built a mature portfolio of four commercialized innovative drugs, establishing a robust product portfolio and a continuous cash flow stream. This validated commercialization capability provides us with consistent momentum for business growth and lays a strong foundation for future market expansion and ongoing innovation. Our commercialized drugs include the following:

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, based on the improved survival outcome in a Phase III clinical trial. 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 NRDL, which has supported the steady sales growth since launching. With its improved efficacy and overall favorable safety profile, it has been recommended as a first-line therapy in 32 national treatment guidelines and consensus statements for liver and thyroid cancers as of the Latest Practicable Date. We have been continuously expanding the hospital and pharmacy coverage of Zepsun®, laying a strong foundation for sustained sales growth.

Zepuping 澤普平® (Gecacitinib Hydrochloride Tablets). Zepuping is the first domestically-developed JAK inhibitor approved in China for the treatment of myelofibrosis. Approved in May 2025 for myelofibrosis, Zepuping is characterized by its distinct mechanism of action by targeting both JAK and ACVR1, thereby significantly improving its efficacy and safety. It has been recommended in the *2026 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 December 2025, Zepuping was approved for inclusion in the NRDL for the treatment of myelofibrosis with effective date on January 1, 2026. Gecacitinib Hydrochloride Tablet is also under active clinical development in multiple autoimmune indications with great market potential. In June 2026, its indication for severe alopecia areata received commercialization approval, making it one of the most advanced domestic JAK inhibitors in this field. In addition, the Phase III clinical trials for ankylosing spondylitis and moderate to severe atopic dermatitis have been completed and is currently undergoing NDA, with both indications representing potential significant market opportunities.

Zepuning 澤普凝® (Recombinant Human Thrombin). As of the Last Practicable Date, Zepuning is the only recombinant human thrombin developed with recombinant DNA technology and successfully commercialized in China. 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. Approved in January 2024 for commercialization and included in the NRDL in January 2025, Zepuning has quickly gained traction through professional promotion partnership. We have partnered with Grand Life Sciences specializing in hemostasis and perioperative care, to accelerate the market uptake of Zepuning, which has achieved positive sales growth since its commercialization.

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Zesuning 澤速寧® (Human Thyrotropin beta for Injection). Approved for commercialization in January 2026, Zesuning fills a major gap in the thyroid cancer postoperative diagnosis market in China. As of the Last 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. This reflects a substantial unmet clinical need in the domestic market. It has also 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, a major international pharmaceutical company headquartered in Germany, providing a strong foundation for rapid uptake upon commercialization. Its indication for the postoperative treatment of thyroid cancer has also completed Phase III clinical trials and is currently undergoing BLA.

Our Differentiated Pipeline: Innovative Candidates across Therapeutic Areas

Leveraging our two advanced technology platforms, we have established a differentiated pipeline that spans all stages of clinical development, with strong potential to deliver innovative therapies and establish a robust portfolio of innovative drugs. In oncology, we have systematically advanced both small-molecule and biologic drugs across diverse mechanisms of action through our technology platforms, creating therapies with monotherapy potential as well as opportunities for combination regimens that lay a solid foundation for the next generation of cancer treatment. Our key drug candidates include the following:

ZG006 (Alveltamig). A trispecific T-cell engager targeting two distinct DLL3 epitopes and CD3, ZG006 is the first DLL3-targeted trispecific antibody (DLL3/DLL3/CD3) in the world. ZG006 represents a breakthrough in design by combining “dual DLL3 + CD3” targeting. This mechanism addresses the urgent need for effective therapies in hard-to-treat cancers such as SCLC and NEC, with the potential to fill a critical clinical gap and deliver meaningful clinical benefit to patients. Its key clinical programs include indications for extensive-stage SCLC, 3rd-line and above as well as 2nd-line, and NEC. ZG006 has received the breakthrough therapy designation by the Center for Drug Evaluation of the NMPA for relapsed or progressive advanced SCLC and DLL3-positive NEC. In addition, the FDA has granted ZG006 orphan drug designations for the treatment of SCLC and NEC. In its completed clinical trials, ZG006 demonstrated robust efficacy and favorable safety results. On December 30, 2025, to accelerate the global development of ZG006, we entered into a collaboration and option to license agreement with AbbVie, pursuant to which we granted AbbVie an exclusive option to obtain an exclusive license to develop, manufacture, commercialize, or exploit ZG006 and any product containing ZG006 worldwide outside Chinese Mainland, Hong Kong, and Macau.

ZG005 (Nilvanstomig). A recombinant humanized bispecific antibody targeting PD-1/TIGIT, ZG005 represents a new generation of immunomodulators with dual blockade of PD-1 and TIGIT. As one of the front runners in this class with the same target, ZG005 is advancing its leading position in clinical development worldwide. As of the Last Practicable Date, no drug with this mechanism has been approved globally, highlighting its novel design and potential to address significant unmet medical needs. Given the limited response rates and resistance associated with PD-1 monotherapy, ZG005 has the potential to become the next generation of immune-oncology therapies, offering significant market opportunity. ZG005 has demonstrated promising efficacy and safety results in Phase I/II trials completed, and is currently advancing through Phase III clinical trials for HCC and NEC. Beyond monotherapy, ZG005 offers broad potential in combination with our large-molecule targeted therapies. For example, ZGGS18, which modulates the tumor microenvironment, can be paired with ZG005 to enhance tumor-killing activity. A clinical trial application for this combination therapy has already been approved by the FDA and NMPA.

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Other Pipeline Candidates. Building on our core technology platforms, we are advancing our oncology research across multiple dimensions, including tumor immunity, tumor microenvironment, tumor growth, resistance mechanisms and gene mutations. We continue to expand our pipeline of innovative candidates, including: ZGGS18, a bifunctional fusion protein targeting VEGF/TGF- β ; ZGGS34, a trispecific T-cell engager antibody targeting CD3/CD28/MUC17; ZGGS15, a bispecific LAG-3/TIGIT antibody; ZG2001, a novel oral pan-KRAS mutation inhibitor; ZG0895, a highly active and selective TLR8 agonist; and one preclinical candidates, a novel pan-RAS inhibitor. Among these, ZGGS18, ZGGS15, ZG2001, and ZG0895 have successfully completed Phase I dose-escalation clinical trials in China, while ZGGS34 has advanced into a Phase I clinical trial in China and ZGGS18, ZGGS15, ZG2001, ZG0895 and ZGGS34 have all obtained IND approvals in the United States. Collectively, these drug candidates are expected to emerge as breakthrough therapies for solid tumors, with strong potential for combination use and attractive commercialization prospects.

Our Market Opportunities

Our pipeline encompasses innovative small-molecule targeted drugs and biologic oncology drugs, while also extending into non-oncology areas such as autoimmune diseases as well as hemostasis and hematology to address multiple markets with significant unmet clinical needs. Cancer remains a leading cause of death worldwide and constitutes a particularly significant unmet medical need with China accounting for 23.4% of global new cancer cases in 2025, while the overall five-year relative survival rate for all cancers among patients diagnosed from 2019 to 2021 in China was at 43.7%, lagging behind that of all cancers among patients diagnosed from 2015 to 2021 in the United States at 70.0%. Against this backdrop, China’s oncology drug market is experiencing strong growth, expected to expand from RMB279.1 billion in 2025 to RMB504.0 billion in 2030 and RMB980.0 billion in 2035, while the global market is projected to grow from US\$278.2 billion in 2025 to US\$683.0 billion in 2035, according to Frost & Sullivan.

Beyond oncology, the autoimmune disease market in China is entering rapid expansion, projected to grow from RMB38.0 billion in 2025 to RMB313.4 billion in 2035, driven by improved diagnostics, innovative therapies, and supportive reimbursement policies, while globally this market is expected to reach US\$272.8 billion by 2035, accordingly to Frost & Sullivan. In hemostasis, rising surgical volumes are fueling demand for topical agents, with China’s market forecast to grow from RMB9.9 billion in 2025 to RMB18.9 billion in 2035 according to Frost & Sullivan. Together, these therapeutic areas provide significant opportunities for innovation and commercialization, reinforcing our strategy to deliver solutions across oncology and beyond.

Our Technology Platforms

Our two proprietary technology platforms underscore our commitment to advancing 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[®], Zepuping, 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 Financial Performance and Sustainable Growth

We have achieved strong revenue growth driven by the commercialization of our innovative drugs and the expansion of our drug portfolio. Our commercialized drugs, Zepsun[®], Zepuping, Zepuning and Zesuning, form a stable foundation of recurring revenue. During the Track Record Period, our revenue demonstrated robust growth from RMB383.6 million in 2023 to RMB531.5 million in 2024, to RMB810.2 million in 2025, and further to RMB1,204.4 million for the six months

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ended June 30, 2026. We recorded net losses of RMB295.1 million, RMB150.3 million and RMB165.1 million in 2023, 2024 and 2025, respectively, and for the first time recorded net profit of RMB640.0 million in the six months ended June 30, 2026, primarily attributable to the upfront payment we received in accordance with the AbbVie Agreement. 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. Furthermore, Zepsun[®] and Zepuning still require continued investment in market development, Zepuping and Zesuning only recently been commercialized and remains in the market access stage, and other candidates are still in the registrational or development phases requiring significant investment. Looking ahead, we expect to broaden and strengthen our revenue through continued ramp-up of our recently commercialized product Zesuning and Zepuping’s recently approved indication for severe alopecia areata, broader NRDL coverage of three of our commercialized products, anticipated commercialization of our late-stage candidates and expansion into new indications with our pipeline products, collectively supporting a path toward sustainable profitability. Underpinned by an integrated manufacturing system, nationwide marketing team, and strategic partnerships, we combine efficient commercialization with disciplined cost management, creating a resilient financial foundation to sustain R&D investment, international expansion, and long-term competitiveness.

OUR STRENGTHS

A Robust, Differentiated Pipeline Driving Expansive Market Opportunities and Enduring Competitive Advantages

Anchored in diversified therapeutic areas and supported by two advanced technology platforms, we have built a strategically-tiered and forward-looking pipeline distinguished by meaningful R&D progress, diversified development stages, and differentiated innovation. With several commercialized drugs and advanced drug candidates, our portfolio presents significant market opportunities and continuously strengthens our overall competitiveness and leading position in innovative drug development. Our commercialized drugs has won market recognition with distinctive features and competitive advantages. At the same time, our pipeline, including several drug candidates developed with innovative approaches and frontier technologies, holds substantial potential to support sustainable growth and long-term leadership.

As of the Latest Practicable Date, we had four commercialized drugs, and our pipeline comprised 10 drug candidates across 29 key clinical programs (including Gecacitinib Hydrochloride Tablet with its clinical programs for ankylosing spondylitis and atopic dermatitis and Human Thyrotropin beta for Injection with its clinical programs for postoperative treatment of thyroid cancer). Among our drug candidates, there are four candidates with eight indications in BLA/NDA stage or pivotal/Phase III registrational trial stages, seven candidates with multiple indications in Phase I/II clinical trials, and one candidate in preclinical development. See “— Overview — Our Pipeline.” Our pipeline is structured to enable international development, with flagship candidates such as ZG006, ZG005 and ZGGS34 advancing toward overseas registrational development. This strategy positions us to actively participate in international competition and collaboration, with significant potential for out-licensing opportunities.

We have built strong presence in oncology, with commercialized drugs such as Zepsun[®], Zepuping and Zesuning, alongside innovative candidates including ZG006, ZG005, and ZG2001 and ZG0895. We are also exploring combination therapies such as ZGGS18 with ZG005, creating a balanced mix of near-term cash flow generation and long-term innovation leadership. Our strategy of dual innovation engine integrates small-molecule targeted therapies with biologic immunotherapies, addressing current treatment needs and focusing on breakthrough directions in immuno-oncology. Through the development of bispecific and multispecific antibodies against novel targets, we aim to redefine treatment paradigms and strengthen our leading position in oncology.

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In the field of autoimmune diseases, our efforts are centered on Gecacitinib Hydrochloride Tablets. By focusing on the clinically validated JAK pathway, we are advancing clinical trials with higher success probability and clearer development paths, which enables faster commercialization and access to large patient populations across multiple indications. In hematology and hemostasis, Zepuning remains the only recombinant thrombin developed with recombinant DNA technology and successfully commercialized in China as of the Latest Practicable Date. With broad applications in hemostasis, it provides both clinical value and commercial potential.

Our Commercialized Drugs: Distinctive Assets Driving Stable Cash Flow and Sustainable Growth

Our portfolio of commercialized drugs provides the foundation for recurring revenue and validates our ability to successfully commercialize innovative therapies. These assets combine clinical differentiation with strong market recognition and reinforce our leading position in China’s biopharmaceutical industry. Among our commercialized products:

Zepsun® (Donafenib Tosilate Tablets) is an oral multi-target, multi-kinase inhibitor and the first small-molecule multi-targeted drug domestically-developed and approved in China for the first-line treatment of advanced HCC, supported by the National Major New Drug Innovation Program. It was later approved for progressive, locally-advanced, or metastatic radioactive iodine-refractory differentiated thyroid cancer. Since launch, Zepsun® has been further validated as a small-molecule multi-targeted drug with clear efficacy, favorable safety, patient accessibility, and a well-balanced risk-benefit profile in liver cancer and thyroid cancer. It has also demonstrated broad anti-tumor activity and significant modulation of the tumor immune microenvironment, creating strong potential for combination with immunotherapies to enhance efficacy across multiple tumor types. According to a Phase III trial, Zepsun® has proven to be superior to sorafenib in overall survival benefit with better safety, securing a solid position in the large HCC treatment market.

Zepuping (Gecacitinib Hydrochloride Tablets) is a novel dual JAK and ACVR1 inhibitor, supported by the National Major New Drug Innovation Program. It is the first JAK inhibitor domestically-developed and approved in China for the treatment of myelofibrosis. The successful development of Zepuping has enabled us to enter the field of myelofibrosis treatment, creating new opportunities for revenue growth. Beyond hematology, Gecacitinib Hydrochloride Tablet is being developed for multiple autoimmune indications. Its indication for severe alopecia areata indication has been approved for commercialization in June 2026, and the indications for ankylosing spondylitis and moderate-to-severe atopic dermatitis have been completed and are currently at the stage of NDA.

Zepuning (Recombinant Human Thrombin) is an important topical biological hemostatic agent. As of the Latest Practicable Date, it is the only recombinant thrombin produced domestically in China using recombinant DNA technology, offering broad application potential in hemostasis. The product is currently in the stage of market access and expansion. Through our partnership with Grand Life Sciences, Zepuning has achieved positive sales growth since its commercialization. This collaboration facilitates effective market penetration and provides further support for our operating cash flow.

Zesuning (Human Thyrotropin beta for Injection) is the first and 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 as of the Latest Practicable Date, and therefore fills a major gap in the thyroid cancer postoperative diagnosis market in China. We have entered into exclusive commercialization collaboration with ATSA, a Swiss subsidiary of Merck, a major international pharmaceutical company headquartered in Germany, providing a strong foundation for its rapid uptake.

Our Drug Candidates: Advancing Pipeline Value and Synergy

Leveraging our technology platforms, we are advancing a pipeline of innovative drug candidates to address unmet medical needs. These assets demonstrate significant advantages as monotherapies, and also create strong synergies with our existing and future pipeline. By integrating small-molecule and biologic therapies, we maximize the overall value of our portfolio and reinforce our position in innovative drug development. Among our key drug candidates:

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ZG006 (Alveltamig) is a trisppecific T-cell engager targeting two distinct DLL3 epitopes and CD3. It is the first DLL3-targeted trisppecific antibody (DLL3/DLL3/CD3) in the world. Clinical data disclosed to date have demonstrated the competitive advantage of this trisppecific approach, further underscoring our technological strength and future development potential. ZG006 has received the breakthrough therapy designation by the Center for Drug Evaluation of the NMPA for relapsed or progressive advanced SCLC and DLL3-positive NEC following prior platinum-based chemotherapy and at least one other systemic therapy. In addition, the FDA has granted ZG006 orphan drug designations for the treatment of SCLC and NEC. Clinical data from monotherapy studies in patients with advanced SCLC and NEC demonstrate that ZG006 delivers notable and durable anti-tumor efficacy with favorable tolerability and safety. These results not only support the initiation of pivotal registration studies but also provide a solid foundation for further development in combination regimens and front-line indications.

ZG005 (Nilvanstomig) is a recombinant humanized bispecific antibody targeting PD-1 and TIGIT, designed as an innovative immuno-oncology biologic therapy with potential applications across multiple solid tumors. It is among the first drug candidates globally to enter clinical development for this dual-target mechanism. As of the Latest Practicable Date, no similar therapy has yet been approved worldwide. With our innovative and sophisticated design and proven by preclinical and early stage clinical results, ZG005 has the potential to overcome clinical challenges encountered by the combination of individual anti-PD-(L)1 and anti-TIGIT antibodies both in efficacy and safety. Therefore, by simultaneously blocking two synergistic immune checkpoints PD-1 and TIGIT, ZG005 enhances tumor killing effects and has the potential to address PD-1 single-target therapy's low response rates or acquired resistance, while also offering broad opportunities for future combination with our small-molecule targeted therapies.

Clinical data from dose escalation, tolerability, safety, pharmacokinetics, and multi-cohort expansion in Phase I/II studies of patients with advanced solid tumors have demonstrated that ZG005 delivers strong anti-tumor activity and favorable safety in advanced cervical cancer. Early clinical results from combination studies with paclitaxel plus platinum $\pm$ bevacizumab also showed promising efficacy, safety, and tolerability, supporting further research and clinical application. We are actively advancing multiple clinical programs of ZG005, both as monotherapy and in combination regimens, for the treatment of HCC, NEC, cervical cancer, and other solid tumors.

Beyond these lead programs, we are advancing a range of other innovative candidates that broaden our pipeline across diverse mechanisms of action. ZGGS18 is a recombinant humanized bifunctional fusion protein targeting VEGF/TGF- β , designed to inhibit tumor angiogenesis, reduce metastasis, and modulate the tumor microenvironment, with Phase I studies showing favorable tolerability and antitumor activity. ZGGS34 is a trisppecific antibody engaging CD3 and CD28 on T cells together with the tumor-associated antigen MUC17, a promising target in gastrointestinal cancers, with preclinical studies demonstrating tumor regression and toxicology data supporting a favorable safety profile. ZGGS15 is a bispecific antibody targeting LAG-3 and TIGIT, the first of its kind to enter clinical trials, with early results indicating tolerability and potential synergistic efficacy when combined with PD-1 antibodies. ZG2001 is a novel oral pan-KRAS mutation inhibitor that selectively blocks SOS1, thereby inhibiting multiple KRAS mutants; Phase I trials have shown a favorable safety profile and antitumor activity, supporting its potential use alone or in combination regimens. ZG0895 is a highly selective TLR8 agonist developed for solid tumors and chronic hepatitis B, with preclinical and early clinical data demonstrating potent immune activation, antitumor activity, and a favorable safety profile. Collectively, these candidates highlight the breadth of our pipeline and our continued investment in novel targets and technologies aimed at addressing unmet medical needs across oncology and related indications.

Further, we are also advancing a preclinical pipeline focused on refractory malignant tumors and historically undruggable targets. ZG2273, a preclinical candidate, is a novel pan-RAS inhibitor that binds to the intracellular chaperone protein CypA and forms a ternary complex with RAS(ON), thereby blocking downstream signaling. This mechanism enables broad-spectrum targeting of RAS mutations, which are among the most frequent oncogenic drivers in cancers such as lung, colorectal, and pancreatic tumors. With RAS mutations representing a substantial unmet medical need, ZG2273

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is positioned as a promising candidate to address this therapeutic gap. Together, these preclinical programs reflect our commitment to developing next-generation oncology therapies aimed at tackling difficult-to-treat cancers and expanding future treatment options.

Mechanism Synergy and Combination Therapies: Building a Product Ecosystem

We are integrating small-molecule and biologic therapies to develop differentiated combination treatment strategies that address complex clinical needs and aim to overcome PD-1 resistance, including: (i) **ZG005 + chemotherapy and/or other mechanism-based agents** is being studied across multiple solid tumors, and ongoing clinical programs include its use: (a) with bevacizumab, versus sintilimab plus bevacizumab, for the first-line treatment of advanced HCC which has advanced into Phase III clinical trials; (b) with paclitaxel plus platinum ± bevacizumab for the first-line treatment of advanced cervical cancer; and (c) with platinum-etoposide plus cisplatin, versus etoposide plus cisplatin alone, for the first-line treatment of advanced NEC, which has advanced into Phase III clinical trials; (ii) **ZG005 + ZGGS18** is exploring synergy between immunotherapy and tumor microenvironment modulation, with plans to add chemotherapy to form a triple regimen. This program is to evaluate efficacy and safety in advanced NSCLC, pancreatic cancer, and other solid tumors, and is currently in Phase II trials; (iii) **ZG005 + Zepuping** represents an innovative immunomodulatory combination therapy designed to address unmet clinical needs. This program is to evaluate efficacy and safety in advanced NSCLC and in relapsed or refractory lymphoma, and is currently in Phase II trials; and (iv) **ZG006 + immuno-oncology or antibody-drug conjugate agents** is being explored in a variety of clinical trials including those for SCLC and NEC. Approval has been obtained for studies combining ZG006 with PD-1/PD-L1 checkpoint inhibitors in SCLC.

Solid Commercialization Progress Accelerating Biotech-to-Biopharma Transformation

Our commercialization process is progressing steadily, driven by a dual model that combines self-operated sales with strategic partnerships. Leveraging exceptional market access capabilities and a broad sales network, we have established a proven track record of rapid uptake upon launching our commercialized products, accelerating our transformation from a biotech company into a fully integrated biopharma enterprise. We have already achieved commercialization in multiple therapeutic areas, with several high-quality, safe and effective drugs driving sustained revenue growth. At the same time, our late-stage pipeline is well-stocked, with drug candidates demonstrating clear efficacy and safety advantages, strong market potential and long-term competitiveness.

Our market access strength is particularly evident in the successful inclusion of Zepsun[®], Zepuping (for the treatment of myelofibrosis) and Zepuning in the NRDL in their first round of national negotiations. In parallel, we have rapidly expanded market coverage of our commercialized drugs: as of June 30, 2026, Zepsun[®], Zepuning Zepuping and Zesuning were available in primary target medical institutions and pharmacies covering most provinces nationwide. This powerful combination of NRDL inclusion and extensive coverage ensures swift market penetration and exemplifies our ability to consistently replicate a high-efficiency commercialization pathway.

We drive growth through a dual approach that combines our in-house sales and academic promotion team and external promotion partnerships. As of June 30, 2026, with more than 400 members covering most provinces in China, our in-house sales and academic promotion team ensures broad and efficient market reach through a specialized sales network. We also leverage strategic collaborations with external partners to accelerate product uptake with high efficiency and controlled cost. This approach has evolved into a mature commercialization model that integrates independent R&D with the advantages of external resources.

For Zepuning, we have partnered with Grand Life Sciences, which possesses established distribution channels and strong academic promotion capabilities in the hemostasis field. This collaboration has enabled rapid hospital coverage, significantly reducing the capital and time required to build our own sales infrastructure and maximizing investment efficiency. For Zesuning, we have entered into an exclusive promotion service agreement with ASTA, a Swiss subsidiary of

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Merck, a major international pharmaceutical company headquartered in Germany with nearly 30 years of expertise in thyroid diseases and a mature commercialization team in order to achieve swift market access and broad coverage of the target patient population upon its commercialization.

Advanced R&D Engine Powered by Dual Technology Platforms

We have established an advanced R&D system anchored by two proprietary technology platforms: a small-molecule drug R&D platform and a bispecific/trispecific antibody and complex recombinant protein R&D platform. By deploying these platforms in a differentiated yet synergistic manner, we have strengthened our research capabilities and reinforced our position in oncology, enabling the efficient and continuous advancement of our pipeline. Small-molecule and biologic drugs differ significantly in development strategies, technical pathways and production processes, but through years of independent R&D, we have successfully transformed these differences into a unique synergistic advantage. This dual-platform approach demonstrates our technological sophistication and strategic foresight, while enabling the design of combination regimens that integrate small-molecule targeted therapies with antibody-based immunotherapies. Together, this “small molecules + biologics” strategy enhances the value of our pipeline, raises technical barriers to entry, and positions us to deliver innovative solutions for malignant and refractory tumors.

Our Small-Molecule Drug R&D Platform. We have established a small-molecule drug R&D platform that integrates advanced drug stabilization technology, structure-activity relationship screening technology, and AI-aided drug design and development. By applying these advanced technologies, we are able to reduce development risks and timelines, significantly improve the success rate of new drug discovery, and generate patented compounds with superior efficacy, optimized pharmacokinetic properties, and lower incidence of adverse effects. In addition, structure-activity relationship screening, a core methodology in drug discovery, allows us to build quantitative and qualitative models linking molecular structures to biological activity, thereby efficiently predicting and refining lead compounds through both ligand-based and structure-based design approaches. In parallel, we are harnessing AI to transform drug development, combining deep learning and generative models with traditional R&D to enhance efficiency, lower costs, and shorten development cycles. Deep QSAR techniques automatically learn molecular features to generate or select candidates with ideal pharmacological properties, while generative models create entirely new molecular structures tailored to desired activity and drug-like characteristics, opening a new paradigm in drug design. Leveraging this platform, we have developed a portfolio of internationally competitive patented small-molecule drugs and candidates, including Zepsun[®], Zepuping, ZG2001, ZG0895, and ZG2273.

Our Bispecific/Trispecific Antibody and Complex Recombinant Protein R&D Platform. Our bispecific/trispecific antibody and complex recombinant protein R&D platform encompasses three proprietary bispecific/trispecific antibody platforms — TriGen, CheckGen and TGen. The TriGen platform enables the development of trispecific antibodies that overcome the structural limitations of conventional Fab segments, allowing molecules to bind three distinct targets with high druggability, stability, clear mechanisms of action, and reduced off-target effects. The CheckGen platform focuses on bispecific antibodies targeting immune checkpoints and is designed to address tumor immune escape by blocking compensatory pathways and thereby improving patient response rates compared with traditional checkpoint inhibitors. The TGen platform is dedicated to novel bispecific antibody molecules against new targets, generating candidates that can be used as monotherapies, in combination with each other, or alongside PD-1/PD-L1 therapies. Building on the antibody platforms, we are advancing several drug candidates currently in development — including ZG006, ZG005, ZGGS18, ZGGS34 and ZGGS15 — reflecting the breadth and depth of our pipeline. Among them, ZG006, ZG005, and ZGGS34 are under development internationally and have received clinical trial approvals in both China and the United States. Both ZG006 and ZG005 have demonstrated encouraging efficacy and safety results in Phase I/II clinical studies for oncology indications. ZGGS34 has advanced into a Phase I clinical trial in China and obtained IND approval in the United States, reflecting our continued development efforts across jurisdictions. In addition to antibody innovation, we have also pioneered a complex recombinant protein platform, successfully developing high-barrier dual-chain protein drugs such as Zepuning and Zesuning, which fill critical gaps in the domestic market and provide us with unique competitive advantages.

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Further, we have built a professional and highly efficient clinical development framework that integrates distinguished expertise and rigorous execution. Through deep collaborations with leading hospitals and recognized clinical specialists in China, we ensure that our clinical trials meet the standards of scientific integrity and regulatory compliance. In parallel, we have built strong partnerships with leading domestic and international CROs, creating a clinical research network that supports the seamless execution of clinical trials and enhances the scientific influence of our drugs.

Integrated, Scalable Production System Enabling Commercialization and Market Expansion

We have established a fully integrated and scalable production and operations system designed to support for commercialization and market expansion. Designed to deliver controllable supply chain capabilities and cost advantages, this system creates a complete closed loop from research to market, enabling the rapid commercialization of innovation into large-scale supply.

Our production infrastructure includes facilities for oral solid formulations of chemical drugs, recombinant protein drugs and antibodies, ensuring sufficient production capacity. In addition, we have a large-scale antibody drug production facility which has passed the completion acceptance inspection as of the Latest Practicable Date and has significantly expanded our production capacity. Further, our supply chain system is engineered for both resilience and reliability. Stable partnerships with raw material suppliers are reinforced by the proactive development of secondary sources, creating a resilient and cost-competitive supply assurance mechanism. This approach strengthens product security, enhances efficiency, and provides a robust foundation for sustained growth.

International Development and Collaboration Enhancing Clinical Impact and Market Potential

We are actively advancing the international development of our pipeline products, strengthening our participation in global business development and enhancing our capacity for cross-border collaboration. These initiatives have laid a solid foundation for future global business development opportunities, potential partnerships and market expansion. Our pipeline candidates, as exemplified by ZG006 and ZG005, are defined by their advanced technical positioning and a high degree of differentiation. Our innovative combination regimens including ZG005 + ZGGS18 and ZG005 + Zepuping have demonstrated potential to address refractory and relapsed cancers, including overcoming PD-1 resistance and are planned for expansion into first-line indications. Together, these attributes create a highly differentiated value proposition for global business development, partnership opportunities and market expansion. Further, we have achieved substantive advances in international development and demonstrated the international applicability of our R&D and technical capabilities. For instance, ZG006 has already been granted orphan drug designation in the United States for SCLC and NEC, underscoring its global relevance and regulatory recognition. We have also made meaningful progress in both China and the US with multiple bispecific and trispecific antibody candidates, including ZG006, ZG005, and ZGGS34, which have entered or are preparing to enter clinical trials abroad. Our team combines deep expertise with extensive experience, including a number of members having work experience in leading multinational pharmaceutical companies. With proven proficiency in international registration and clinical development, the team is well positioned to efficiently execute global collaborations and accelerate the delivery of innovative therapies to patients worldwide.

Building on this foundation, we are also pursuing diverse business collaboration models that broaden our international reach. We have entered into partnerships with multinational group such as Merck and AbbVie, validating our cooperative approach and leveraging our robust pipeline to create multiple pathways for expanding global cooperation. 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 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.

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Our scientific achievements further reinforce this momentum and have been recognized on the international stage. With Zepsun[®] as the first domestically-developed small-molecule multi-targeted drug for liver cancer in China and published in the *Journal of Clinical Oncology* in 2021 and the Phase III results in myelofibrosis of Zepuping published in the *Blood Cancer Journal* in 2024, we have demonstrated the strength of our research and shown our ability to deliver impactful innovations. In addition, multiple clinical results on other drugs and candidates of ours have been presented at prestigious international conferences, including ASCO, ESMO, APPLE, and EHA, further highlighting our innovation capabilities and growing global impact.

Veteran Leadership Delivering End-to-End Excellence and Sustainable Growth

Under the leadership of our Chairman of the Board and general manager, Dr. Sheng Zelin, we have assembled a core management team distinguished by deep industry experience and strong professional expertise. Collectively, our management team brings decades of knowledge across drug development, clinical research, regulatory submissions, quality and compliance, and intellectual property management. With members credited as principal inventors on numerous patents and experienced in advancing drugs through international registrations and approvals, this team provides broad capabilities spanning R&D, manufacturing, and commercialization to support the execution of our strategies and long-term growth.

Beyond the leadership team, our R&D organization is distinguished by its strength and depth. Core members average more than 20 years of experience at leading domestic and international pharmaceutical companies, having played key roles in major drug development programs and served as principal inventors on numerous patents. The team possesses full-cycle capabilities from drug discovery through commercialization. Our commercialization team is equally seasoned and brings extensive expertise. With an average of more than 15 years of experience in multinational or leading domestic pharmaceutical enterprises, our marketing and business professionals have built a highly efficient and professional commercialization system that ensures effective market execution and sustainable growth.

OUR STRATEGIES

Continue to Drive Dual Engines of Innovation with Synergy in Small Molecules and Biologics

We will continue to pursue a dual-engine innovation strategy that integrates small-molecule and biologic therapies to create a synergistic development landscape. Leveraging our proprietary drug development platforms, we are committed to increasing investment in R&D activities. We will actively expand our pipeline of small-molecule targeted drugs and biologic therapies, with a focus on bispecific and trispecific antibodies and novel mechanism-based targeted drugs. We plan to focus our R&D activities on ZG006, ZG005, ZGGS34 and ZGGS18 in the next few years. For details for such plans, see “Future Plans and Use of [REDACTED].” By coordinating the development of small-molecule and biologic candidates, we are able to flexibly apply different technological approaches to complex diseases, designing optimal monotherapy or combination regimens and generating strong pipeline synergies. With this strategy, we have already initiated combination studies of ZG006 and ZG005 with chemotherapy, Zepuping or antibody-drug conjugate agents.

Focus on Clinical Value to Address Unmet Needs Through Differentiated Innovation

We are committed to addressing substantial unmet clinical needs through a strategy of differentiated innovation. With a focus on areas where patient demand remains high and existing therapeutic options are limited, we are accelerating the clinical development of our pipeline with the objective of delivering innovative therapies which can fill the gaps in the China market while offering superior treatment choices for patients worldwide. At the same time, we are building a competitive advantage by shaping a pipeline that combines breadth and depth, encompassing both prevalent and rare diseases. Our approach emphasizes leadership, accessibility, broad applicability or targeted specificity, and is designed to deliver innovative drugs that are safe, effective,

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affordable, and protected by global intellectual property rights. For malignant tumors, including SCLC, NSCLC, HCC, NEC and pancreatic cancer, we are currently developing candidates including ZG006, ZG005, ZGGS18, ZGGS34, ZGGS15, ZG2001, ZG0895 and ZG2273, all of which hold strong potential to address the clinical needs of these indications. Also leveraging our dual engines of innovation, our strategy to combine small-molecule targeted and biologic drugs will bring powerful resolutions to address the unmet clinical needs of refractory and relapsed cancers, including PD-1 resistance.

Maximize Commercial Value with Competitive Advantages of Core Products

We plan to leverage the competitive strengths of our core products to fully realize their commercial potential. Through years of strategic focus, we have built an integrated system that spans R&D to commercialization across three core areas: oncology, autoimmune diseases and hemostasis/hematology. With several drugs successfully commercialized, we plan to systematically drive significant value creation. We are leveraging Zepsun[®], a highly effective first-line therapy, as the cornerstone to rapidly expand our market share and brand presence in advanced liver cancer and thyroid cancer actively expanding the market reach of Zepuning to establish it as an important treatment of myelofibrosis in the China market and increase its sales volume and revenue contribution. In parallel, we are expanding market access of Zepuning and Zesuning to generate stable and steadily growing cash flow. At the same time, we are also fully developing the potential of Gecacitinib Hydrochloride Tablets in autoimmune diseases, expanding indications to position it as a multi-indication blockbuster.

Strengthen Commercialization Capabilities with Diversified Business Models

To maximize product value, we are strengthening our commercialization capabilities through a combination of direct marketing and strategic partnerships, with the aim to broaden external promotion channels and fully unlock the market potential of our products. We are expanding our sales force and building a scientifically driven, efficient market system. Our direct marketing strategy focuses on building a professional in-house team with deep therapeutic expertise, enabling us to deliver targeted education and engagement to healthcare professionals. At the same time, we are pursuing strategic collaborations with established pharmaceutical companies and distribution partners to extend our reach, accelerate uptake and optimize market penetration. This integrated approach allows us to balance control and flexibility, ensuring that our products achieve maximum visibility and adoption. We are also investing in digital platforms and data-driven marketing tools to enhance efficiency and responsiveness, while strengthening relationships with key opinion leaders in relevant fields and medical institutions to reinforce our scientific credibility. By combining these initiatives, we are creating a scalable and sustainable commercialization framework that will support the long-term growth of our portfolio and ensure that innovative therapies reach patients more quickly and effectively.

Advance Global R&D and Partnerships to Enhance Competitiveness

We are advancing a global strategy designed to build competitiveness and foster a collaborative ecosystem. Supported by a research team with extensive experience in multinational pharmaceutical companies, extensive experience in international registration and clinical development, and technology platforms that meet global standards, we are systematically positioning our products for entry into international markets. Our pipeline is protected by independent global intellectual property rights, and its value is becoming increasingly evident as development progresses. Looking ahead, we plan to pursue diverse collaboration models, including out-licensing and co-development, while establishing strategic partnerships with leading domestic and international pharmaceutical companies. These initiatives will enable us to realize returns on early-stage investment, mitigate development risks, and create a solid foundation for our drugs to reach patients worldwide. We aim not only to expand our market presence but also to embed our innovation within a broader ecosystem of international cooperation.

OUR PIPELINE ASSETS

Our Commercialized Products

The following table sets forth a summary of our commercialized products as of the Latest Practicable Date:

Area	Product	Sample Picture	Type	Indication	Inclusion in NRDL	Participation in VBP	Retail Price (tax-inclusive)	Number of Competing Products in China
Oncology	Zepsun® (Donafenib Tosilate Tablets)		Prescription only	Indicated for (i) patients with unresectable HCC who have not previously received systemic therapy, and (ii) patients with progressive, locally-advanced or metastatic RAIR-DTC	Yes ⁽¹⁾	No	RMB2,592 per box (0.1g/tablet x 40 tablets) ⁽²⁾	5
Hematology	Zepuping (Gecacitinib Hydrochloride Tablets)		Prescription only	Indicated for (i) adult patients with intermediate- or high-risk primary myelofibrosis (PMF), post-polycythemia vera myelofibrosis (PPV-MF), and post-essential thrombocythemia myelofibrosis (PET-MF) for the treatment of disease-related splenomegaly or disease-related symptoms, and (ii) adult patients with severe alopecia areata	Yes ⁽³⁾	No	RMB5,160 per box (50mg/tablet x 60 tablets) ⁽⁴⁾	3
Hemostasis	Zepuning (Recombinant Human Thrombin)		Prescription only	Indicated for use in adult patients to promote hemostasis at surgical sites where bleeding cannot be adequately controlled by standard surgical hemostatic techniques, such as suturing, ligation or electrocautery, or where such techniques are impracticable, including oozing from surgical wounds and bleeding from capillaries and small veins	Yes ⁽⁵⁾	No	RMB373 per box (5000 IU/vial x one vial) ⁽²⁾	13

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Area	Product	Sample Picture	Type	Indication	Inclusion in NRDL	Participation in VBP	Retail Price (tax-inclusive)	Number of Competing Products in China
Oncology	Zesuning (Human Thyrotropin beta for Injection)		Prescription only	Indicated for use in the follow-up of patients with differentiated thyroid cancer who have previously undergone thyroidectomy, including radioactive iodine-131 whole-body scan and serum thyroglobulin measurement	No	No	RMB9,960 per box (0.9mg/vial x two vials)	0

Notes:

(1) Zepsun[®] was first included in the NRDL in January 2022 for the first-line treatment of advanced HCC, and its indication for thyroid cancer was subsequently included in the NRDL in January 2024. As of June 30, 2026, Zepsun[®] had been sold in 30 provinces, municipalities and autonomous regions across China, across primary target medical institutions and pharmacies covering most provinces nationwide.

(2) The price will remain in effect until December 31, 2026.

(3) Zepuping was approved for inclusion in the NRDL for the treatment of myelofibrosis with effective date on January 1, 2026. As of June 30, 2026, Zepuping had been sold in 30 provinces, municipalities and autonomous regions across China, across primary target medical institutions and pharmacies covering most provinces nationwide.

(4) The price will remain in effect until December 31, 2027.

(5) Zepuning was included in the NRDL in January 2025 after approval by the NHSA. As of June 30, 2026, Zepuning had been sold in 29 provinces, municipalities and autonomous regions across China, across primary target medical institutions and pharmacies covering most provinces nationwide.

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Zepsun[®] 澤普生[®], Donafenib Tosilate Tablets

Zepsun[®] is an orally administered, multi-kinase inhibitor small-molecule anti-tumor drug. It is the first innovative domestically developed small-molecule drug in China for the first-line treatment of advanced HCC and was supported by the National Major New Drug Innovation Program. Following its approval for advanced HCC in June 2021, Zepsun[®] was further approved in August 2022 for the treatment of progressive, locally advanced or metastatic radioactive iodine-refractory differentiated thyroid cancer. Both indications have been included in the NRDL. Clinical practice has demonstrated its efficacy, favorable safety and tolerability profile, accessibility and balanced risk-benefit profile, supporting its adoption as a targeted therapy for liver and thyroid cancers. In addition, Zepsun[®] has also demonstrated broad anti-tumor activity and the ability to modulate the tumor immune microenvironment, which provides strong potential for combination use with immuno-oncology therapies across multiple tumor types, offering opportunities to further enhance therapeutic outcomes.

Drug Design and Mechanism of Action

Donafenib tosilate is a deuterium derivative of sorafenib tosylate. Donafenib tosilate exerts anti-tumor activity through a dual mechanism of action. It inhibits tumor angiogenesis by blocking multiple receptor tyrosine kinases, including the proangiogenic vascular endothelial growth factor receptors (“**VEGFRs**”), platelet-derived growth factor receptors (“**PDGFRs**”), and epidermal growth factor receptors (“**EGFRs**”). Concurrently, it suppresses tumor-cell proliferation by inhibiting signaling through the RAF/MEK/ERK pathway.

Clinical Milestone and Development

Completed Phase II/III Clinical Study to Evaluate the Efficacy and Safety of Donafenib in Patients with Advanced HCC (NCT02645981; CTR20160184)

This trial is to compare the efficacy and safety of donafenib versus sorafenib as a first-line therapy for advanced HCC. A total of 659 participants were included in the full analysis set (“**FAS**”), comprising 328 participants in the donafenib group and 331 participants in the sorafenib group. Donafenib demonstrated a superiority in survival benefit compared with sorafenib. The primary endpoint of median overall survival (“**mOS**”) was 12.1 months *vs.* 10.3 months, showing donafenib mOS significantly longer than sorafenib. The results for the intent-to-treat population (“**ITT**”) were similar with the FAS, with mOS of 12.0 months *vs.* 10.1 months. In the donafenib arm, one participant achieved a complete response and 19 achieved partial responses, compared with no complete responses and 12 partial responses in the sorafenib arm. Donafenib also demonstrated a more favorable safety profile compared with sorafenib. In the safety set, fewer participants experienced at least one Grade $\geq$ 3 adverse event (“**AE**”) with donafenib versus sorafenib (37.5% *vs.* 49.7%). Rates of serious AEs (“**SAEs**”) were comparable between groups (16.5% *vs.* 20.2%), while AEs leading to dose reduction or interruption were significantly lower with donafenib (30.3% *vs.* 42.5%).

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Completed Phase III Clinical Study of Donafenib in Patients with RAIR-DTC (NCT03602495; CTR20180191)

This trial is designed to evaluate the efficacy and safety of donafenib in patients with locally-advanced or metastatic RAIR-DTC. A total of 191 participants were randomized 2:1 to receive either donafenib group (n=128) or placebo group (n=63) until disease progression or unacceptable toxicity. The trial met its primary endpoint, demonstrating that, compared with placebo, donafenib significantly reduced the risk of disease progression. Donafenib resulted in a meaningful improvement in median PFS, which was 12.9 months in the donafenib group versus 6.4 months in the placebo group. In addition, donafenib achieved superior secondary efficacy outcomes, including higher ORR (23.3% vs. 1.7%) and DCR (93.3% vs. 79.3%). Donafenib also demonstrated a manageable and clinically acceptable safety profile in patients with RAIR-DTC. The majority of adverse events were manageable through standard clinical interventions. Importantly, TEAE resulting in death were rare, and none were assessed as drug-related. Overall, the safety findings were consistent with expectations for this class of therapies and support the favorable benefit-risk profile of donafenib in the treatment of RAIR-DTC.

Zepuping 澤普平®, Gecacitinib Hydrochloride Tablets

Zepuping is the first domestically developed JAK inhibitor in China for the treatment of myelofibrosis. Approved in May 2025, Zepuping is designed to address the limitations associated with existing therapies through its differentiated mechanism of action and has demonstrated significant improvements in efficacy and safety. In addition to myelofibrosis, we are advancing a multi-indication development strategy for Zepuping across autoimmune diseases, with several indications progressing through late-stage clinical development. Its severe alopecia areata indication received marketing approval from the NMPA in June 2026, positioning it among the most advanced domestically developed JAK inhibitors in this field. Furthermore, as of the Latest Practicable Date, the Phase III clinical trial for moderate-to-severe atopic dermatitis had met its primary endpoints and was at the NDA stage. The Phase III clinical trial for ankylosing spondylitis had also met its primary endpoints and was at the NDA stage as of the Latest Practicable Date. These developments support the continued expansion of Zepuping’s potential applications in autoimmune diseases.

Drug Design and Mechanisms of Action

Gecacitinib (also known as jaktinib) is a novel, relatively broad-spectrum dual JAK/ACVR1 inhibitor that targets multiple Janus kinases, including JAK1, JAK2, JAK3, and TYK2. JAK1, JAK2, and JAK3 mediate cytokine and growth-factor signaling pathways essential for hematopoietic, inflammatory, and immune functions. Activation of these pathways leads to downstream STAT activation and nuclear translocation, regulating the expression of multiple genes. Gecacitinib shows suppressing ACVR1-activity. Inhibition of ACVR1 down-regulates hepcidin transcription, thereby improving dysregulated iron metabolism, increasing hemoglobin levels, and mitigating anemia and transfusion dependence, which is particularly relevant in myelofibrosis and other MPNs.

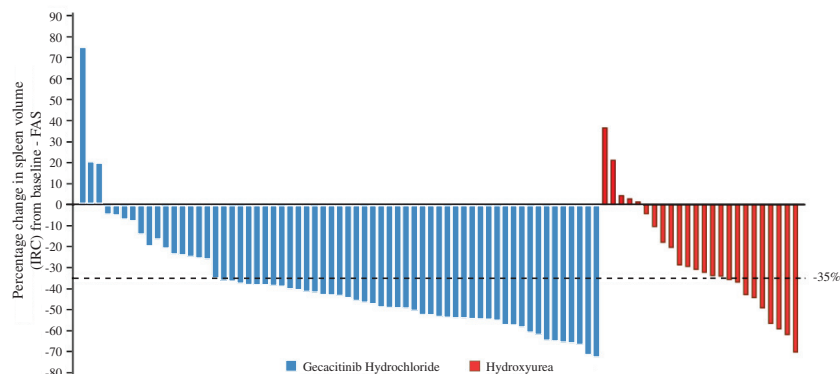
Clinical Milestone and Development

Completed Phase III Clinical Study of Gecacitinib in Patients at Intermediate-2 or High Risk of Myelofibrosis (NCT04617028; CTR20202130)

This study is to evaluate the safety and efficacy of gecacitinib versus hydroxyurea (“HU”) in participants at intermediate-2 or high risk of myelofibrosis. A total of 105 participants were randomized in a 2:1 ratio to either gecacitinib group (n=71) or HU group (n=34). In the full analysis set (“FAS”) of the entire study patient population, gecacitinib group had higher percentage of participants achieved SVR35 at the week 24 (primary endpoint) of the main study period than the control HU group, with a statistically significant difference (64.8% vs. 26.5%). The gecacitinib

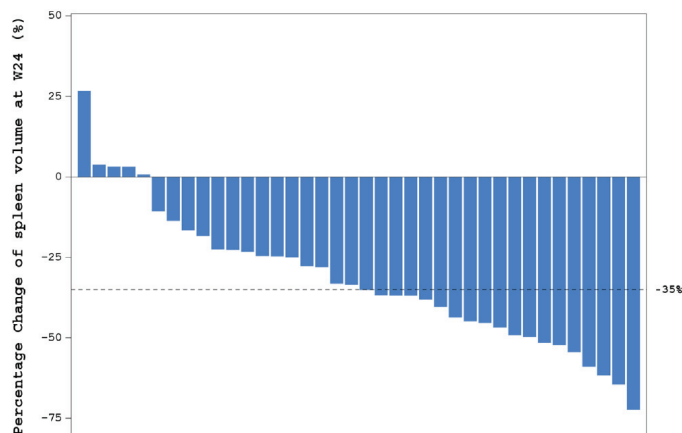
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group also exhibited a notably greater decrease in spleen volume than those on HU (–51.7% vs. –30.0%), signifying its superior efficacy in ameliorating splenomegaly. Gecacitinib also demonstrated anemia improvement in this study. Hemoglobin (HGB) levels increased from week 2 especially in patients with baseline levels < 100 g/L, pointing to its potential for ameliorating anemia by mitigating hematopoietic suppression. At the 48-week interim analysis, gecacitinib can bring sustained long-term treatment benefits with respect to SVR35, best spleen response, and improvement in HGB increased compared to the 24-week. Gecacitinib also demonstrated a favorable safety profile, with lower incidences of Grade≥3 AEs and AEs leading to drug discontinuation compared to hydroxyurea. This safety profile of gecacitinib underscores its suitability for long-term use in MF patients. The following waterfall plot sets forth the percentage change in spleen volume from baseline in this trial:



Completed Phase II Clinical Study of Gecacitinib in Patients with MF Who Are Intolerant to Ruxolitinib (NCT04217993)

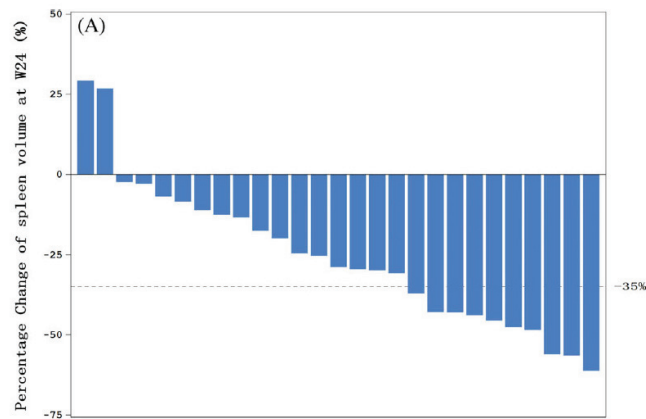
This study is to evaluate the efficacy and safety profile of gecacitinib in patients with MF who are intolerant to ruxolitinib. The primary endpoint was the proportion of participants achieving a ≥35% reduction in spleen volume from baseline (“SVR35”) at week 24. The primary endpoint was met, with an SVR35 rate of 43.2% at week 24. Multiple sensitivity analyses of the primary endpoint demonstrated results consistent with the primary analysis and met the prespecified criteria for statistical significance, indicating the robustness of the results. In terms of safety profile, the majority of adverse events were mild with grades 1 or 2. The following waterfall plot sets forth the percent change in spleen volume from the baseline at week 24:



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Completed Phase II Clinical Study of Gecacitinib in Patients with MF Who Are Relapsed or Refractory to Ruxolitinib (NCT04851535; CTR20210694)

This study is to evaluate the efficacy and safety of gecacitinib in patients with myelofibrosis who were relapsed or refractory of ruxolitinib treatment. The primary endpoint was the proportion of participants achieving SVR35 at week 24. The SVR 35 rate at week 24 was 32.4%. Unlike ruxolitinib that caused obvious hemoglobin reduction and increased needs of red blood cell transfusion, the participants’ hemoglobin levels were stable during the treatment of gecacitinib. Additionally, the majority of patients after receiving gecacitinib observed improvement in MF-related symptoms. In terms of safety profile, all 34 participants were included in the safety analysis set. Three deaths occurred during the study, and none of them was gecacitinib-related at the discretion of investigators. The following waterfall plot sets forth the percent change in spleen volume from the baseline at week 24:



Completed Phase III Clinical Study of Gecacitinib in Adults with Severe Alopecia Areata (NCT05051761; CTR20211281)

This trial is to evaluate the efficacy and safety profile of gecacitinib in adult patients with severe alopecia areata. A total of 425 eligible participants with a Severity of Alopecia Tool (“SALT”) score of ≥ 50 were randomized in a 1:1:1 ratio to receive gecacitinib 50 mg BID, gecacitinib 75 mg BID or placebo for 24 weeks. The primary endpoint is the percentage of participants achieving an absolute SALT score of ≤ 20 at Week 24. Both gecacitinib dose groups met the primary endpoint and demonstrated statistically significant superiority over placebo. Specifically, 34.5% of patients in the 50 mg group and 28.0% of participants in the 75 mg group achieved SALT ≤ 20 at Week 24, compared with 3.5% in the placebo group, reaching statistical significance ($p < 0.0001$). In addition, gecacitinib has shown good safety and tolerability in treating participants with severe alopecia areata. No deaths, malignancies or thromboembolic events were reported.

Phase III Clinical Study of Gecacitinib in Patients with Active Radiographic Axial Spondyloarthritis (“r-axSpA”) (NCT05861102; CTR20231388)

This trial is designed to evaluate the efficacy and safety of gecacitinib in patients with r-axSpA. A total of 265 participants were randomized in a 1:1 ratio to receive either gecacitinib hydrochloride tablets 100 mg BID or placebo. Based on the analysis of data from participants who completed 16 weeks of treatment, the results showed that the primary endpoint, the proportion of participants achieving ASAS40 response at week 16, was significantly higher in the gecacitinib hydrochloride tablets 100 mg BID group than in the placebo group, reaching statistical significance ($p < 0.0001$). With respect to safety, gecacitinib hydrochloride tablets also demonstrated a favorable safety and tolerability profile. As of the Latest Practicable Date, this trial had met its primary endpoint and was at the NDA stage.

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Phase III Clinical Study of Gecacitinib in Adult Patients with Moderate-to-severe Atopic Dermatitis (NCT05526222; CTR20221417)

This trial is to evaluate the efficacy and safety profile of gecacitinib in adult patients with moderate-to-severe atopic dermatitis. A total of 443 eligible patients were randomized to receive gecacitinib 75 mg BID, 100 mg BID, or placebo. Analysis of data from patients who completed 16 weeks of treatment showed that the proportions of subjects achieving the primary efficacy endpoints, EASI-75 ($\geq 75\%$ reduction from baseline in the Eczema Area and Severity Index score at Week 16) and IGA 0/1 (Investigator’s Global Assessment score of 0 or 1 with a ≥ 2 -point reduction from baseline), were both significantly higher in the two gecacitinib groups than in the placebo group, with statistical significance ($p < 0.0001$). In terms of safety, gecacitinib demonstrated favorable safety and tolerability in patients with moderate-to-severe atopic dermatitis in both dose groups. As of the Latest Practicable Date, this trial had met its primary endpoint and was at the NDA stage.

Zepuning 澤普凝®, Recombinant Human Thrombin

Zepuning is, as of the Latest Practicable Date, the first and only recombinant human thrombin developed using recombinant DNA technology in China. Approved in January 2024 and included in the NRDL in January 2025, it is indicated as an adjunct to hemostasis for controlling capillary and small-venous oozing and minor bleeding, particularly in situations where conventional surgical techniques are ineffective or impractical. Developed in CHO cells and highly purified to ensure viral safety and low immunogenicity, Zepuning provides a recombinant, high-activity, and pathogen-free thrombin preparation. As no other domestically manufactured or imported recombinant human thrombin products are currently available in China, Zepuning addresses an unmet clinical need in the recombinant thrombin market.

Drug Design and Mechanism of Action

Thrombin is a multifunctional serine protease that plays a central role in the blood coagulation cascade. Its functions extend beyond simply promoting clot formation to include complex regulatory activities.

Clinical Milestone and Development

Completed Phase III Clinical Study of Recombinant Human Thrombin for Surgical Hemostasis (NCT04459871; CTR20190894)

This trial is to evaluate the efficacy and safety of Recombinant Human Thrombin for surgical hemostasis. In mITT, a total of 348 participants were randomized in a 2:1 ratio to receive Recombinant Human Thrombin group (n=232) or placebo group (n=116). During surgery, participants were treated with blinded study drug (Recombinant Human Thrombin or placebo) in combination with an absorbable gelatin sponge at appropriate bleeding evaluation site(s). The primary endpoint of this trial was the hemostasis success rate at evaluable bleeding sites within 6 minutes. Secondary endpoints included time to hemostasis (“TTH”), blood loss, safety and immunogenicity. In the modified intention-to-treat (“mITT”) population, the 6-minute hemostasis rate at evaluable bleeding sites was 71.6% in the Recombinant Human Thrombin group versus 44.0% in the placebo group, yielding a rate difference of 27.6%. For secondary endpoints, median TTH in the mITT set was 240.5 seconds for Recombinant Human Thrombin and not reached for placebo within the 6-minute window. Recombinant Human Thrombin demonstrated a favorable overall safety profile for surgical hemostasis.

Zesuning 澤速寧®, Human Thyrotropin beta for Injection

Approved for commercialization in January 2026, Zesuning is indicated for use in the follow-up of patients with DTC who have previously undergone thyroidectomy, including radioactive iodine-131 whole-body scan (“WBS”) and serum thyroglobulin (“Tg”) measurement.

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As of the Latest Practicable Date, no recombinant human TSH has yet been approved in China for diagnostic use in the follow-up of differentiated thyroid cancer patients except for Zesuning. This creates a substantial market opportunity given the rapidly growing incidence of DTC in China and the resulting unmet need for postoperative surveillance and treatment.

Drug Design and Mechanism of Action

Human Thyrotropin beta for Injection is our self-developed biologic drug that is structurally identical to endogenous TSH, a pituitary-derived glycoprotein hormone that regulates thyroid function. By binding to the TSH receptor (“**TSHR**”) expressed on normal thyroid cells and well-differentiated thyroid cancer cells, Human Thyrotropin beta for Injection activates downstream signaling pathways, notably increasing intracellular cAMP. This stimulation enhances iodine uptake and organification, as well as the synthesis and release of Tg, triiodothyronine (“**T3**”) and thyroxine (“**T4**”).

Clinical Milestone and Development

Completed Phase III Clinical Study of Human Thyrotropin beta for Injection for WBS examination and Tg testing in DTC (NCT04971473; CTR20211454)

This study is to compare the efficacy and safety of Human Thyrotropin beta for Injection for WBS examination and Tg testing in DTC patients who had been thyroidectomized versus patients after thyroid hormone withdrawal. A total of 201 participants were enrolled in this trial. The primary endpoint is the concordance between WBS results after exogenous Human Thyrotropin beta for Injection stimulation and those obtained after thyroid hormone withdrawal, as assessed by the IRC. The trial achieved its primary endpoint, revealing a high degree of concordance in scans across 172 out of 195 participants. Of the concordant cases, 94 had no uptake, 75 showed thyroid bed uptake, and 3 had solitary focus uptake in the neck outside the thyroid bed. Of the 23 participants with discordant scans, 11 had superior Human Thyrotropin beta for Injection scans, and 12 had superior THW scans. All three sensitivity analyses further supported the non-inferiority of Human Thyrotropin beta for Injection-aided WBS. Imaging sensitivity was comparable between the two preparation methods (93.8% vs. 94.4%), with high concordance in lesion-level radioiodine uptake assessment and presence/absence of uptake. Human Thyrotropin beta for Injection was well tolerated, with low incidence and mild severity of Human Thyrotropin beta for Injection-related AEs, all occurring within two weeks post-administration.

Phase III Clinical Study of Human Thyrotropin Beta for Injection for Radioiodine Remnant Ablation in Postoperative Patients with DTC (NCT04964284; CTR20211448)

This study is to evaluate the efficacy and safety of human thyrotropin beta for injection for radioiodine remnant ablation in postoperative patients with DTC. Approximately 378 eligible participants will be enrolled and randomized in a 1:1 ratio to either the rhTSH group or the control (thyroid hormone withdrawal) group. Both groups will receive radioiodine ablation followed by a whole-body scan. The control group will then resume thyroid hormone replacement therapy. After 29 weeks of follow-up, all participants will undergo thyroid hormone withdrawal, after which stimulated thyroglobulin testing and a whole-body scan will be performed. The primary endpoints are the ablation success rate, as assessed by an Independent Review Committee (“**IRC**”) at 32 weeks (± 4 weeks) post-radioiodine therapy, along with safety and immunogenicity evaluations. As of the Latest Practicable Date, this trial had met its primary endpoint and was at the BLA stage.

Our Key Drug Candidates Under Development

ZG005 (Nilvanstomig)

ZG005, a recombinant humanized anti-PD-1/TIGIT bispecific antibody, represents an innovative immuno-oncology biologic therapy with potential applications across multiple solid tumors. ZG005 is among the first drug candidates globally to enter clinical development targeting

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this dual checkpoint mechanism. As of the Latest Practicable Date, no drug of the same mechanism has been approved worldwide, highlighting its novel design and potential to address significant unmet medical needs. By simultaneously blocking PD-1 and TIGIT, two synergistic immune checkpoints, ZG005 enhances tumor immunotherapy, addressing the limited response rates and resistance observed with PD-1 monotherapy. As of the Latest Practicable Date, we had initiated Phase III clinical trials of ZG005 in combination with etoposide and cisplatin for the first-line treatment of advanced NEC, and ZG005 in combination with bevacizumab for the first-line treatment of advanced hepatocellular carcinoma.

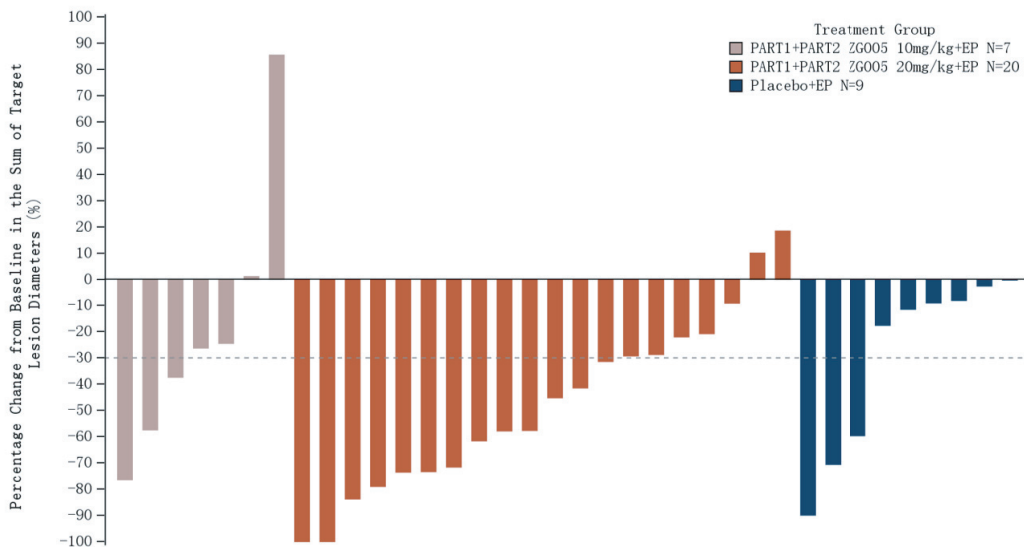
Drug Design and Mechanism of Action

A bispecific antibody with dual anti-PD-1 and anti-TIGIT activities is a promising bifunctional molecule for advanced tumors as a blockage of these two pathways simultaneously could synergistically activate T cells and enhance the anti-tumor activity of NK cells. ZG005 can effectively block the signaling pathway between PD-1 and its ligand PD-L1 to promote T cell activation. ZG005 can also block the signaling pathway between TIGIT and its ligand PVR to promote activation and cytokines secretion in T cells and NK cells. Blocking two targets simultaneously can synergistically boost the ability of the immune system in killing tumor cells. ZG005 has a unique amino acid sequence, including: (i) IgG4 subtype backbone that can reduce the potential risk of triggering Fc effector function and its side effects and (ii) an S228P mutation that can prevent Fab exchange in IgG4 subtype antibodies and enhance antibody stability. With our innovative and sophisticated design and proven by preclinical and early stage clinical results, ZG005 has the potential to overcome clinical challenges encountered by the combination of individual anti-PD-(L)1 and anti-TIGIT antibodies both in efficacy and safety.

Clinical Milestone and Development

Phase I/II Clinical Trial in First-Line Advanced NEC (NCT06372626; CTR20241328)

As of August 20, 2025, a total of 84 participants had been enrolled. 92.9% of patients had a Ki-67 proliferation index of over 55%, and 64.3% of the patients had liver metastases. Among 36 participants who had undergone at least two post-baseline efficacy assessments, the confirmed ORR was 42.9% (3/7) in the ZG005 10 mg/kg + EP group, 65.0% (13/20) in the ZG005 20 mg/kg + EP group, and 33.3% (3/9) in the placebo + EP group. The DCR for the three groups were 85.7%, 100%, and 100%, respectively. The following waterfall plot sets forth the best change from baseline in sum of target lesions:

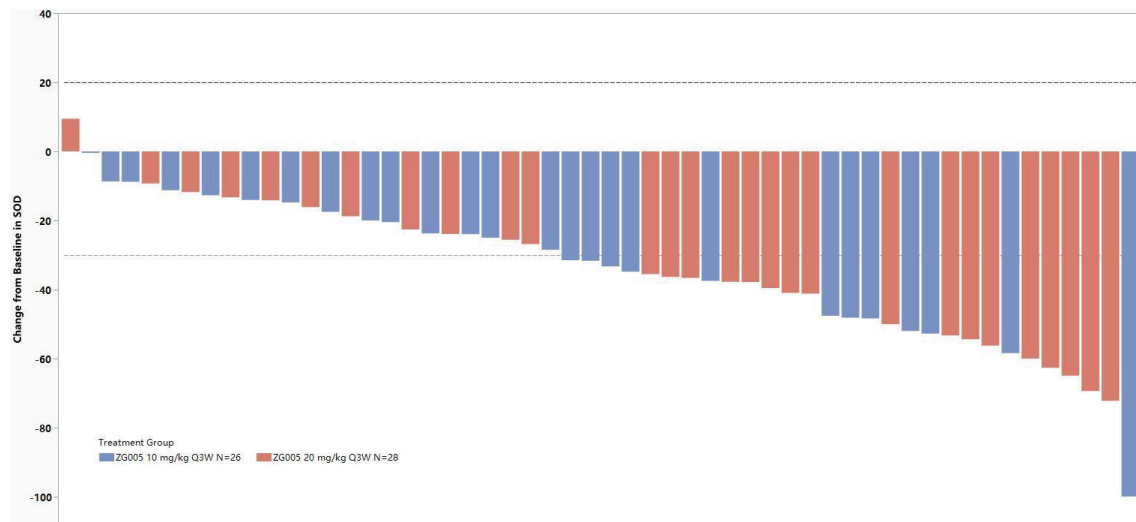


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In the two ZG005 + EP groups, the most common TRAEs ($\geq 20\%$) were decreased neutrophil count, decreased white blood cell count, anemia, decreased platelet count, and fatigue, with the majority of incidence rates being lower than those in the control group. Most TRAEs related solely to ZG005 were laboratory abnormalities.

Phase I/II Clinical Trial in Combination with chemotherapy with or without bevacizumab as First-Line Treatment for Advanced Cervical Cancer (NCT06241235; CTR20234267)

The trial contains two parts. In the part one, the escalating doses were 10 mg/kg and 20 mg/kg. In the part two, participants were randomized at 1:1 ratio to receive ZG005 at 10 mg/kg or 20 mg/kg in combination with the standard chemotherapy, with or without bevacizumab every three weeks for six cycles, followed by the maintenance therapy of ZG005 with or without bevacizumab for up to two years. As of April 23, 2025, a total of 60 participants had been enrolled for both parts, including 13 participants in the part one and 47 patients in the part two. Of the 54 participants evaluable for efficacy, the unconfirmed ORR was 65.4% for the 10 mg/kg group and 82.1% for the 20 mg/kg group, demonstrating an encouraging anti-tumor activity. Additionally, the DCR reached 96.2%. With respect to safety, both groups demonstrated favorable tolerability and safety profiles. TRAEs occurred in 88.3% of participants, the majority of which were Grade 1-2. No permanent treatment discontinuations or deaths related to ZG005 were reported in either group. The following water plot sets forth the best percentage change in target lesion size from baseline within the cervical cancer cohort:



Phase II Clinical Trial in Advanced Hepatocellular Carcinoma (NCT06558227; CTR20243067)

ZG005 plus bevacizumab vs. sintilimab plus bevacizumab biosimilar (IBI305) as first-line therapy for advanced HCC, a randomized, open-label, multi-center, phase II trial has been initiated in China. Patients with aHCC who had not previously received any systemic treatment were randomized 1:1:1 to either ZG005 10 mg/kg arm, ZG005 20 mg/kg arm, or Sintilimab 200 mg arm until no clinical benefit or unacceptable toxicity. The primary endpoint was IRC-assessed PFS per RECIST v1.1. As of March 16, 2026, a total of 95 patients had been enrolled in the trial. In terms of efficacy, both the 20 mg/kg and 10 mg/kg ZG005 dose groups demonstrated statistically significant improvements compared with the positive control group, with the risk of disease progression or death reduced by 65% and 59%, respectively. In terms of safety, both ZG005 dose groups exhibited favorable tolerability and safety profiles. All adverse events observed were expected, and the incidence of common adverse events was generally comparable across the three treatment groups, with most being Grade 1 or Grade 2.

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Phase II Dose-Expansion Clinical Trial in Advanced NEC (NCT06440057; CTR20241955)

Our Phase II dose-expansion trial of ZG006 in patients with advanced NEC was selected for a presentation at the 2026 ASCO Annual Meeting. As of the March 15, 2026, a total of 64 participants with stage 2 or more advanced NEC were randomized at 1:1 ratio to receive ZG006 at 10 mg or 30 mg biweekly. In terms of efficacy, among patients with $\geq 50\%$ of tumor cells exhibiting DLL3 staining of any intensity, the confirmed ORR was 33.3% and 56.3% in the 10 mg and 30 mg dose groups, respectively, while the DCR was 50.0% and 75.0%, respectively. The median duration of response was 7.36 months and 11.76 months, respectively, and the median PFS was 3.02 months and 7.06 months, respectively. The median OS was 10.19 months in the 10 mg dose group, while the mOS in the 30 mg dose group had not yet matured, with a 12-month OS rate of 75.0%. In terms of safety, TRAEs were reported in all patients, with the vast majority being Grade 1 or Grade 2. The most common TRAEs included pyrexia and cytokine release syndrome, most of which resolved or were alleviated following symptomatic treatment.

Our Other Drug Candidates Under Development

Leveraging our dual technology platforms, we are advancing a range of additional drug candidates across multiple modalities. These candidates encompass bispecific and trispecific antibodies, bifunctional fusion proteins, and small-molecule inhibitors, several of which have received IND approvals in China and the United States and are currently in Phase I or Phase II clinical trials. We set out below a description of certain of our other drug candidates:

ZGGS18, a recombinant humanized bifunctional fusion protein targeting VEGF/TGF- β , is designed to specifically bind VEGF and trap TGF- β , thereby exerting multiple synergistic anti-tumor effects, including inhibition of tumor angiogenesis and reduction of metastatic progression. In addition, ZGGS18 modulates and improves the tumor microenvironment, creating conditions that enhance immune-mediated tumor killing. This mechanism provides strong potential for combination use with immuno-oncology agents such as anti-PD-1/PD-L1 antibodies and our proprietary anti-PD-1/TIGIT bispecific antibody ZG005. Through these complementary actions, ZGGS18 is expected to deliver enhanced therapeutic benefit in solid tumors and represents a differentiated innovation within our biologics pipeline. As of the Latest Practicable Date, we were advancing a Phase I/II clinical trial of ZGGS18 for advanced solid tumors in China (CTR20222300).

ZGGS34 is a trispecific T cell engager designed to simultaneously target MUC17, CD3 and CD28. It is designed to bind a specific epitope of MUC17 on the surface of tumor cells and CD3/CD28 on T cells, thereby bringing T cells into close proximity with tumor cells, promoting immune synapse formation and activating T cell-mediated tumor cell killing. At the same time, CD28 can also enhance the proliferation activity of T cells and prolong their survival time, thereby improving the intensity and durability of the anti-tumor response. Preclinical studies have demonstrated that ZGGS34 exhibits significant anti-tumor activity across multiple tumor models, including the induction of tumor regression, indicating a potent tumor-killing effect. ZGGS34 has received IND approval in both China and the United States, and we have initiated a Phase I/II dose-escalation and cohort expansion trial of ZGGS34 in patients with advanced MUC17-positive solid tumors in China (NCT07258121; CTR20254644).

ZGGS15 is a humanized bispecific antibody targeting LAG-3 and TIGIT for advanced solid tumors. Designed to simultaneously block lymphocyte-activation gene 3 (“LAG-3”) and TIGIT, ZGGS15 demonstrated significant tumor growth inhibition as a monotherapy in preclinical studies, while its combination with an anti-PD-1 antibody showed superior anti-tumor efficacy compared with combinations involving either anti-LAG-3 or anti-TIGIT monospecific antibodies. ZGGS15 also exhibited favorable pharmacokinetic characteristics and safety profiles in non-human primates. We received IND approvals from the NMPA and the FDA in February 2023 and June 2023, respectively, and we have completed the Phase I dose-escalation trial (NCT05877664; CTR20231387) employing an accelerated titration design.

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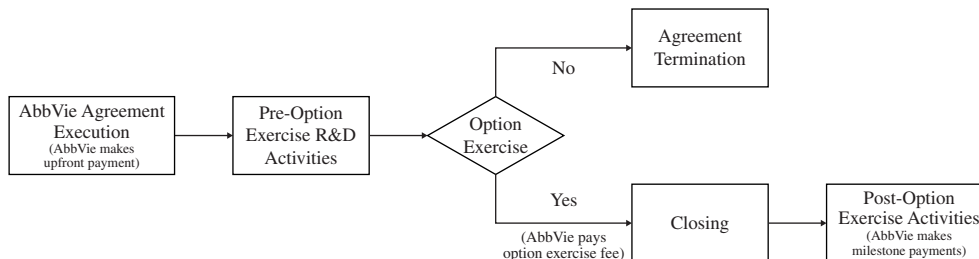
ZG2001 is an oral pan-KRAS inhibitor targeting SOS1 for KRAS-mutant solid tumors. It selectively inhibits SOS1, a key guanine nucleotide exchange factor responsible for activating multiple KRAS mutants (including G12D, G12V, and G13D) by promoting GDP-to-GTP exchange. Preclinical studies demonstrated potent anti-tumor activity as monotherapy and synergistic effects when combined with KRAS G12C, MEK, or EGFR inhibitors, supporting its potential in combination regimens. We obtained IND approvals from the NMPA and the FDA in April 2023 respectively to initiate Phase I clinical trials of ZG2001 in patients with advanced KRAS-mutant solid tumors (NCT06237413; CTR20231788). We have completed dose escalation and are currently analyzing final safety and PK data to determine the maximum tolerated dose (“MTD”) and recommended Phase II dose.

ZG0895 is a novel, highly selective small-molecule TLR8 agonist for advanced solid tumors, head and neck squamous cell carcinoma, nasopharyngeal carcinoma, ovarian carcinoma, and urothelial carcinoma. Preclinical studies showed significant tumor regression in multiple *in vivo* models. ZG0895 also exhibited favorable pharmacokinetic properties following subcutaneous administration, with limited systemic immune activation, supporting a favorable safety profile and therapeutic potential. As of the Latest Practicable Date, no highly selective TLR8 agonist has been approved globally, positioning ZG0895 as a novel therapy in immuno-oncology and possibly antiviral applications such as chronic hepatitis B. We obtained IND approvals from the NMPA in April 2023 and the FDA in May 2023 respectively to initiate first-in-human Phase I clinical trials in patients with advanced solid tumors (NCT05877664; CTR20231438). We have completed the Phase I clinical trial in China.

ZG2273 is a highly active and orally bioavailable pan-RAS(ON) molecular glue inhibitor with a distinct mechanism of action. By forming a ternary complex with the intracellular chaperone protein cyclophilin A (“CypA”) and RAS proteins in their GTP-bound (ON) state, ZG2273 prevents RAS from interacting with downstream effector proteins such as RAF. As a result, ZG2273 blocks oncogenic downstream signaling pathways, thereby inhibiting tumor cell proliferation and survival. The mechanism of action of ZG2273 creates a new opportunity for broad-spectrum targeting of RAS(ON) and represents a potentially significant advancement in the field of oncology therapeutics. Additionally, preclinical studies of ZG2273 have demonstrated favorable pharmacokinetic properties, significant anti-tumor efficacy and a controllable safety profile, indicating substantial therapeutic potential for the treatment of RAS-driven cancers.

OUR COLLABORATION AND LICENSE ARRANGEMENT

On December 30, 2025, we entered into the AbbVie Agreement, pursuant to which we granted AbbVie, an Independent Third Party, an exclusive option to obtain an exclusive license to develop, manufacture, commercialize or otherwise exploit ZG006 and any product containing ZG006 (the “**ZG006 Licensed Products**”) in all countries or jurisdictions worldwide outside Chinese Mainland, Hong Kong, and Macau (the “**AbbVie Territory**”). AbbVie is a corporation incorporated under the laws of Bermuda and a wholly-owned subsidiary of AbbVie Inc. (NYSE: ABBV), a global biopharmaceutical company headquartered in the United States with a broad and diversified product portfolio spanning immunology, oncology, neuroscience and aesthetics. We became acquainted with AbbVie through business development initiatives and recognized the strategic alignment between ZG006 and AbbVie’s oncology pipeline. The following diagram illustrates the collaboration framework between AbbVie and us.



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Under the AbbVie Agreement, AbbVie may exercise the option at any time during the option exercise period, in its sole discretion and without any obligation to do so, by delivering a written option exercise notice to us. The option exercise period will expire upon the later of the lapse of the applicable agreed periods following (i) completion of the combination study (being a clinical study of ZG006 in combination with AbbVie’s proprietary compound to be conducted by AbbVie at its sole cost and expense), subject to an agreed outside date; and (ii) delivery to AbbVie of the final and complete data package comprising the material data and results from our pre-option development activities. AbbVie has a one-time right to extend the option outside date for an agreed period upon prior written notice, which triggers a non-refundable extension payment payable by AbbVie to us. The effectiveness of the option exercise is subject to satisfaction or waiver by AbbVie of applicable conditions precedent, including receipt of required antitrust or foreign investment clearances and human genetic resources approvals, absence of material adverse effect, and continued accuracy of our representations and warranties and compliance with applicable covenants. The option effective date is the business day following satisfaction or waiver of all conditions precedent.

Upon the option becoming effective, AbbVie will have the exclusive right, at its own cost and expense, to develop, manufacture and commercialize ZG006 Licensed Products in the AbbVie Territory, subject to the applicable development and commercialization plans and its agreed diligence obligations. We will retain rights to develop, manufacture and commercialize ZG006 Licensed Products within Chinese Mainland, Hong Kong and Macau, and will continue to perform the development activities allocated to us under the AbbVie Agreement. We are also responsible for transferring to AbbVie relevant know-how relating to the then-current manufacturing process for the licensed compounds and products.

AbbVie and we have established a joint governance committee (the “JGC”) comprising three representatives from each party to review, discuss and oversee the parties’ activities and progress with respect to the development of ZG006 Licensed Products. The JGC meets on a quarterly basis or as otherwise agreed by the parties, with each party having one vote regardless of the number of representatives attending. If the JGC is unable to reach consensus on any matter, such matter may be escalated to the senior officers of the parties for resolution in good faith. As of the Latest Practicable Date, no matter had been escalated to the senior officers as a result of the JGC’s failure to reach consensus.

Pursuant to the AbbVie Agreement, AbbVie agreed to pay us a non-refundable upfront payment of US\$100.0 million in consideration of the option. We are also eligible to receive clinical development milestone and option-related payments of up to US\$60.0 million in aggregate. Following exercise of the option, we are further eligible to receive up to an aggregate of US\$1,075.0 million upon the achievement of specified clinical development, regulatory and commercial milestones. In addition, we are also entitled to receive tiered royalties at percentages ranging from high-single-digit to mid-double-digit on annual net sales (being the gross sales of ZG006 Licensed Products less certain customary deductions such as trade discounts, rebates, returns and applicable taxes) of ZG006 Licensed Products in the AbbVie Territory, on a country-by-country basis. As of the Latest Practicable Date, we had received the upfront payment of US\$100.0 million.

Intellectual property under the AbbVie Agreement will be allocated in accordance with the ownership arrangements agreed between the parties. Intellectual property that is generated, developed or conceived solely by one party in the course of performing activities under the AbbVie Agreement will be owned exclusively by that party, while intellectual property that is jointly generated, developed or conceived by both parties will be jointly and equally owned. We have licensed to AbbVie certain patents that we consider material to the development, manufacture, commercialization and other exploitation of the ZG006 Licensed Products in the AbbVie Territory, while we retain ownership of such patents. In addition, AbbVie is granted rights to prosecute, maintain and enforce certain licensed patents relating to ZG006 Licensed Products, subject to agreed procedures and cost allocation arrangements between the parties.

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The AbbVie Agreement will remain in effect from its effective date until the earlier of (i) the expiration of the option exercise period if AbbVie does not exercise the option; and (ii) the expiration of the applicable royalty terms for the last country in the AbbVie Territory, unless earlier terminated in accordance with its terms, after which the licenses granted to AbbVie will become fully paid-up, royalty-free, perpetual and irrevocable. Either party may terminate the AbbVie Agreement for material breach by the other party, subject to notice and cure periods, or upon the occurrence of specified insolvency or bankruptcy events. In addition, AbbVie may terminate the AbbVie Agreement for specified regulatory or serious safety issues, or for convenience upon prior written notice.

RESEARCH AND DEVELOPMENT

Our R&D Centers, Team and Capabilities

Our R&D activities are primarily conducted through our R&D centers in Kunshan and Shanghai, PRC.

Our Kunshan R&D Center, located in the Kunshan High-tech Industrial Development Zone (昆山高新技術產業開發區), focuses on the research and development of recombinant protein drugs and antibody drugs. This center has capabilities that include molecular biology, cell biology, pilot-scale cell culture, protein purification, lyophilization, and quality control, and capacity to generate multiple IND filings. A kilo-lab for APIs, a pilot production laboratory for tablets/capsules and quality control laboratory have been also established in Kunshan.

Our Shanghai R&D Center, located in Zhangjiang Science City (張江科學城), is equipped with small-molecule drug synthesis, formulation development and analysis laboratories, which can complete R&D work include new drug design, synthesis, screening, process development and process optimization, quality control et al. Our Preclinical Department, Clinical Operation Department, Medical Department, Statistics Department and Regulatory Department are located in Shanghai thus forming a complete R&D system for CMC research, preclinical and clinical research.

Our R&D team comprised of experts with extensive experience in drug discovery, CMC research, preclinical development, clinical development, drug registration regulatory affairs and post-market research, covering the entire R&D cycle. Our core R&D team members have an average of over 20 years of experience in advancing drug discovery and development in renowned MNCs and domestic biopharmaceutical companies, as well as renowned research institutes. We primarily rely on our R&D team for the development of drug candidates, ultimately bringing them to market in a timely and cost-effective manner. As of June 30, 2026, our R&D department consisted of 325 full-time employees, over 41% of whom held master’s or higher degrees.

Our R&D team is led by Dr. Sheng Zelin, PhD, the visionary founder of our Group, who also serves as the chairman of our Board, the general manager, and the executive Director of our Company. With over 30 years of experience spanning academic research, global pharmaceutical R&D, and biotech entrepreneurship in both the U.S. and China, Dr. Sheng has held scientific and leadership roles across multinational pharmaceutical companies, academic institutions, and domestic biotechs. He previously served as the chief operating officer of Egret Pharma (Shanghai) Co., Ltd. (白鷺醫藥技術(上海)有限公司) and as a senior research scientist at Bristol Myers Squibb, where he led drug discovery programs in cardiovascular and metabolic diseases. Earlier, he obtained a doctoral degree in pharmacology from the University of Miami and conducted postdoctoral research at the University of California, San Diego. Dr. Sheng has extensive end-to-end expertise across the entire drug development value chain, including the establishment of integrated drug development platforms and the advancement of innovative therapeutics from early-stage discovery to commercialization, and has demonstrated sound strategic judgment in development planning and decision-making. See “Directors and Senior Management — Directors — Executive Directors” for more details.

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In addition to Dr. Sheng, our core R&D team members include:

- Dr. Lyu Binhua, our executive Director, executive vice president, deputy general manager and chief scientific officer, is primarily responsible for our new drug R&D and operational management. Dr. Lyu is a veteran medicinal chemist with nearly 20 years of experience in innovative drug R&D. Dr. Lyu has been instrumental in advancing several proprietary kinase inhibitors, targeted therapies and bispecific/trispecific antibodies from hit identification through IND-enabling studies, playing a pivotal role in building our diversified pipeline.
- Mr. Wu Jisheng, our deputy general manager and chief medical officer, oversees our new drug clinical development and regulatory registration affairs. Mr. Wu has over 30 years of experience in clinical medicine, with extensive expertise in the design and execution of global clinical trials, the management of CRO partnerships, and the leadership of regulatory submissions in the United States, the European Union and China.
- Dr. Zhu Andrew Xiuxuan, our president of global clinical development, is an internationally recognized expert in hepatobiliary oncology with over 30 years of experience in biopharmaceutical industry. Dr. Zhu has led multiple international Phase III clinical trials and contributed to the approval of several drugs in multiple countries. He has also participated in the formulation of multiple international clinical guidelines in the field of hepatobiliary diseases and has extensive experience in research and development as well as operation and management.
- Dr. Peng Jian, our executive vice president of clinical development and registrational strategy, is a seasoned expert in oncology clinical development strategy formulation and regulatory submissions, with nearly 30 years of experience across drug discovery, regulatory affair and pharmaceutical industry. He previously held senior leadership roles at the CDE, where he was engaged in technical review and the formulation of clinical guidelines.
- Mr. Zhang Bin, our vice president of biologic drug development. Mr. Zhang brings deep expertise in biologics discovery and development, having near 20 years of experience in biotech companies. He has been instrumental in advancing multiple innovative therapeutic candidates through early-stage development and into clinical trials, contributing significantly to the expansion of our pipeline across oncology and hemostasis diseases.
- Mr. Wu Liqing, our vice president of clinical operation, has broad experience in clinical operation. His expertise in designing and executing complex clinical programs supports our efforts to deliver high-value therapies to patients, contributing to the successful registration and commercialization of multiple innovative drugs.

In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our R&D expenses were RMB496.3 million, RMB388.0 million, RMB429.9 million, RMB196.5 million and RMB199.5 million, respectively. See “Financial Information — Description of Certain Consolidated Statements of Profit or Loss and Other Comprehensive Income — R&D Expenses” for more details.

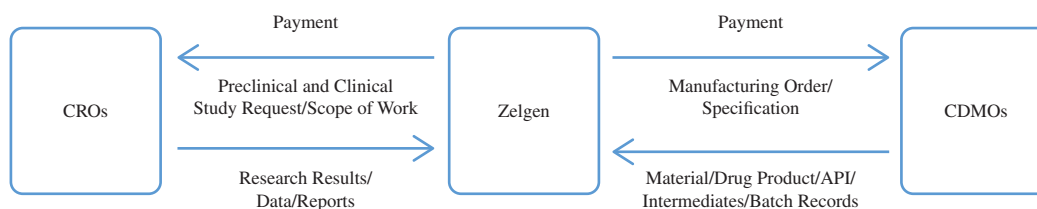
Our R&D Collaborations

Collaboration with external R&D partners is a major component of our R&D strategy. We place great emphasis on our cooperative relationships with a variety of trial sites and principal investigators (“PIs”), maintaining long-term scientific research partnerships with prominent

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Tier-III medical institutions and a nationwide network of clinical experts. These collaborations allow us to merge research expertise with practical insights, catalyzing innovation and propelling R&D advancements in various fields.

While we primarily rely on our in-house R&D capabilities to manage and conduct preclinical and clinical studies of our investigational products, in accordance with industry practices, we still engage CROs to support product development, including both preclinical and clinical studies. For preclinical research, we typically engage CROs to perform services such as small-molecule computational modeling, molecular fragment screening and compound full-time equivalent synthesis, as well as *in vitro* and *in vivo* pharmacology, pharmacokinetics and safety evaluations. For clinical trials, we typically engage CROs to support services such as clinical PK testing, immunogenicity testing, biomarker testing, clinical statistical analysis, imaging assessments and electronic common technical document preparation. The following diagram illustrates the typical collaboration arrangements between us and our CROs and CDMOs.



Going forward, we expect to continue engaging CROs to support certain aspects of our preclinical and clinical studies based on the needs of our development programs. We usually sign framework agreements with CROs and issue project-specific statements of work. The below sets forth key terms of our framework agreements with CROs:

- **Services.** The CROs shall provide high-quality services to us, including the implementation and management of a preclinical or clinical research project as specified in the agreement.
- **Term.** The CROs are required to perform their services and complete the research project within the prescribed time limit set out in each agreement or work order, usually on a project basis.
- **Payments.** We are required to make payments to the CROs in accordance with the payment schedule agreed by the parties.
- **Intellectual property rights.** We own all intellectual property rights arising from the clinical research projects conducted by the CROs within the stipulated work scope.
- **Confidentiality.** Our CROs are not allowed to disclose confidential information, including but not limited to, any information or data related to research, development, processes and protocols as specified in the agreement, and such obligation generally survives for a specified period.

We select CROs based on their qualifications, reputation and accomplishments, experience in conducting preclinical or clinical research on similar pharmaceutical products, research and project management capabilities and resources, as well as their testing facilities.

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The following table sets forth the total numbers of and expenses incurred for our CROs during the Track Record Period:

	Number of CROs	Expenses incurred for CROs (RMB'000)
As of/six months ended June 30, 2026	53	51,230.0
As of/year ended December 31, 2025	57	69,461.4
As of/year ended December 31, 2024	59	63,431.6
As of/year ended December 31, 2023	69	124,026.4

The following table sets forth our top five CROs in each period during the Track Record Period:

For the Year Ended December 31,			For the Six Months Ended June 30,
2023	2024	2025	2026
1 CRO A	CRO A	CRO A	CRO J
2 CRO B	CRO C	CRO C	CRO A
3 CRO C	CRO E	CRO H	CRO K
4 CRO D	CRO F	CRO I	CRO L
5 CRO E	CRO G	CRO E	CRO G

Notes:

- (1) CRO A, established in 2004, is principally engaged in the provision of clinical CRO services with registered capital of RMB861.0 million. We have collaborated with it since 2012. It mainly provided us with clinical operations and data management services for multiple pipeline products, including Zepsun®, Zepuping, ZG005, and ZGGS18.
- (2) CRO B, established in 2008, primarily provides clinical CRO services with registered capital of RMB96.6 million. We have collaborated with it since 2016. It mainly provided us with services including bioanalytical testing, clinical pharmacology support and SMO on-site management services for multiple clinical projects.
- (3) CRO C, established in 2000, provides integrated new drug R&D and manufacturing services with registered capital of RMB2,933.3 million. We have collaborated with it since 2011. It mainly provided us with pre-clinical CRO services, including pharmacodynamic and pharmacological studies, and also provided SMO services for some clinical studies.
- (4) CRO D, established in 2016, primarily provides clinical research solutions, including regulatory affairs and strategy, clinical trial operations, data management, biostatistics and clinical auditing with registered capital of US\$3.6 million. We have collaborated with it since 2017. It mainly provided us with CRC services for multiple clinical projects.
- (5) CRO E, established in 2013, specializes in SMO services with registered capital of RMB79.0 million. We have collaborated with it since 2021. It mainly provided us with CRC services for multiple clinical projects.
- (6) CRO F, established in 2000, primarily provides pre-clinical CRO services with registered capital of RMB32.6 million. We have collaborated with it since 2010. It mainly conducted regulatory-compliant pre-clinical toxicology and safety evaluation studies for Zepuping.
- (7) CRO G, established in 2010, primarily provides integrated new drug development solutions for pharmaceutical companies and research institutions with registered capital of RMB64.0 million. We have collaborated with it since 2023. It mainly provided us with clinical CRO services for Zepuping and other projects.
- (8) CRO H, established in 2014, primarily provides CRC services with registered capital of RMB115.0 million. We have collaborated with it since 2019. It mainly conducted SMO services for clinical research projects of ZG005, ZG006, and Zepuping.
- (9) CRO I, established in 2010, primarily provides services including early developability assessment, non-clinical pharmacology, non-clinical pharmacokinetics, non-clinical safety evaluation, clinical bioanalytical testing, and biomarker and translational research with registered capital of RMB141.0 million. We have collaborated with it since 2022. It mainly provided us with pre-clinical toxicology studies for ZG006, ZG311 and ZG2202.

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- (10) CRO J, established in 2008, primarily provides pre-clinical pharmacology, pharmacodynamics, and safety evaluation services with registered capital of RMB500.0 million. We have collaborated with it since 2020. It mainly provided us with toxicology, pharmacology and other laboratory testing services for multiple clinical projects.
- (11) CRO K, established in 2021, primarily provides full-process multi-center clinical trial services with registered capital of US\$27.0 million. We have collaborated with it since 2025. It mainly provided us with CRO services for ZG006.
- (12) CRO L, established in 2013, primarily provides companion diagnostics and translational research services with registered capital of RMB89.8 million. We have collaborated with it since 2019. It mainly provided us with laboratory testing services for multiple clinical projects.

We closely monitor and manage the activities of these CROs to ensure their progress and quality, including (i) requiring CROs to comply with GXP requirements; (ii) comprehensive quality assurance, review and analysis of laboratory tests and clinical trial results and reports; and (iii) engaging third parties to audit the CROs.

Our R&D Platforms

Through over 16 years of R&D efforts, we have built two core technology platforms for innovative drug discovery: (i) small-molecule drug R&D platform, and (ii) bispecific/trispecific antibody and complex recombinant protein R&D platform. Leveraging these platforms, we had successfully developed four commercialized drugs and nine clinical-stage drug candidates (including Gecacitinib Hydrochloride Tablet with clinical programs for ankylosing spondylitis and atopic dermatitis and Human Thyrotropin beta for Injection with clinical programs for postoperative treatment of thyroid cancer) as of the Latest Practicable Date.

Our Small-Molecule Drug R&D Platform

We have established a small-molecule drug R&D platform that integrates advanced drug stabilization technology, structure-activity relationship screening technology, and AI-aided drug design and development. By applying these advanced technologies, we are able to reduce development risks and timelines, significantly improve the success rate of new drug discovery, and generate patented compounds with superior efficacy, optimized pharmacokinetic properties, and lower incidence of adverse effects. Among them, structure-activity relationship screening, a core methodology in drug discovery, allows us to build quantitative and qualitative models linking molecular structures to biological activities, thereby efficiently predicting and refining lead compounds through both ligand-based and structure-based design approaches. In parallel, we are harnessing AI to transform drug development, combining deep learning and generative models with traditional R&D to enhance efficiency, lower costs, and shorten development cycles. Deep QSAR techniques automatically learn molecular features to generate or select candidates with ideal pharmacological properties, while generative models create entirely new molecular structures tailored to desired activity and drug-like characteristics, opening a new paradigm in drug design. Leveraging this platform, we have developed a portfolio of internationally competitive patented small-molecule drugs and candidates, including Zepsun[®], Zepuping, ZG2001, ZG0895, and ZG2273.

Our Bispecific/Trispecific Antibody and Complex Recombinant Protein R&D Platform

Our bispecific/trispecific antibody and complex recombinant protein R&D platform encompasses three proprietary bispecific/trispecific antibody platforms — TriGen, CheckGen and TGen. The TriGen platform enables the development of trispecific antibodies that overcome the structural limitations of conventional Fab segments, allowing molecules to bind three distinct targets with high druggability, stability, clear mechanisms of action, and reduced off-target effects. The CheckGen platform focuses on bispecific antibodies targeting immune checkpoints and is designed to address tumor immune escape by blocking compensatory pathways and thereby

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improving patient response rates compared with traditional checkpoint inhibitors. The TGen platform is dedicated to novel bispecific antibody molecules against new targets, generating candidates that can be used as monotherapies, in combination with each other, or alongside PD-1/PD-L1 therapies.

Building on the antibody platforms, we are advancing several drug candidates currently in development — including ZG006, ZG005, ZGGS18, ZGGS34 and ZGGS15 — reflecting the breadth and depth of our pipeline. In particular, both ZG006 and ZG005 have demonstrated encouraging efficacy and safety results in Phase I/II clinical studies for oncology indications. ZGGS34 has advanced into a Phase I clinical trial in China and obtained IND approval in the United States.

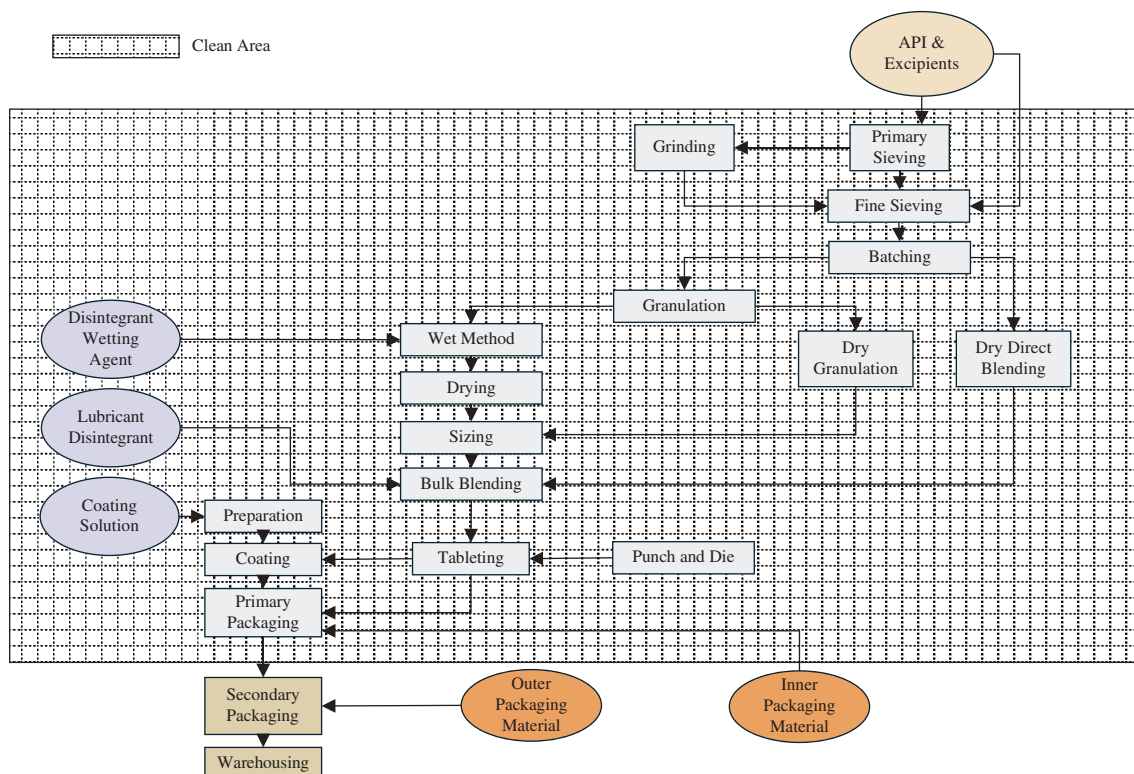
In addition to antibody innovation, we have also pioneered a complex recombinant protein platform, successfully developing high-barrier dual-chain protein therapies such as Zepuning and Zesuning, which fill critical gaps in the domestic market and provide us with unique competitive advantages.

PRODUCTION AND QUALITY CONTROL

We have established comprehensive in-house manufacturing capabilities covering the production of chemical drug tablets and capsules, 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. During the Track Record Period and up to the Latest Practicable Date, we obtained production licenses for our production facilities and production approvals for each of our products manufactured in-house. See “— Licenses, Permits and Certificates” for more details about our major licenses, permits and certificates.

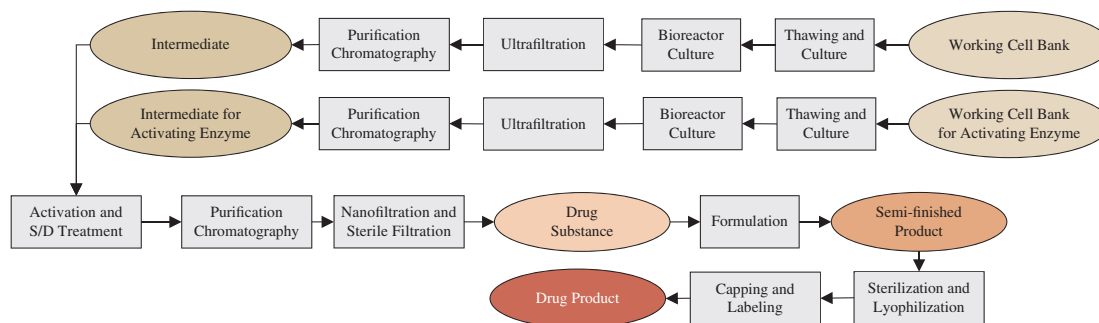
Production Process

We operate specific production processes for our pharmaceutical products and near-commercialization product candidates. Our tablet production process mainly consists of granulation, drying, sizing, blending, film coating, primary packaging, and secondary packaging. The detailed manufacturing workflow is illustrated in the following diagram. The following diagram summarizes the major steps of our production process of tablets.



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Our recombinant protein drug manufacturing process mainly consists of three key stages: cell culture, protein separation and purification, and formulation production. For instance, the following diagram illustrates the major steps of our production process of Zepuning:



Production Facilities

Our production activities are currently carried out at our facilities located at Kunshan, Jiangsu Province. We operate three production facilities comprising several production workshops equipped with corresponding production lines. These facilities support the production of all four of our commercialized drugs. In addition, we have established a new antibody drug production facility, which had passed the completion acceptance inspection as of the Latest Practicable Date, further enhancing our capacity for future commercial production of innovative antibody drugs, including ZG005, ZGGS18, and other antibodies under research and development.

Our existing chemical preparation production facilities have sufficient capacity to meet the volume growth of market supply demand. The current production capacity of biological products can satisfy the market demand for two to three years after the products obtain approval, and the company will also expand the production scale accordingly as product sales increase (e.g., adopting bioreactors with larger volumes). We are capable of adjusting production capacity in accordance with market demand to meet such demand and achieve sales targets. All of our key equipment is of high quality, which can provide production support and quality assurance that comply with industry requirements, as well as improve production efficiency.

As of the Latest Practicable Date, we believe our facilities and equipment are in good working condition. We conduct regular maintenance and repair work in compliance with the regulatory requirements. The following table sets forth a summary of our production facilities as of the Latest Practicable Date:

Facility	Function	Site Area (sq.m.)	GFA (sq.m.)	Drug Workshop	Major Products/Drug Candidates Produced
Facility A	Solid preparations production	3,424.0	823.0	Solid preparations workshop 1	Zepsun®
			830.3	Solid preparations workshop 2	Zepuning
	Warehousing	875.2	1,898.3	Warehouse	/
	Quality Control		890.0	Quality control laboratory	/
	Engineering		1,670.1	Engineering building	/

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Facility	Function	Site Area (sq.m.)	GFA (sq.m.)	Drug Workshop	Major Products/Drug Candidates Produced
Facility B	Antibody drug production	4,627.7	1,412.0	Drug substance workshop	ZG005 and ZGGS18 drug substance
			1,790.0	Antibody drug product workshop	ZG005 and ZGGS18 drug product
		3,454.1	10,066.2	Warehouse	N/A
		2,199.4	8,038.8	Engineering building	N/A
Facility C	Recombinant protein drug production	1,257.2	677.1	Recombinant protein (Recombinant Human Thrombin) drug substance workshop	Zepuning drug substance
			729.2	Recombinant protein (rhTSH) drug substance workshop	Zesuning drug substance
			399.5	Recombinant protein (Recombinant Human Thrombin & Human Thyrotropin beta for Injection) drug product workshop	Freeze-dried drug product

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The following table sets forth the designed production capacity, actual production volume and utilization rates of the production lines which are used in the production of our major products as of the dates and for the periods indicated.

Production lines	Unit	As of the year Ended December 31,						As of the Six Months Ended June 30,			
		2023			2024			2025			2026
		Designed production capacity ⁽¹⁾	Production volume	Utilization rate ⁽²⁾	Designed production capacity ⁽¹⁾	Production volume	Utilization rate ⁽²⁾	Designed production capacity ⁽¹⁾	Production volume	Utilization rate ⁽²⁾	Production volume
				(%)			(%)			(%)	
Oral solid preparation form Zepsun®	10,000 tablets	10,000	1,440	14.4	10,000	1,800	18.0	10,000	1,482	14.8	10,000
Oral solid preparation form Zepuping	10,000 tablets	5,000	100	2.0	5,000	60	1.2	5,000	140	2.8	5,000
Recombinant protein drug Zepuning	10,000 vials	N/A	N/A	N/A	40	16	40.0	60	60	100.0	60
Recombinant protein drug Zesuning	10,000 vials	N/A	N/A	N/A	N/A	N/A	N/A	3.6	0	0	3.6
											0.4
											12.0

Notes:

- (1) 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 capacity is generally calculated based on number of production personnel multiplied by designed production rate.
- (2) Utilization rate is calculated by dividing the production volume by the designed production capacity. The overall low utilization rates were primarily attributable to the early stage of commercialization of our products, as market penetration and sales ramp-up were still in progress, and our production capacity was built in anticipation of future demand.

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Our production plan is devised based on an annual, monthly and quarterly rolling forecasts of market demand at the beginning of each year with reference to historical sales records and anticipated level of sales orders, which will be adjusted in accordance with actual demand and inventory levels. See “— Inventory Management” for more details.

Collaborations with CDMOs

During the Track Record Period, we outsourced certain manufacturing activities to CDMOs for preclinical and clinical supply of certain of our drug candidates, such as ZG005, ZG006, ZGGS18, ZGGS15 and ZGGS34, as well as API for Zepsun[®] and Zepuping. See “— Research and Development — Our R&D Collaborations” for more details about our collaboration arrangements with CDMOs. Going forward, we expect to continue engaging CDMOs to provide services including the custom synthesis of small-molecule intermediates and APIs, as well as drug substance and drug product manufacturing for certain of our drug candidates and commercialized products. We select CDMOs by carefully reviewing various factors, such their qualifications, expertise, production capacity, geographic proximity, reputation, previous customers, business record, operation stability, project execution efficiency and pricing. We have adopted regulatory procedures to ensure the production qualifications, facilities and processes of CDMOs comply with the relevant regulatory requirements and our internal quality management system. The below sets forth key terms of our framework agreements with CDMOs:

- *Services.* The CDMOs provide us with manufacturing services according to cGMP requirements, quality standards and prescribed time frame as set out in the master agreement or work order.
- *Quality control.* The CDMOs are obliged to ensure that the quality of products meets the quality standards set out in the agreement and requirements of cGMP and other regulations, and to provide certificate of analysis.
- *Payments.* We are required to make payments to the CDMOs in accordance with the payment schedule set forth in the agreement, which is typically linked to the stages of the manufacturing process and the deliverables we receive.
- *Intellectual property rights.* We own all product-related intellectual property rights arising from the outsourced manufacturing processes.
- *Confidentiality.* Our CDMOs are not allowed to disclose confidential information, including but not limited to any technical materials, research reports or trial data related to the project as specified in the agreement, and such obligation generally survives for a specified period.
- *Remedies for non-conforming products.* If the CDMOs fail to deliver products or comply with substantial obligations due to its own reasons under the relevant agreement, we are entitled to terminate the agreement and request liquidated damages and compensation for losses due to the failure according to the work order.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, the number of CDMOs we collaborated with was 12, 12, 13 and 11, respectively.

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The following table sets forth a breakdown of the expenses incurred for our CDMOs by function during the Track Record Period:

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Development-related CDMO expenses	14,924	27,535	29,332	466
Manufacturing-related CDMO expenses	45,896	55,410	31,262	48,082
Total	60,820	82,945	60,594	48,548

Among our expenses incurred for CDMOs, development-related CDMO expenses include (i) expenses incurred from engaging CDMOs for R&D activities relating to processes, formulations, analytical testing and scale-up work for pharmaceuticals, APIs, finished formulations and biologic products, which are fully recognized as R&D expenses as incurred; and (ii) R&D expenditures on capacity expansion projects for approved drugs, which would subsequently be allocated to cost of sales after registration and approval. Manufacturing-related CDMO expenses include manufacturing expenses incurred from outsourcing production to CDMOs, including production of clinical trial materials, intermediates, APIs and commercial finished drugs, which are allocated to either R&D expenses (for R&D use) or cost of sales (for commercial sale), depending on the ultimate purpose of the related activities.

The following table sets forth our top five CDMOs in each period during the Track Record Period:

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2023	2024	2025	2026
1	CDMO A	CDMO A	CDMO F	CDMO F
2	CDMO B	CDMO F	CDMO A	CDMO C
3	CDMO C	CDMO C	CDMO B	CDMO D
4	CDMO D	CDMO G	CDMO I	CDMO A
5	CDMO E	CDMO H	CDMO E	N/A

Notes:

- (1) CDMO A, established in 2009, is principally engaged in the R&D of API formulations and processes, as well as the manufacturing of drug substances, with registered capital of US\$116.5 million. We have collaborated with it since 2013. It mainly provided us with CDMO services for Zepsun® drug substance.
- (2) CDMO B, established in 1998, primarily provides CDMO services across multiple areas, including small molecule drugs, biologics, formulations and synthetic biology, with registered capital of RMB360.6 million. We have collaborated with it since 2019. It mainly provided us with CDMO services for Zepuping drug substance.
- (3) CDMO C, established in 1989, is principally engaged in drug substances, CDMO services, pharmaceuticals and related materials businesses, with registered capital of RMB1,158.4 million. We have collaborated with it since 2021. It mainly provided us with Zepsun® drug substances and ensured the timely processing of intermediates required for several small-molecule drug substances.
- (4) CDMO D, established in 2022, focuses on the development and manufacturing of antibody drugs, fusion proteins and ADCs, with registered capital of RMB50.0 million. We have collaborated with it since 2023. It mainly provided us with drug substance and drug product manufacturing services for ZGGS18.

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- (5) CDMO E, established in 2000, primarily provides drug substances and one-stop CDMO services for innovative drugs with registered capital of RMB100.0 million. We have collaborated with it since 2012. It mainly provided us with CDMO services for the Zepsun® drug substance intermediate.
- (6) CDMO F, established in 2018, focuses on biologics process development and large-scale manufacturing, with registered capital of RMB31.1 million. We have collaborated with it since 2022. It mainly provided us with commercial manufacturing services for Zepunig and manufacturing services for ZG005 and ZG006.
- (7) CDMO G, established in 2009, focuses on clinical-stage drug substances and key intermediate development, process development and manufacturing, as well as new drug application services, with registered capital of RMB24.1 million. We have collaborated with it since 2020. It mainly provided us with manufacturing services for the Zepuping drug substance intermediate.
- (8) CDMO H, established in 2013, primarily provides one-stop CDMO services for antibodies, linker-toxin systems and ADCs, with registered capital of RMB404.4 million. We have collaborated with it since 2020. It mainly provided us with process development of drug substance and drug product for ZG005, as well as manufacturing services for drugs used in clinical trials.
- (9) CDMO I, established in 1999, primarily provides one-stop CDMO services including high-value-added specialty active pharmaceutical ingredients (anti-cancer, cardiovascular, etc.), and new drug development to domestic and international pharmaceutical companies, with registered capital of RMB173.8 million. We have collaborated with it since 2012. It mainly provided us with development of a new process for an intermediate of Zepuping.

Raw Material Suppliers and Procurement

The principal raw materials used for the production of our pharmaceutical products primarily consist of APIs, excipients, culture media, chromatography resins, packaging materials, various laboratory consumables and reagents. During the Track Record Period and up to the Latest Practicable Date, we sourced active pharmaceutical ingredients and other raw materials, ancillary materials and packaging materials for all of our pharmaceuticals from Independent Third Parties.

We adopt stringent supplier selection procedures. Potential suppliers are assessed based on various factors including their product offerings, quality, corporate management, reputation and business scale and pricing. Our suppliers are required to possess all licenses and permits necessary for their operations. We also request potential suppliers to conduct small-batch sample production and inspect the samples to determine if they meet our requirements. Only those suppliers which fulfil all our requirements are selected. We maintain an approved suppliers list and we only source raw materials from these suppliers. We conduct annual reviews of our suppliers to ensure continued compliance with our quality, regulatory and pricing standards, and remove those that fail to meet our requirements from our approved suppliers list.

We have established a procurement management system with standardized operating procedures, including the Procurement SOP, Supplier Management SOP, Material Acceptance SOP and Outsourced Business Management Measures. We have also established a management system for tendering and price comparison, under which procurements exceeding specified thresholds are subject to a formal bidding process with strict negotiation and price evaluation procedures. Procurement activities, including planning, budgeting, supplier selection and management, contract execution, material and service acceptance, inventory control, quality monitoring, financial supervision and performance evaluation, are conducted in accordance with defined procedures to ensure effective cost control and procurement efficiency.

We generally place purchase orders with our raw material suppliers on an as needed basis. The purchase price of our raw materials is primarily based on the prevailing market prices for raw materials of similar quality. We normally pay our suppliers via wire transfer. Typically, we are required to make full prepayment, or are given 30-60 days' credit terms, by our suppliers. Our suppliers are generally responsible for arranging the delivery of raw materials to our production facilities at their own costs. We are entitled to return any raw materials that do not meet our requirements.

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Our principal raw materials are generally readily available in the market through a number of suppliers. We believe we have alternative sources for our principal raw materials with comparable quality and pricing. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage or delay in the supply of raw materials. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant increases in the prices of our major raw materials or fluctuations in raw material costs which had a material adverse impact on our results of operations or gross profit margins. See “Risk Factors — Key Risks Relating to Our Business and Industry — Our operations are dependent on the supply of certain raw materials. If the supply of raw materials decreases or the cost increases, our ability to conduct our business could be materially impaired and our operations, revenue and profitability could be adversely affected.”

Quality Management

We believe that an effective quality control system is essential to ensure the quality of our products and for our business to thrive. Our senior management team is actively involved in formulating internal quality control policies and monitoring our overall quality control process. We have established comprehensive quality control procedures and protocols including Quality Management Review System and Quality Management Manual that span across the entire production lifecycle from raw material sourcing till the final products are delivered to customers. Our quality control department is independent from our production department and is responsible for the implementation of such procedures and protocols. Most of our quality control and assurance personnel have pharmaceutical or related educational background. We also conduct regular training so that our quality control and assurance personnel understand the regulatory requirements applicable to the operation of our production facilities. In addition, we utilize equipment and devices to inspect, test and ensure the quality of our raw materials, production-in-progress and final products.

Key aspects of our quality control and assurance procedures are as follows:

- **Raw Materials Quality Control.** We purchase raw materials used in our production only from screened and approved suppliers. See “— Production and Quality Control — Raw Material Suppliers and Procurement” for more details. We also conduct timely examination of our incoming raw materials to confirm they meet our quality requirements.
- **Product In-process Quality Control.** Our quality assurance team ensures our production processes comply with applicable regulatory requirements through SOP-based oversight and regular on-site inspections. Production operators follow standard operating and equipment procedures, and validated cleaning procedures are performed thereafter to prevent contamination or cross-contamination.
- **Final Product Quality Control.** Each batch of final products is subject to sample tests by our quality control team. Prior to delivery, our quality assurance team reviews all related documentation, such as manufacturing batch records, laboratory test results, and in-process control records. Our head of quality performs the final review, and only products approved for release by the Qualified Person may be sold.

Inventory Management

Our inventory consists primarily of finished products and production materials, including active pharmaceutical ingredients and other raw materials, reagents, and packaging materials. We perform inventory management under our ERP system to monitor each stage of the warehousing process. Our warehousing personnel are responsible for receiving inspection, warehousing, storage and distribution of production materials and finished products. All materials and products are stored in different areas in warehouse according to their storage condition requirement, properties, usage

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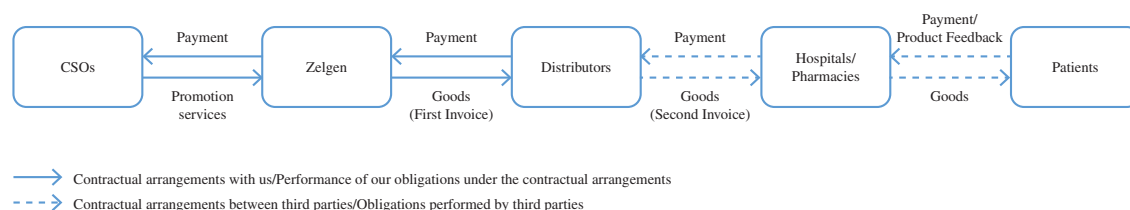
and batch number. Our warehousing personnel regularly check to ensure consistency among the raw material or product, logbook and material card. Inventory related to our commercial-scale production is managed in strict accordance with regulatory requirements.

SALES, PROMOTION AND DISTRIBUTION

We sell our products to distributors, which distribute such products to hospitals, other medical institutions and pharmacies in national markets. We maintain close partnerships with renowned pharmaceutical distributors, leveraging their strong distribution network advantages and professional large-scale logistics management systems to facilitate the commercialization and market expansion of our innovative drugs.

We develop marketing strategies tailored to ensure efficient market coverage of our commercialized drugs and drug candidates. For Zepsun[®] and Zepuping, we have built a specialized sales and academic promotion team responsible for the overall planning and coordination of market promotion and entered into distribution agreements with qualified distributors. We also entered into exclusive promotional collaborations with industry leaders such as Grand Life Sciences for Zepuning and Merck for Zesuning. Leveraging the extensive expertise, well-established market presence and distribution capabilities of our partners, these collaborations can enable rapid market access, significantly reducing the capital and time costs of building our own sales network while optimizing internal resource allocation and maximizing investment efficiency.

The following diagram illustrates the interactions among our CSOs, distributors, hospitals and other medical institutions, pharmacies, patients and us in connection with sales, promotion and distribution of our products in the national and overseas markets.



During the Track Record Period, we engaged CSOs on either an exclusive or non-exclusive basis, depending on the relevant product, territory and commercialization requirements. CSOs engaged by us may also provide promotion services to other pharmaceutical companies, subject to customary restrictions with respect to directly competing products. During the Track Record Period, the roles and functions of our CSOs and distributors were clearly delineated, and there was no overlap between them.

The following table sets forth the sales volume and average selling price (tax-exclusive) of our products during the Track Record Period.

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Zepsun^{®(1)}				
Sales volume (thousand boxes)	207.4	265.0	283.6	130.7
Average selling price (RMB per box)	1,849.0	2,000.0	2,123.8	2,123.4
Zepuning⁽²⁾				
Sales volume (thousand boxes)	–	2.4	493.5	383.5

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	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Average selling price (RMB per box)	–	615.2	328.1	309.9
Zepuping⁽³⁾				
Sales volume (thousand boxes)	–	–	5.3	33.6
Average selling price (RMB per box)	–	–	7,310.6	4,279.0
Zesuning⁽⁴⁾				
Sales volume (thousand boxes)	–	–	–	1.1
Average selling price (RMB per box)	–	–	–	9,153.8

Notes:

- (1) Zepsun[®] was first included in the NRDL in January 2022 for the first-line treatment of advanced HCC, and its indication for thyroid cancer was subsequently included in the NRDL in January 2024. It remained in the NRDL throughout the Track Record Period. Following its inclusion in the NRDL in January 2022, the retail price was reduced from RMB8,266 to RMB2,592 per box, while its sales volume increased significantly from approximately 28.6 thousand boxes in the second half of 2021 (following its launch in June 2021) to approximately 173.4 thousand boxes in 2022.
- (2) Zepuning was included in the NRDL in January 2025. Following its inclusion in the NRDL, the retail price was reduced from RMB1,016 to RMB373 per box, while its sales volume increased significantly from approximately 2.4 thousand boxes in 2024 to approximately 493.5 thousand boxes in 2025.
- (3) Zepuping was approved for inclusion in the NRDL for the treatment of myelofibrosis with effective date on January 1, 2026.
- (4) Zesuning was approved for commercialization in January 2026 for use in the follow-up of patients with DTC who have previously undergone thyroidectomy, including radioactive iodine-131 WBS and serum Tg measurement.

Sales and Promotion

In-House Sales and Academic Promotion Team

Our marketing strategies are implemented by our in-house sales and academic promotion team that are aligned across various therapeutic areas and geographic regions. Our in-house sales and academic promotion team generates market demand for our products among medical professionals primarily through its academic promotion efforts to enhance medical professionals’ knowledge and understanding of the usage, clinical effects and advantages of our drug products. As of June 30, 2026, we have established a professional in-house sales and academic promotion team of over 400 members covering most provinces in China.

We regularly provide in-house and external trainings to enhance the industry knowledge and marketing skills of our sales and academic promotion team. We place particular emphasis on training our medical representatives, who are categorized into different levels based on their experience and capabilities and receive tailored mandatory and elective trainings.

We have also put in place measures and policies for our employees involved in sales and academic promotion activities, including ongoing training and signing agreements with our sales and academic promotion personnel, which contain representations and undertakings to comply with applicable PRC laws and regulations and our internal policies. See “— Risk Management and Internal Control — Internal Control” for more details.

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Marketing Support

Our in-house sales and academic promotion team works closely with several other departments at the headquarters level on the promotion of our products. We believe this centralized approach enables us to continuously enhance our brand recognition, market share and market penetration in an efficient manner.

- *Marketing and medical affairs department.* Our marketing and medical affairs department serves as the strategic engine of commercialization, overseeing full-lifecycle brand and portfolio management. The team conducts in-depth clinical and competitive analysis, formulates marketing strategies, builds nationwide academic platforms, and drives medical education and academic promotion. The department also acts as the bridge between R&D and commercialization. It identifies unmet clinical needs and develop medical strategies and differentiated positioning before product launch. After product launch, it leads post-marketing clinical studies and real-world evidence generation to guide clinical practice, while providing timely and accurate medical support through a robust medical information response system.
- *Academic promotion department.* Academic promotion department is primarily responsible for academic promotion activities for pharmaceutical products, including communicating product-related information to healthcare professionals at medical institutions, assisting in the appropriate use of pharmaceutical products, and collecting and providing feedback on clinical use, adverse drug reactions and clinical needs.
- *Government affairs department.* Our government affairs department serves as the strategic interface between our Company and the policy environment. It monitors healthcare and regulatory policy trends, assesses their business impact, and provides forward-looking strategic insights. The team supports compliance and market access initiatives, including reimbursement and other key policy processes, while maintaining constructive government relationships and contributing to industry policy discussions to reinforce our professional and responsible public image.
- *Commerce and diversification department.* Our commerce and diversification department is responsible for supply planning, market access execution, channel management, and commercial partnerships. Its core functions include sales and operations planning, tendering and listing, reimbursement coordination, accounts receivable management, and ensuring smooth product entry into hospitals, pharmacies, and other endpoints. By coordinating internal and external resources, the team ensures product availability and accessibility, supporting both sales targets and strategic market expansion.
- *Sales department.* Our sales department executes our commercial strategy in the field. It leads regional sales teams, builds hospital coverage, coordinates with CSOs, manages customer and distributor accounts and ensures compliant execution of sales activities. Through close engagement with clinicians and healthcare institutions, the team delivers product value to front-line medical staff and contributes to market penetration and revenue growth.

Academic Marketing

We place emphasis on the academic marketing and promotion of our products. We actively participate in national and regional academic conferences, seminars and symposia organized by leading medical associations. These activities, covering therapeutic areas such as HCC, myelofibrosis, surgical hemostasis, thyroid cancer diagnosis and treatment, and severe alopecia areata, aim to enhance clinical awareness of our products and strengthen our brand presence.

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We conduct academic promotion mainly through third-party associations, providing medical experts and other healthcare professionals with the most updated product information regarding the usage, clinical efficacy, safety and other features of our products. We also collaborate with medical experts to support continuing medical education. All promotional activities are carried out in strict compliance with national regulations and our internal compliance policies. Our medical representatives receive regular legal and compliance training, and we conduct periodic internal inspections to ensure adherence to relevant laws and ethical standards.

KOLs

The KOLs that we collaborate with are primarily experienced medical and industry professionals with recognized academic or clinical expertise in their respective fields, typically being licensed physicians or specialists with senior professional titles. We engage such KOLs solely in connection with our clinical development activities, including clinical study design, protocol consultation, investigator participation and other research-related activities, where applicable. In addition, given their frontline clinical experience, we may also communicate with them to understand clinical needs and obtain market feedback on our products. Our Group has adopted internal policies and procedures governing collaborations with KOLs to ensure compliance with applicable laws and regulations. Collaborations with them are generally conducted under written agreements that clearly set out the scope of our collaboration and do not involve promotional or sales-related arrangements. We also provide regular compliance training to our sales and academic promotion personnel and prohibit improper promotional or benefit arrangements with KOLs.

CSOs

We have entered into collaborations with industry-renowned CSOs to promote certain of our products, such as Grand Life Sciences and Merck. Benefiting from our partners’ extensive industry expertise and broad distribution networks, these collaborations help ensure rapid market access, promotion and coverage for our products while optimizing the allocation of our in-house sales and academic promotion resources. We select CSOs based on collaboration contracts, their qualifications, reputation, marketing experience, management capabilities and hospital coverage. As of June 30, 2026, we had three CSOs, two of which were engaged on an exclusive basis. Our cooperation arrangements are summarized below. As advised by Frost & Sullivan, our cooperation arrangements are in line with industry norm.

In December 2023, we entered into an exclusive commercialization service agreement with Grand Life Sciences (Liaoning) Co., Ltd. (“**Grand Life Sciences Liaoning**”), an Independent Third Party, pursuant to which we appointed Grand Life Sciences Liaoning as the exclusive commercialization service provider for Zepuning in Greater China. In June 2024, in light of a business reorganization of Grand Life Sciences Liaoning, we entered into a supplemental agreement with it and its wholly owned subsidiary Grand Life Sciences, pursuant to which Grand Life Sciences assumed and agreed to perform all rights and obligations under the original agreement. Salient terms of this agreement are set forth below:

Term. The agreement provides for a term ending 10 years after the first commercial sale of Zepuning, with renewal arrangements upon expiry.

Upfront and milestone payments. Grand Life Sciences is obligated to make, and we are entitled to receive, upfront payment of RMB260.0 million and milestone payments, comprising (i) a commercialization milestone payment of RMB80.0 million payable upon the first commercial sale of Zepuning, (ii) a commercialization milestone payment of RMB60.0 million payable upon the 12-month anniversary of the first commercial sale, and (iii) additional sales milestone payments of up to RMB915.0 million payable upon the achievement of agreed annual sales revenue thresholds for Zepuning.

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Promotion service fees. We are required to pay Grand Life Sciences promotion service fees, which are calculated based on net sales of Zepuning, being the bid-winning price multiplied by the actual quantities delivered and paid for by customers, less certain agreed deductions and adjustments, such as returns, recalls and approved price reductions, with different fee rates applicable at different stages.

Settlement. Promotion service fees are reconciled and settled on a monthly basis based on confirmed sales data, with quarterly true-up adjustments for any outstanding amounts.

Dispute resolution. Any dispute arising from the execution and performance of the agreement and any orders thereunder shall be resolved through consultation between the parties; failing such resolution, either party may bring an action before a competent court at the plaintiff’s place of domicile.

In June 2025, we entered into a commercialization service agreement with ATSA, a Swiss subsidiary of Merck, an Independent Third Party, pursuant to which we granted ATSA an exclusive right to commercialize Zesuning in the PRC. Under this arrangement, ATSA serves as our exclusive service provider for the commercialization of Zesuning in the PRC. Salient terms of our agreement are set forth below:

Term. The agreement provides for a term of 15 years, subject to extension by mutual agreement of the parties.

Payment. ATSA is obligated to make, and we are entitled to receive, payments up to RMB250.0 million, comprising (i) a payment of RMB50.0 million no later than 30 business days following the effective date of the agreement, and (ii) a payment of RMB200.0 million payable upon the first marketing approval of Zesuning for its initial indication.

Promotion service fees. We are required to pay ATSA promotion service fees at a double-digit percentage of net sales, being the gross sales of Zesuning less certain customary deductions, such as trade discounts, rebates, refunds and applicable taxes.

Settlement. Promotion service fees accrue based on confirmed sales data and are settled on a monthly basis following issuance of invoices.

Payment method. Payments are settled by bank transfer.

Termination. Either party may terminate the agreement in the event of failure to perform due to force majeure events or material breach, or other situations specified in the service agreement.

Distribution

We sell all 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. Consistent with industry practices, our distributors are not engaged in providing academic promotion services for our products. Instead, our in-house sales and academic promotion team makes promotion efforts to enhance professionals’ knowledge and understanding of the usage, clinical effects and advantages of our drug products. We believe this distribution model helps extend our coverage in a cost-effective manner while retaining proper control over our distribution network and promotion process.

Distribution Network

As of June 30, 2026, our distribution network comprised 166 distributors spanning 30 provinces, municipalities and autonomous regions across China.

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To the knowledge of our Directors, our distributors are Independent Third Parties; and none of our distributors are wholly-owned or majority controlled by our current employees. In addition, there is no other relationship or arrangement (including family, business, financing, guarantee or otherwise in the past or present) between our distributors and us. During the Track Record Period, we did not participate in the tendering or bidding processes relating to the sale of our products to public hospitals. Nor did we participate in our distributors’ bid submissions, presentations or related bidding procedures with public hospitals. The following table sets forth the movement of the number of our distributors for the periods indicated below.

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Number of distributors at the beginning of the period	47	46	77	177
Addition of new distributors ⁽¹⁾	2	32	106	19
Termination of existing distributors ⁽²⁾	3	1	6	30
Net increase/(decrease) in distributors . . .	(1)	31	100	(11)
Number of distributors at the end of the period⁽³⁾	46	77	177	166

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 financial 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 financial year.
- (3) Following the commercial launch of Zepuning in January 2024 and Zepuping in May 2025, we expanded our distributor network and engaged more distributors to support the increasing demand for channel coverage.

We terminated distributorship with three, one, six, and 30 distributors in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, primarily due to the expiration of the relevant distribution agreements and the parties’ commercial decisions not to renew such arrangements in the ordinary course of business. There were no material disputes or litigations between the terminated distributors and us during the Track Record Period and up to the Latest Practicable Date.

Terms of Distribution Agreements

We enter into distribution agreements with our distributors. Individual sales contracts or purchase orders are generally separately entered into or placed for each purchase. Key terms of our distribution agreements include:

Term. Our agreements generally have a term of one year.

Authorization and territory. Our agreements generally grant distributors authorized rights to distribute products within a specified territory.

Sales target and minimum purchase requirement. Our agreements with distributors generally do not specify an agreed annual sales target or minimum annual purchase amount.

Pricing and payment. Our selling prices to distributors are fixed during the term of our agreements. Payments are typically settled by wire transfer.

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Inventory level. We generally do not require our distributors to maintain a minimum inventory level.

Return of products. We accept returns for products that are near expiry or have quality issues attributable to us, and accept returns or exchanges for products that are unsaleable due to transportation-related damage, such as packaging deformation and breakage.

Access to information. Distributors are required to provide us with access to information at our request, including providing us with procurement, sales and inventory data of our products or with access to such information through their information technology system.

Credit terms. We generally grant our distributors credit terms of 30 to 90 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 from a credit control perspective.

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.

As advised by our PRC Legal Adviser, under applicable PRC laws and regulations, our Group, as the marketing authorization holder, bears primary and strict liability for product defects, including those resulting in personal injury, property damage, or safety-related issues. The liability of our distributors is generally limited to defects arising from their own fault. To the extent a defect is attributable to a distributor's misconduct or negligence, we are entitled to seek indemnification or other recourse from such distributor after compensating the affected parties. In the event of product quality or safety issues, we may be required to implement corrective measures, including initiating a product recall, publicly disclosing recall information, suspending production immediately where necessary, and reporting the matter to the competent authorities.

We have a seller-buyer relationship with our distributors. 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. Consequently, we recognize revenue from sales to our distributors upon delivery of our products to and acceptance by them. Our distributors on-sell our products to their customers, which do not have any contractual relationships with us and are not imposed with any of our control or oversight.

Distributor Management

We select our distributors based on their proven distribution abilities, familiarity with their own target markets, financial strength, credit records and scale of operations. We require all our distributors to possess all licenses and permits necessary for the sales and distribution of pharmaceutical products. We require our distributors to adhere to the latest GSP standards for cold-chain storage and transportation so that they can deliver our products to covered medical institutions and pharmacies in a safe and timely manner.

We allow our distributors, subject to prior filing with us, to engage sub-distributors, provided that such arrangements comply with the requirements of the Two-invoice System. We have adopted a series of internal control measures to ensure our ongoing compliance with Two-invoice System. Specifically, in areas where the Two-invoice System is implemented for drug procurement in public medical institutions, we require our distributors to strictly comply with the two-invoice system. In

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addition, our management takes the Two-invoice System requirements into account when formulating our distribution strategies. During the Track Record Period and up to the Latest Practicable Date, we had only issued invoices to relevant distributors on a one-off basis, who, in turn, issued invoices to public medical institutions on a one-off basis.

Where a distributor breaches the relevant distribution agreement, including noncompliance with applicable laws and regulations, we will give the distributor a notice and require rectification. If no remedial action is taken within a prescribed time period, we will have the right to terminate the relevant distribution agreement. During the Track Record Period, we did not terminate our business relationship with any distributors due to their breach of their distribution agreements or their non-compliance with regulatory requirements.

Prevention of Cannibalization

In order to manage the risk of cannibalization of sales among our distributors, we have adopted the following measures:

- *Geographic restrictions.* We specify the designated distribution area for which our distributors are responsible in our distribution agreements with them. The agreements also prohibit distributors from selling our products outside their respective designated distribution areas without our prior written consent.
- *End customer monitoring.* Our distributors focus on different distribution channels (such as hospitals, other medical institutions and pharmacies) and target distinct end customers. We communicate with end customers and their respective personnel, such as healthcare professionals, through our academic marketing activities in order to understand the actual usage of our products.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors within the same geographical area. Our Directors are of the view that the above measures are sufficient to mitigate potential cannibalization and competition among distributors.

Inventory Management and Control

Returned products are processed under our quality control procedures. Products returned due only to packaging damage will be re-packaged and re-dispatched where other conditions are controlled, while other returned products are subject to sampling and testing based on the nature of issues. Near-expiry products are generally treated as non-conforming. According to Frost & Sullivan, our return policy is in line with industry practice. During the Track Record Period and up to the Latest Practicable Date, there were no material product returns from our distributors. Product returns accounted for approximately 0.018%, 0.007%, 0.159% and 0.029% of our total revenue in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

We have implemented the following policies and measures, which, combined with our product return policies and the independence of our distributors, help ensure that our sales to distributors reflect genuine market demand and mitigate the risk of inventory accumulation in the distribution channels.

We generally grant our distributors credit terms of 30 to 90 days, and typically only grant longer credit terms to major distributors on a case-by-case basis based on our assessment. We believe that the short credit term requires our distributors to effectively manage their cash flow and ensure that procurements are made based on actual demand. This is particularly effective for our small to medium-scale distributors, which we believe generally have more limited capital resources.

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In addition, we are entitled to require distributors to provide us with access to their sales data at our request. In general, we review and evaluate sales data of our distributors on a monthly basis to enable us to make periodic assessments of actual market demand for our products and analyze the inventory levels of our distributors. 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 generally 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) are prohibited from making, proposing, promising or authorizing payment of money or anything of value to government officers or other personnel acting on behalf of government authorities or State-owned enterprises for the purpose of affecting their behaviors or decisions. See “— Risk Management and Internal Control.”

We have established a comprehensive sales compliance management system to ensure lawful and ethical business operations, covering key areas such as anti-bribery and anti-corruption, gift and entertainment policies, sponsorship and conference management, political contributions, and financial controls. The main components of our internal control framework are as follows:

- We have implemented a formal code of conduct and anti-bribery policy that requires all employees and agents to comply with applicable laws, including the Anti-Unfair Competition Law and the Criminal Law of the People’s Republic of China, and to adhere to strict standards of integrity in business dealings.
- We maintain strict policies regarding gifts, hospitality, and promotional items, requiring prior approval from relevant department heads and prohibiting any offerings that could influence business decisions or create conflicts of interest.
- We have established detailed procedures for managing academic conferences, medical meetings, and third-party sponsorships, including pre-approval processes, budget controls, and documentation requirements to ensure transparency and compliance.
- Our policies strictly regulate charitable donations and political contributions, setting clear principles, scope, decision-making authority, and approval procedures to prevent misuse or undue influence.
- We enforce rigorous controls over payment authorization and record-keeping, particularly for high-risk expenses such as consulting fees and speaker honoraria, requiring written agreements, market-based pricing, and full documentation including contracts, invoices, and attendance records.

These policies are supported by regular training programs, internal audits, and a confidential reporting mechanism, ensuring consistent adherence across the organization.

During the Track Record Period and up to the Latest Practicable Date, we did not provide financing to any of our distributors except for credit terms we granted to them under the relevant distribution agreements.

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Logistics Arrangement

We generally use 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 any loss caused by their negligence during the course of their logistics services, including transfer, loading, unloading, transportation and delivery to our customers.

Our Overseas Distribution Arrangement

On August 12, 2025, we entered into a license and distribution agreement (the “**Lancet Agreement**”) with Lancet Joint-Stock Company (“**Lancet**”), a company existing under the laws of the Russian Federation (“**Russia**”), amended by an addendum thereto dated September 28, 2025. In the Lancet Agreement, we granted Lancet an exclusive right to sell a finished medicinal product containing gecacitinib hydrochloride specifically for the treatment of myelofibrosis in Russia, Belarus, Kazakhstan, Armenia, Kyrgyzstan and Uzbekistan (collectively, the “**Territory**”), with the possibility of expanding the Territory to include Azerbaijan and/or Georgia. In connection with the Lancet Agreement, we entered into an accounts receivables and debt collection agreement with a third-party payer, ISS Global Limited (“**ISS Global**”), a company incorporated under the laws of Hong Kong, regarding the collection of payment under the Lancet Agreement. See also “—Third-Party Payment Arrangement” for further details.

Lancet made a payment of an upfront fee of RMB8.0 million to us in November 2025 pursuant to the terms in the Lancet Agreement. The amount of the upfront fee was determined after several rounds of commercial negotiations, primarily based on the potential market value of the product in the target markets, together with the consideration of certain obligations of ours under the Lancet Agreement, including providing technical data for drug import registration and cooperating with Good Manufacturing Practice quality inspection by the relevant regulatory authorities from Russia. Such upfront payment did not constitute a royalty in substance, for the reasons that (i) it was a one-time, non-refundable payment, payable upon the execution of the Lancet Agreement and delivery of certain required documentation as specified in the agreement; (ii) it was not linked to variable sales revenue in the future; and (iii) under the Lancet Agreement, Lancet would only procure products from us for independent sales and we would not grant manufacturing rights to it.

We have engaged DLA Piper Singapore Pte. Ltd., our International Sanctions Legal Adviser, to perform procedures to assess our compliance with International Sanctions laws and regulations and evaluate our risk of exposure under the International Sanctions laws and regulations. As advised by our International Sanctions Legal Adviser, the upfront payment under the Lancet Agreement is structured as a one-time, non-refundable, non-creditable fee payable upon entry into the agreement; while the Lancet Agreement does not expressly specify the consideration for such payment, it may reasonably be viewed as consideration for the grant of rights under the agreement, in the form of the license to commercialize the product in the Territory, and also as consideration of our obligations under the agreement. On this basis, the upfront payment may be characterize as a fixed, arms-length commercial payment, rather than ongoing economic participation in Russian operations which would constitute “new investment” in Russia for the purpose of Executive Order 14071 (“**E.O. 14071**”) and expose us to primary U.S. sanctions risks. However, there can be no assurance that OFAC would adopt this characterization, and it is possible that OFAC could consider the upfront payment, in substance, together with the broader arrangement, as part of a commitment of capital in connection with commercial activities in Russia.

Since January 2026, we had engaged in various negotiations with Lancet to (i) specify further details with respect to certain commercial arrangements, and (ii) amend the original royalty arrangements contained in the Lancet Agreement, which might be interpreted by OFAC as participation in royalties or ongoing profits constituting “new investment” in Russia for the purpose E.O. 14071 according to our International Sanctions Legal Adviser, with the aim to ensure that the payments we would receive would not be tied to royalties or ongoing performance or profits of

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Lancet and therefore mitigate our exposure to sanction risks. However, we were unable to reach a satisfactory commercial agreement with Lancet within a reasonable timeframe. Pursuant to our termination rights under the Lancet Agreement, on June 15, 2026, we issued a formal notice to Lancet with the effect of immediately terminating and extinguishing the parties’ rights and obligations under the Lancet Agreement (save for any provisions expressed to survive termination). During the term of the Lancet Agreement before its termination, we did not supply any product to Lancet nor did we receive any royalty payments from Lancet.

We intend to formalize the termination by entering into a termination agreement with Lancet which expressly extinguish all rights under the Lancet Agreement that could be interpreted as a “new investment” in Russia for purposes of Executive Order 14071, including (i) any commitment of capital or other assets for the establishment or expansion of projects or operations, and (ii) conferring revenue participation in Russia in connection with the Lancet Agreement. We expect to refund the upfront payment of RMB8.0 million to Lancet within 60 business days of the signing date of the termination agreement. As of the Latest Practicable Date, we have been in the process of negotiating the specific terms of the termination agreement with Lancet. We have no continuing exposure to the markets previously contemplated under the Lancet Agreement and do not intend to pursue registration approvals in those territories.

As advised by our International Sanctions Legal Adviser, the termination of the Lancet Agreement and the implementation of the contemplated unwinding measures will effectively eliminate our exposure to future sanctions risks arising from the Lancet Agreement and may be considered a mitigating factor in the assessment of any sanctions risks arising from past conduct. With respect to historical exposure, the residual enforcement risk, as assessed by our International Sanctions Legal Adviser, is remote, taking into account, among other factors, that (i) no royalty payments were ever received by us under the Lancet Agreement, (ii) the upfront payment will be fully refunded in accordance with the termination arrangements, and (iii) there was no willful misconduct or knowledge of any sanctions violation.

See “Risk Factors — Risks Relating to Government Regulations — Changes in international trade policies, tariffs, sanction regimes and political tensions may adversely impact our business and results of operations.”

PRICING

Before the inclusion of our products in the NRDL, we independently established a nationwide uniform retail price. We formulate reasonable pricing strategies for our commercialized products to maintain our competitiveness, market position, and profitability. When determining the prices of our commercialized products, we consider various factors including our R&D, production, sales, and promotion costs and expenses, the market potential, product innovation, products’ comparative advantages, the perceived value of the products, as well as our share in the markets where the products are marketed.

As of the Latest Practicable Date, three of our four commercialized products were included in the NRDL, including Zepsun[®], Zepuning and Zepuping (for the treatment of myelofibrosis). Following the inclusion in the NRDL, our pricing was adjusted to align with the medical insurance reimbursement standards and subject to a two-year dynamic adjustment mechanism. Looking forward, we expect future NRDL inclusion of our products to enhance patient affordability and market penetration. While NRDL inclusion generally involves a reduction in drug prices, we expect the resulting increase in sales volume to substantially offset the impact of such price reductions and continue to support the sustainable growth of our revenue and profitability.

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Upon expiry of the two-year period, the pricing of our products may be adjusted pursuant to the Interim Measures for the Administration of Drugs Covered by Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) (the “**Interim Measures**”). The conditions for adjusting the payment standards are set out in the Renewal Rules for Negotiated Drugs (《談判藥品續約規則》), annexed to the Interim Measures.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customers primarily consist of our distributors which directly purchase pharmaceutical products from us. All of our five largest customers in each period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, 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 in each period during the Track Record Period.

The following table sets forth certain information of our five largest customers in each period during the Track Record Period:

Five largest customers for the six months ended June 30, 2026	Products/services sold	Business relationship since	Sales amount (RMB'000) (Unaudited)	Percentage of total sales
Customer A ⁽¹⁾	Out-licensing rights	2025	662,309.5	55.0%
Customer B ⁽²⁾	Zepsun [®] , Zepuping, Zepuning, Zesuning	2021	184,859.4	15.3%
Customer C ⁽³⁾	Zepsun [®] , Zepuping, Zepuning, Zesuning	2021	153,362.6	12.7%
Customer D ⁽⁴⁾	Zepsun [®] , Zepuping, Zepuning, Zesuning	2021	62,025.6	5.1%
Customer E ⁽⁵⁾	Zepsun [®] , Zepuping, Zepuning, Zesuning	2022	26,808.1	2.2%
			1,089,365.1	90.4%

Five largest customers for 2025	Products/services sold	Business relationship since	Sales amount (RMB'000)	Percentage of total sales
Customer C ⁽³⁾	Zepsun [®] , Zepuping, Zepuning	2021	259,369.2	32.0%
Customer B ⁽²⁾	Zepsun [®] , Zepuping, Zepuning	2021	236,303.6	29.2%
Customer D ⁽⁴⁾	Zepsun [®] , Zepuping, Zepuning	2021	81,687.8	10.1%
Customer E ⁽⁵⁾	Zepsun [®] , Zepuning	2022	45,871.3	5.7%
Customer F ⁽⁶⁾	Zepsun [®] , Zepuping, Zepuning	2022	35,768.7	4.4%
			659,000.6	81.4%

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Five largest customers for 2024	Products/services sold	Business relationship since	Sales amount	Percentage of total sales
(RMB'000)				
Customer B ⁽²⁾	Zepsun [®] , Zepuning	2021	182,953.1	34.4%
Customer C ⁽³⁾	Zepsun [®] , Zepuning	2021	165,543.1	31.2%
Customer E ⁽⁵⁾	Zepsun [®] , Zepuning	2022	44,271.7	8.3%
Customer D	Zepsun [®] , Zepuning	2021	34,594.4	6.5%
Customer G ⁽⁷⁾	Zepsun [®] , Zepuning	2022	20,208.5	3.8%
			447,570.8	84.2%

Five largest customers for 2023	Products/services sold	Business relationship since	Sales amount	Percentage of total sales
(RMB'000)				
Customer C ⁽³⁾	Zepsun [®]	2021	139,082.3	35.7%
Customer B ⁽²⁾	Zepsun [®]	2021	111,973.2	28.7%
Customer D ⁽⁴⁾	Zepsun [®]	2021	26,856.8	6.9%
Customer E ⁽⁵⁾	Zepsun [®]	2022	26,370.0	6.8%
Customer H ⁽⁸⁾	Zepsun [®]	2021	16,061.1	4.1%
			320,343.4	82.2%

Notes:

- (1) Customer A, incorporated in Bermuda, is a wholly-owned subsidiary of a global biopharmaceutical company listed on the NYSE, which has a broad and diversified product portfolio spanning immunology, oncology, neuroscience and aesthetics.
- (2) Customer B, incorporated in 2003 and headquartered in Shanghai, is a Fortune Global 500 enterprise, whose core affiliate is a distributor and retailer of pharmaceuticals and healthcare products in China with registered capital of RMB3,120.7 million.
- (3) Customer C, incorporated in 1994 and headquartered in Shanghai, is a national pharmaceutical and healthcare giant listed on the Shanghai Stock Exchange and the Stock Exchange with registered capital of RMB3,708.4 million.
- (4) Customer D, incorporated in 2000 and headquartered in Beijing, is a state-owned enterprise engaged in pharmaceutical commodity marketing, logistics distribution and pharmaceutical supply chain solution services with registered capital of RMB19,646.5 million.
- (5) Customer E, incorporated in 2002 and headquartered in Yunnan province, is a wholly-owned subsidiary of a company listed on the Shenzhen Stock Exchange, focusing on being a regional pharmaceutical and healthcare commerce enterprise with registered capital of RMB1,000.0 million.
- (6) Customer F, incorporated in 1997 and headquartered in Chongqing, is a controlled subsidiary of a company listed on the Shenzhen Stock Exchange, focusing on large-scale pharmaceutical commercial distribution services with registered capital of RMB1,728.0 million.
- (7) Customer G, incorporated in 1981 and headquartered in Guangxi province, is a pharmaceutical distribution enterprise listed on the Shenzhen Stock Exchange, focusing on pharmaceutical circulation services with registered capital of RMB397.2 million.
- (8) Customer H, incorporated in 2002 and headquartered in Anhui province, is a subsidiary of a company listed on the Shenzhen Stock Exchange, focusing on regional pharmaceutical distribution services with registered capital of RMB983.9 million.

All of our top five largest customers in each period during the Track Record Period are our distributors. For the salient terms of our typical agreements, see “— Sales, Promotion and Distribution — Distribution — Terms of Distribution Agreements.”

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Our Suppliers

Our suppliers primarily include suppliers of raw materials and clinical trial materials and services to support our R&D, manufacturing, and marketing activities. All of our five largest suppliers in each period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates or any shareholder who, to the knowledge of our Directors, 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 in each period during the Track Record Period. The following table sets forth certain information of our five largest suppliers in each period during the Track Record Period:

Five largest suppliers for the six months ended June 30, 2026	Products/services purchased	Business relationship since	Purchase amount (RMB'000) (Unaudited)	Percentage of total purchases
Supplier A ⁽¹⁾	Zepuning market promotion service	2023	94,330.0	19.8%
Supplier B ⁽²⁾	Zepuning CDMO processing services	2022	29,999.5	6.3%
Supplier C ⁽³⁾	Zepsun [®] market promotion service	2024	27,804.2	5.8%
Supplier D ⁽⁴⁾	Pharmaceutical manufacturing equipment and consumables	2020	23,654.7	5.0%
Supplier E ⁽⁵⁾	Patient management services	2022	16,679.1	3.5%
			<u>192,467.5</u>	<u>40.4%</u>

Five largest suppliers for 2025	Products/services purchased	Business relationship since	Purchase amount (RMB'000)	Percentage of total purchases
Supplier A ⁽¹⁾	Zepuning market promotion service	2023	127,010.6	18.0%
Supplier C ⁽³⁾	Zepsun [®] market promotion service	2024	52,469.5	7.5%
Supplier F ⁽⁶⁾	Construction services for the Phase II R&D and production center	2024	43,309.2	6.2%
Supplier B ⁽²⁾	Zepuning CDMO processing services	2022	32,759.8	4.7%
Supplier E ⁽⁵⁾	Patient management services	2022	26,445.2	3.8%
			<u>281,994.2</u>	<u>40.2%</u>

Five largest suppliers for 2024	Products purchased	Business relationship since	Purchase amount (RMB'000)	Percentage of total purchases
Supplier G ⁽⁷⁾	Construction services for the Phase II R&D and production center	2022	68,463.6	13.5%
Supplier H ⁽⁸⁾	Zepsun [®] CDMO processing services	2013	41,681.4	8.2%
Supplier B ⁽²⁾	Zepuning CDMO processing services	2022	20,675.0	4.1%
Supplier C ⁽³⁾	Zepsun [®] market promotion service	2024	19,381.0	3.8%
Supplier I ⁽⁹⁾	R&D consumables and equipment	2023	13,152.9	2.6%
			<u>163,353.9</u>	<u>32.3%</u>

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Five largest suppliers for 2023	Products purchased	Business relationship since	Purchase amount (RMB'000)	Percentage of total purchases
Supplier J ⁽¹⁰⁾	Clinical trial CRO services	2012	35,094.3	7.7%
Supplier H ⁽⁸⁾	Zepsun [®] CDMO processing services	2013	34,369.1	7.5%
Supplier G ⁽⁷⁾	Clinical trial CRO services	2016	26,789.9	5.8%
Supplier K ⁽¹¹⁾	Construction services for the Phase II R&D and production center	2022	17,325.0	3.8%
Supplier L ⁽¹²⁾	Headquarters building construction services	2021	15,000.0	3.3%
			128,578.4	28.0%

Notes:

- (1) Supplier A is an enterprise incorporated in 2002 with headquarters in Beijing, focusing on providing marketing promotion services with registered capital of RMB92.7 million.
- (2) Supplier B is a CDMO focusing on biopharmaceutical process development and large-scale production, incorporated in 2018, providing CDMO R&D and processing services with registered capital of RMB31.1 million.
- (3) Supplier C is an enterprise incorporated in 2016 with headquarters in Shanghai, focusing on providing marketing promotion services with registered capital of RMB25.6 million.
- (4) Supplier D is an enterprise incorporated in 2009 with headquarters in Jiangsu province, focusing on providing pharmaceutical equipment and consumables with registered capital of RMB25.3 million.
- (5) Supplier E, incorporated in 2017 with headquarters in Shanghai, provides advanced healthcare services and diversified payment solutions with registered capital of RMB73.1 million.
- (6) Supplier F is a professional domestic integrated service provider for medical engineering, incorporated in 2014, focusing on providing construction services with registered capital of RMB100.0 million.
- (7) Supplier G, incorporated in 2008 with headquarters in Beijing, is a CRO listed on the Shenzhen Stock Exchange, focusing on providing clinical trial CRO services with registered capital of RMB96.6 million.
- (8) Supplier H is an API manufacturing enterprise, incorporated in 2009, focusing on providing CDMO processing services for APIs with registered capital of US\$116.5 million.
- (9) Supplier I is a pharmaceutical and medical device enterprise, incorporated in 2013, focusing on providing R&D consumables and equipment with registered capital of RMB240.0 million.
- (10) Supplier J, incorporated in 2004 with headquarters in Zhejiang, is a CRO listed on the Shenzhen Stock Exchange, focusing on providing clinical trial CRO services with registered capital of RMB861.0 million.
- (11) Supplier K, incorporated in 2001, is a construction service provider in Jiangsu province with registered capital of RMB130.0 million.
- (12) Supplier L, incorporated in 1990, is a construction service provider in Jiangsu province with registered capital of RMB733.6 million.

We generally enter into one-year framework agreements or separate purchase orders with our suppliers. Our agreements generally do not include minimum purchase commitments. Purchase prices are primarily determined with reference to prevailing market prices for products or services of comparable quality and are typically agreed at the time of contracting without automatic adjustment mechanisms. Credit terms generally range from 30 to 60 days from the invoice date, and payments are typically settled by wire transfer or bank acceptance bills. Termination and breach provisions generally follow customary commercial terms.

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Overlapping of Customers and Suppliers

During the Track Record Period, there were two entities, namely Customer C and Customer D, which were among our five largest customers and also our suppliers. During the Track Record Period, we sold Zepsun[®], Zepuning, Zepuping and Zesuning to Customer C and Customer D. At the same time, we purchased certain materials and drugs for clinical trials purpose from them. During the Track Record Period, we made only one purchase from Customer C, amounting to RMB25,800, which occurred during the six months ended June 30, 2026. The aggregate purchase amounts from Customer D were nil, RMB2.2 million, RMB7.2 million and RMB3.0 million, in 2023, 2024, 2025 and the six months ended June 30, 2026 respectively, representing approximately nil, 0.4%, 1.0% and 0.6% of our total purchases during the same periods. Such arrangements were mainly attributable to the fact that Customer C and Customer D are two large-scale nationwide pharmaceutical distributors with extensive sales coverage. Our Directors confirm that the sales to and purchases from them were negotiated on an arm’s-length basis, conducted independently, and were neither inter-connected nor inter-conditional with each other. Furthermore, according to Frost & Sullivan, the materials and drugs we purchased from and sold to them during the Track Record Period were at normal commercial terms and comparable to market standards. Based on the view of Frost & Sullivan and the due diligence work performed, nothing has come to the Sole Sponsor’s attention that would cause it to cast doubt on the genuineness of such transactions.

THIRD-PARTY PAYMENT ARRANGEMENT

In connection with the Lancet Agreement, on September 28, 2025, we entered into an accounts receivables and debt collection agreement with a third-party payer, ISS Global, regarding the collection of payment under the Lancet Agreement. See also “— Sales, Promotion and Distribution — Our Overseas Distribution Arrangement.” During the Track Record Period, we accepted only one payment of RMB8.0 million from Lancet through ISS Global in November 2025, which was the agreed amount of the upfront payment in the Lancet Agreement. We accepted the above-mentioned third-party payment to facilitate the collection of payments from Lancet.

ISS Global is an independent third party with no relationship with Lancet. To ensure the payment authenticity and legality, we entered into the above-mentioned formal accounts receivable and debt collection agreement with ISS Global, requiring ISS Global to remit all collected payments to us within ten business days, maintain accurate records, and refrain from withholding or offsetting amounts. We also signed a supplemental agreement with Lancet confirming that payments made through ISS Global would discharge Lancet’s obligations. Therefore, the third-party payment arrangement during the Track Record Period was supported by such written agreements.

The pricing and payment terms under the Lancet Agreement were negotiated on an arm’s-length basis and are comparable to those offered to customers not involving third-party payment arrangements. On June 15, 2026, we issued a formal notice to Lancet terminating the Lancet Agreement with the effect of immediately terminating and extinguishing the parties’ rights and obligations under such agreement. As of the Latest Practicable Date, we have been in the process of negotiating the specific terms of the termination agreement with Lancet. For details, see “— Sales, Promotion and Distribution — Our Overseas Distribution Arrangement.” During the term of the Lancet Agreement before its termination, we only received the upfront payment from Lancet, with no royalty payments. As a result of the termination of the Lancet Agreement, we do not expect to receive any further payment from Lancet through ISS Global.

With respect to the third-party arrangements in connection with the Lancet Agreement before its termination, we implemented enhanced internal controls when such arrangements were in place, including: (1) inclusion of contractual provisions requiring (i) receipts by us of full payment before shipment of any products; (ii) ISS Global’s obligation to remit funds within ten business days, with penalties for delay; (iii) detailed reporting and record-keeping requirements of ISS Global; (iv) automatic termination of authorization if ISS Global fails to remit funds; (2) monitoring by the finance team to examine whether the amount received by us strictly match the contractual

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obligations and verify the authenticity of the payments; and (3) evaluation by our management on the reasonableness and necessity of any third-party payments. Based on the above, the Directors are of the view that the internal control measures are adequate and effective to ensure the genuineness of the underlying transactions and mitigate risks associated with third-party payment arrangements.

Based on the due diligence work performed, nothing has come to the Sole Sponsor’s attention that would cause the Sole Sponsor to disagree with the Directors’ view.

See “Risk Factors — Key Risks Relating to Our Business and Industry — We may be subject to the risks associated with third-party payments.”

INTELLECTUAL PROPERTY RIGHTS

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. The following table sets forth the details of our material granted patents and patent applications as of June 30, 2026. See “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights” in this document for more details of our intellectual property rights.

Product/Product Candidate	Type of Invention	Patent Status	Patent No.	Patent Holder	Expiry Date
Zepsun®	Compound	Granted Patent	ZL2008102001060	Our Company	September 19, 2033
	Crystal Form	Granted Patent	ZL2012102497965	Our Company	July 18, 2032
Zepuping	Compound	Granted Patent	ZL201310032097X	Our Company	January 28, 2033
	Crystal Form	Granted Patent	ZL2015103642813	Our Company	June 26, 2035
Zepuning	Protein sequence and preparation method	Granted Patent	ZL2011100717754	Our Company	March 24, 2031
	Preparation Method	Patent Application	PCT/CN2024/085572	Our Company	April 2, 2044
ZG006	Sequence	Granted Patent	ZL2021800268973	Our Company	February 1, 2041
	Sequence	Granted Patent	US11976133	Our Company	February 1, 2041
ZG005	Sequence	Granted Patent	ZL2019800566458	Our Company	June 28, 2039
	Sequence	Granted Patent	US10597453	Our Company	June 28, 2039
ZG2001	Compound	Patent Application	2021107904882	Our Company	July 13, 2041
ZG0895	Compound	Granted Patent	ZL2019110970666	Our Company	November 11, 2039
ZG0895	Crystal Form	Patent Application	2022109569440	Our Company	August 10, 2042
ZG2273	Compound	Patent Application	2025109676319	Our Company	July 14, 2045

We rely on intellectual property rights to protect our technologies, inventions and improvements that we believe are important to maintain the market share of our products. The intellectual property rights that our products have relate principally to their compound, compositions, preparation methods and/or production processes. As of the Latest Practicable Date, our commercialized drugs and drug candidates were covered by patents with relatively long remaining terms, and we have applied, or are in the process of applying, for patent term extension for certain relevant patents in accordance with applicable laws and regulations, where eligible. In light of the above, our Directors are of the view that there is no imminent patent expiry that is expected to materially affect the market exclusivity of our commercialized drugs or drug candidates.

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In order to protect our intellectual property rights, we generally require our employees to enter into confidentiality agreements. These agreements typically provide that all relevant intellectual properties developed by our employees during the course of their employment with us become our intellectual properties and are treated as trade secrets. Our employees are contractually required to refrain from disclosing confidential information to third parties unless authorized in writing by our Board. We also follow procedures, such as patent searches, to ensure that we do not infringe on the intellectual property rights of others and are not engaged in the sales of counterfeit pharmaceutical products.

During the Track Record Period and up to the Latest Practicable Date, we had not been sued on the basis of, and had not undergone arbitration in respect of, nor had we received any notification from third parties claiming infringement of any intellectual property or sales of counterfeit pharmaceutical products that have had a material adverse effect on our business. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not been the subject of any adverse finding in an investigation or audit by any governmental authorities in respect of the infringement of any intellectual property of third parties or sales of counterfeit pharmaceutical products that had a material adverse effect on our business. However, despite our internal control procedures, we are still subject to risks relating to intellectual property rights. See “Risk Factors — Key Risks Relating to Our Business and Industry — Failure to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, other pharmaceutical companies could compete against us more directly, which may have a material adverse impact on our business and results of operations” and “Risk Factors — Risks Relating to Our Business and Industry — We may become subject to intellectual property infringement claims, which could expose us to substantial liability, harm our reputation, limit our research and development or other business activities and/or impair our ability to commercialize our drug candidates.”

DATA PRIVACY AND PROTECTION

We routinely receive, collect, generate, store, process, transmit and maintain medical data treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information, which primarily relates to employee-related information, such as their salary, compensation, copies of identification documents, and qualification certificates collected for internal management purposes. To ensure the security of data throughout its lifecycle, we have established strict data protection policies, including the Data Lifecycle Security Management Regulation (《數據全生命週期安全管理規定》), Cybersecurity Management Regulation (《網路安全管理制度》), Personal Information Protection Regulation (《個人信息保護制度》), and Data Categorization and Hierarchy Regulation (《數據分類分級制度》). We have implemented data protection policies and measures governing the collection, processing, storage, and usage of personal information. These policies include:

Data collection. We conduct compliance assessments when collecting data with prior informed consent from individuals and log records of the collection process.

Data processing. We strictly process data in a manner that protects the legitimate rights of data subjects. We process data for a specific and reasonable purpose and limit our data processing activities to the minimum extent for achieving that purpose.

Data storage. We implement encrypted storage, access logging, data backup, and physical isolation measures (e.g., self-built data centers, cloud services) to prevent data leakage.

Data usage. We have clear and strict authorization and authentication procedures and policies in place. Our employees only have access to data that is directly relevant and necessary for their responsibilities and for limited purposes. Such data usage is regulated through policy training and contractual obligations.

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Therefore, we are subject to the relevant local, state, national and international data protection and privacy laws, directives regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations. As of the Latest Practicable Date, we are primarily subject to PRC laws and U.S. federal and state laws governing data protection and privacy. There might be cross-border data transmission in connection with our collaborations with overseas partners for clinical data analysis and subsequent product development. To ensure the secure transmission and standardized management of clinical trial data relating to our products or product candidates, such as ZG005, investigators at clinical trial centers and CROs are required to de-identified subjects' clinical trial data before uploading such data to the Electronic Data Capture ("EDC") system. As the sponsor of the clinical trials, we access the EDC system to review, query, and download the de-identified clinical trial data. The EDC system is operated by Medidata Solutions, Inc., a corporation incorporated in the State of Delaware, United States, with its servers located in the State of Texas, United States. We act as the data recipient, rather than the transferor, of such cross-border data. As of the Latest Practicable Date, we have received a total of 262 cases of cross-border data. Furthermore, in connection with our collaboration with AbbVie, we propose to transfer de-identified clinical trial data relating to ZG006 to our partner based in the United States. As of the Latest Practicable Date, we have not yet transferred the aforementioned data, but we have completed the filing of the standard contract for the cross-border transfer of personal information with the Cyberspace Administration of Jiangsu Province.

To safeguard the security of cross-border data transmission, we have implemented a series of data protection measures, including: (i) entering into a service agreement with the EDC service provider, which expressly sets out the its data security obligations and liabilities; (ii) entering into cooperation agreements with clinical trial centers and CROs, requiring them to strictly comply with applicable clinical trial standards and confidentiality obligations to ensure the security of the original clinical trial data; and (iii) implementing encryption and access control for the EDC system, under which access is restricted to specifically designated personnel who have obtained prior approval and authorization, and all access and operational activities are subject to audit trail records. Based on the foregoing and as confirmed by our Directors, our Data Privacy Protection Legal Adviser is of the view that our cross-border data access activities as described above are in compliance with applicable PRC data security and personal information protection requirements.

Our employees' personal information is stored in both physical and electronic forms. Hard-copy records are maintained by designated personnel with restricted access. Electronic records are stored on our servers in Kunshan, China, and are accessible only by authorized personnel under internal access control measures. Clinical data is collected and stored by hospitals and CROs via third-party EDC system, with primary storage on Alibaba Cloud servers located in Hangzhou, China. We have designed strict data protection policies to ensure that the collection, use, storage, and processing of medical data comply with applicable laws and prevalent industry practices, including our detailed data management plan for each clinical project. The collection of personal data is primarily performed by hospitals in our clinical trials and operations. Subjects enrolled in the clinical trials are anonymized with assigned subject numbers, and any datasets transferred to us are only associated with the subject numbers, not the actual identities of patients. As a result, we have no access to patients' personally identifiable information, such as their names, identity numbers, phone numbers or home addresses.

Furthermore, we require that all internal employees, as well as hospitals and third-party contractors such as CROs involved in our clinical trials adhere to strict confidentiality requirements. We impose such requirements through contractual data protection and confidentiality clauses, and we also conduct periodic reviews and on-site inspections of hospitals and CROs to verify their data management and confidentiality practices. Additionally, we conduct training to ensure compliance with these standards, thus reinforcing our dedication to maintaining the highest levels of data security and patient confidentiality. This approach not only meets regulatory expectations but also fosters trust among participants and stakeholders involved in our clinical processes.

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Based on the foregoing, our Data Privacy Protection Legal Adviser is of the view that during the Track Record Period and up to the Latest Practicable Date, we had complied with Chinese laws and regulations related to data security and privacy with our products, services and operations in all material aspects in relevant jurisdictions, and had not experienced any material data leakage incidents, and we had neither incurred any related administrative penalties nor received any related administrative inquiry notice. For more details of laws and regulations regarding data privacy and protection, please see the section headed “Risk Factors — Risks Relating to Government Regulations — We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.”

COMPETITION

The pharmaceutical market in China is highly competitive and is characterized by a number of established pharmaceutical companies, as well as some emerging biotechnology companies. We face competition from other pharmaceutical companies and emerging biotechnology companies engaged in the research, development, production, marketing or sales of pharmaceutical products. Our key competitors are large national and regional manufacturers of pharmaceutical products, including large State-owned pharmaceutical companies. We also compete with multinational pharmaceutical companies. Our products primarily compete with products that are indicated for similar conditions as our products on the basis of efficacy, safety, price, brand, general market acceptance, and recognition. The identities of our key competitors vary by product and, in certain cases, our competitors may have greater financial and R&D resources than us, may elect to focus these resources on developing, importing or in-licensing and marketing products in China that are substitutes for our products and may have broader sales and promotion infrastructure with which to do so. See “Industry Overview” for more details about the major competitors of our products. We believe our continued success will depend on our ability to: (i) effectively market and promote our products; (ii) innovate and develop advanced technologies; (iii) develop a broad product portfolio; (iv) maintain high-quality standards; (v) obtain and maintain regulatory approvals; and (vi) attract, retain and cultivate talent.

EMPLOYEES

As of June 30, 2026, we had 1,151 full-time employees, all of whom were based in the PRC. The following table sets forth a breakdown of our total number of employees by function as of June 30, 2026:

Function	Number of Employees	% of total employees
Manufacturing	307	26.7
Sales and academic promotion	473	41.1
R&D	325	28.2
Financing	13	1.1
Others (including operational and management)	33	2.9
Total:	1,151	100.0

We recruit our employees primarily through professional recruitment platforms, campus recruitment, job advertisements, employee referrals and headhunter referrals. Our employees typically enter standard employment contracts with us. We place high value on recruiting, training, and retaining qualified employees. We maintain high standards in selecting and recruiting talent worldwide and provide competitive compensation packages.

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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 laws and 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. 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. We have complied with all statutory social security insurance fund and housing fund obligations applicable to us under the laws and regulations in China in all material aspects during the Track Record Period and as of the Latest Practicable Date.

To maintain and enhance the quality, knowledge and skill levels of our workforce as well as their familiarity with industry quality standards and work safety standards, we provide our employees with periodic training. These trainings cover a wide range of topics, including safety and environmental protection, emergency drills, management knowledge, production quality and process operations, delivered through various formats such as on-site sessions, external training, and internal communications. In addition, R&D and clinical personnel receive continuous professional development through participation in academic conferences, guest lectures by external experts, project reviews and laboratory practice. Our sales teams also undergo regular compliance training to ensure adherence to applicable laws, regulations and internal policies.

We believe we have maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business.

LAND AND PROPERTIES

We are headquartered in Kunshan, China. We own and lease certain properties in the PRC in connection with our business operation. 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 consolidated balance sheet of our Group, none of our properties had a carrying amount of 15% or more of our consolidated total assets.

Owned Properties

As of the Latest Practicable Date, we owned land use rights with respect to two parcels of land in China with land use right certificates, with a total gross land area of approximately 96,340.3 sq.m., and we owned two buildings with building ownership certificates with an aggregate gross floor area of approximately 72,559.5 sq.m. These buildings are primarily used for factories and warehouses.

Leased Properties

As of the Latest Practicable Date, we leased 13 properties with an aggregate gross floor area of approximately 14,593.5 sq.m. in China, which were primarily for the use of production facilities, administrative offices and R&D buildings. For risks related to our leased properties, see “Risk Factors — Key Risks Relating to Our Business and Industry — Our legal right to certain properties may be challenged.”

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INSURANCE

We maintain property insurance covering physical damage to, or loss of, our facilities, equipment, office furniture and inventory and clinical trial insurance covering us against liability in the event of injury to any trial subject caused by serious adverse events in our clinical trials. We also maintain product liability insurance and accident insurance for our daily operations. According to Frost & Sullivan, our insurance coverage on product liability is in line with industry practice. We contribute to social insurance for our employees in accordance with applicable PRC laws, rules and regulations.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

Our Directors believe that our insurance coverage is adequate and in line with industry norm. However, the risks related to our business and operations may not be fully covered by insurance. See “Risk Factors — Key Risks Relating to Our Business and Industry — We have limited insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources.” for more information.

AWARDS AND RECOGNITION

The table below sets forth our recent major awards and recognitions as of the Latest Practicable Date:

Year	Award/Recognition	Award Issuing Authority
2026	Huashan Award – Most Promising Innovative Pharmaceutical Company (華山獎 — 最佳潛力型創新醫藥企業獎)	Yixuejie (醫學界), Tonacea (同寫意)
2025	Top 100 China Pharmaceutical R&D Comprehensive Strength Ranking (2025) (2025中國藥品研發綜合實力排行榜TOP100)	Yaozh.com (藥智網)
2025	Golden Bull Award for Sci-Tech Innovation of Listed Companies (2025) (2025年金牛上市公司科創獎)	China Securities Journal (中國證券報)
2025	Golden Dawn Investor Relations Award (2025) (2025年金曙光投資者關係獎)	Securities Market Weekly (證券市場周刊)
2024	Top 50 China Biologics R&D Strength Ranking (2024) (2024中國生物藥研發實力排行榜TOP50)	Yaozh.com (藥智網)
2023	Top 30 Most Innovative Small-Molecule Pharmaceutical Companies in China (2023) (2023年度中國小分子藥物企業創新力TOP30排行榜)	Menet.com (米內網)
2023	Top 100 Innovative Pharmaceutical Companies in China (2023), First-Tier Ranking (2023中國醫藥創新企業100強，並位列第一梯級)	E-Pharma Manager (E藥經理人)
2023	Biotech Company with the Strongest R&D Capabilities of the Year (2023) (2023年度最具研發實力Biotech企業)	4th China Biopharmaceutical Industry Chain Innovation Awards (第四屆中國生物醫藥產業鏈創新風雲榜)
2023	Top Ten Innovative Pharmaceutical Companies of the Year (2022) (2022年度十大創新藥企)	2nd Huaxia Healthcare Industry Summit (第二屆華夏大健康產業高峰論壇)

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Year	Award/Recognition	Award Issuing Authority
2022	Donafenib Tosylate Tablets (Zepsun [®]) Recognized as “Top Ten New Drugs (Domestic)” (甲苯磺酸多納非尼片(澤普生 [®])榮膺“第十四屆健康中國年度論壇•十大新藥(國內)榜單”)	14th Healthy China Annual Forum (第十四屆健康中國論壇)
2022	Top Ten Innovative Pharmaceutical Companies of the Year (2022) (2022年度十大創新藥企)	Huaxia Times (華夏時報)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We recognize our responsibility to uphold high standards in health, safety, social and environmental practices. We are committed to, after our [REDACTED], complying with the reporting requirements related to environmental, social and governance (“ESG”). We understand the environmental and social-related risks that will affect our business and we, therefore, established the Strategy and ESG Committee for addressing such risks and formulated corresponding working rules to supervise our corporate social responsibility and measures for sustainable development. Our Strategy and ESG Committee is headed by the chairman of the Board and comprises four other executive Directors as its members. The Strategy and ESG Committee 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; and (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.

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 Policies as appropriate if significant deviations from the objectives are identified.

The Board will implement necessary improvements to mitigate ESG risks. The Board and the Strategy and ESG Committee will continue to monitor the Group’s strategic planning for risk management, including climate-related risks and those risks that were monitored as part of standard operating procedures, to ensure that appropriate mitigation measures are implemented as part of regular management reviews.

Identification and Assessment of ESG-Related Risks

We have adopted risk management policies and procedures that establish a framework to identify, assess, evaluate and monitor risks relating to strategic and operational objectives across different stages of our development. The following internal policies and programs set out our risk management approach:

- Our Board oversees the risk management framework, including reviewing annual risk assessment reports, and supervising the Strategy and ESG Committee in conducting periodic risk evaluations.

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- Our Strategy and ESG Committee coordinates and manages the overall risks associated with our business operations and quality control. Its key responsibilities include assessing key risks against our risk tolerance levels and organizing related risk management actions. It works with relevant departments to implement risk prevention and control measures and conducts periodic reviews.
- Relevant departments are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. Each department is responsible for identifying and evaluating risks associated with its working scope.

We take climate-related factors into account in our risk assessment process and risk appetite setting. Where such risks and opportunities are considered material, they are reflected in our strategic and financial planning. We review environmental, social and climate-related risks annually and may adjust our ESG strategies accordingly.

Based on the above measures, during the Track Record Period and up to the Latest Practicable Date, we complied with the relevant environmental and safety laws and regulations in all material aspects, and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or impact on the operations of our business during the period.

Goals, Targets and Policies

We monitor the following indicators to assess and manage our environmental and climate-related risks arising from our business and production activities:

- *Power consumption.* We regularly monitor our electricity consumption levels and implement measures to improve energy efficiency. During the Track Record Period, our electricity consumption levels were 8,127 GWh, 7,585 GWh, 9,080 GWh and 6,731 GWh, respectively.
- *Emission of greenhouse gases.* We regularly monitor the level of greenhouse gas emissions. The table below sets forth a breakdown of our greenhouse gas emissions for the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Scope 1 ⁽¹⁾ (tons of CO ₂ equivalent)	1,847.5	1,686.9	2,404.5	2,486.8
Scope 2 ⁽²⁾ (tons of CO ₂ equivalent)	4,361.1	4,070.2	4,872.4	3,611.8
Scope 3 ⁽³⁾ (tons of CO ₂ equivalent)	20,375.7	26,610.2	91,471.3	53,084.1
Total	26,584.3	32,367.4	98,748.2	59,182.7

Notes:

- (1) Scope 1 emissions cover greenhouse gas emissions directly produced by business owned or controlled by our Group.
- (2) Scope 2 emissions cover greenhouse gas emissions of indirect energy resulted from purchased electricity consumed by our operations.
- (3) Scope 3 emissions cover greenhouse gas emissions of other indirect emissions that occur outside of our operation but are related to our activities and ESG goals.

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- *Water consumption.* We regularly monitor our water consumption levels and implement measures to promote water conservation. During the Track Record Period, our water consumption levels were 75.0 thousand tons, 95.6 thousand tons, 115.3 thousand tons and 103.6 thousand tons, respectively.
- *Discharge of hazardous waste.* We regularly monitor the level of our hazardous waste discharge. During the Track Record Period, our hazardous waste discharge levels were 63 tons, 64 tons, 87 tons and 40 tons, respectively. We have established internal policies governing the generation, collection, storage and handling of hazardous waste, with designated management structures and clearly defined responsibilities. In addition, all hazardous waste is disposed of by qualified third-party contractors that meet our compliance requirements.

We have in place a set of environmental, social and governance policies (“**ESG Policies**”) which are in line with relevant international standards. We strive to reduce the negative impact on the environment through our commitment to energy conservation and sustainable development. We intend to adopt governance measures which are in compliance with pertinent ESG-related laws and regulations, and to monitor and collect ESG-related data so as to prepare our disclosure report after [REDACTED] and in accordance with the Environmental, Social and Governance Reporting Code, Appendix C2 of the Listing Rules in due course. We are preparing and shall formulate our ESG policies in accordance with the standards under Appendix C2 of the Listing Rules, which outlines, among other things, (i) establishment of a green management system; (ii) strict rules on waste disposal; (iii) resources efficiency; and (iv) responses to climate change. We believe that employees are the most valuable resource to us, and are committed to respecting their dignity and treating them with respect. We shall continue to promote work-life balance and create a positive workplace for all of our employees.

The Strategy and ESG committee will set targets for each material key performance indicator at the beginning of each financial year in accordance with the disclosure requirements under Appendix C2 of the Listing Rules and any other relevant rules and regulations after [REDACTED]. Relevant targets of the material key performance indicators will be reviewed annually to ensure that they are still suitable for our needs. When setting the targets for environment-related KPIs, we shall take into account our respective consumption or emission levels during the Track Record Period, and consider our future business expansion in a comprehensive and prudent manner, with a view to crafting a balance between business growth and environmental protection and achieving sustainable development. As our R&D activities advance and commercialization and manufacturing scale up, certain environmental metrics are expected to increase in line with our business expansion. In 2026, we aim to control our water consumption and electricity consumption to increase by approximately 80% to 100%, greenhouse gas emissions by approximately 5% to 25%, and hazardous waste discharge by approximately 5% to 15%, each compared with the levels recorded in 2025. These targets reflect our effort to balance the advancement of our R&D and manufacturing activities with our commitment to environmental responsibility.

Climate-related Risks

The environmental and climate-related risks we are exposed to can be divided into two broad categories: physical and transition risks. We define physical risks as risks related to the physical impacts of climate change, consisting of (i) acute physical risks, such as increased severity of typhoon or floods; and (ii) chronic physical risks that are affected by long-term changes in climate patterns, such as changes in average annual rainfall or temperature. We define transition risks as the transition from dependence on fossil fuels to a low-carbon economy, which may involve changes in policy, laws, technology markets, as well as social culture, such as possible carbon taxes, compliance disclosures, and increased use of new energy sources across businesses and households.

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We have made disaster preparedness plans for the extreme events and will closely monitor our business operation to reduce the possible impacts of physical and transition risks. We incorporate environmental risk analysis into the risk assessment process and risk preference setting. If risks and opportunities are deemed material, we incorporate them into our strategic and financial planning processes and take appropriate mitigation measures. Due to the nature of our business, we are not prone to material impacts of chronic physical risks or transition risks.

Our business, operations and financial condition had not been materially affected by any climate-related events during the Track Record Period and up to the Latest Practicable Date.

Clinical Trial

We have adopted a series of measures to enhance laboratory and clinical trial safety and to ensure compliance with applicable regulations, including establishing and enforcing internal policies and procedures relating to clinical trial operations and safety management. We require our personnel to undergo relevant training and comply with standardized operating procedures, and we require our CROs to follow applicable clinical trial protocols and regulatory requirements.

Product Safety and Quality

We place strong emphasis on product quality and safety. To this end, we have implemented a set of quality control and quality assurance procedures in accordance with applicable regulatory requirements, which are overseen by our quality assurance and quality control teams. In addition, we have put in place quality management measures across our operational processes, covering supplier qualification and selection, raw material procurement controls, production-stage quality assurance and finished product delivery, to maintain consistent product quality. These measures include, among others, defined quality-related specifications and control requirements. For details, see “— Production and Quality Control” in this section.

Employee Health and Safety

Ensuring a secure working environment for our employees is critical to us, as we recognize that a safe and healthy workplace not only safeguards the well-being of our workforce but also underpins the long-term viability of our enterprise. We have established company-wide work safety protocols, complemented with regular safety training initiatives to equip our employees with the requisite awareness and technical expertise to carry out their duties in a secure and efficient manner. Our safety protocols encompass key areas of our operations, including R&D, manufacturing, and office environments, as well as our primary operational sites, such as offices, laboratories, and manufacturing plants. Moreover, we have distinct protocols governing high-risk materials and activities, and dedicated safety management roles to oversee and enforce these measures. We conduct regular meetings and periodic inspections to ensure the consistent adherence to our safety standards.

In addition to proactive preventive safety management systems, we have also established a robust accident reporting system. This system includes the classification of accidents, reporting requirements, and procedures for investigation and handling. The objective of this system is to ensure that any incidents are addressed promptly and efficiently, while also serving as an educational tool to prevent the recurrence of similar accidents in the future. By systematically analyzing accidents, we aim to implement corrective actions and enhance our safety protocols, thereby fostering a culture of continuous improvement and safety awareness throughout the organization. During the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable health and work safety related laws and regulations and did not experience any material incidents and claims for personal or property damage related to health and occupational safety.

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Integrity and Business Ethics

We are committed to creating a fair business management environment. We promote clear work ethics to employees, and strictly prohibit bribery, extortion, fraud, money laundering and other unethical behaviors, such as gambling, misappropriation of our Group’s assets, provision or acceptance of gifts or other improper benefits. In the event of any fraud, it should be reported to our Group through proper channels. We have set up hotlines and e-mails responsible for receiving fraud reports and complaints with senders’ names or anonymous reports from employees and external third parties, preparing written records accordingly and reporting to the management in a timely manner. Any illegal discrimination or retaliation against whistleblowers or hostile measures against employees involved in investigations are prohibited.

Workforce Welfare and Diversity

We are steadfast in our commitment to fostering an open and inclusive workplace that champions equality. We hire employees based on their merits and it is our corporate policy to offer equal opportunities to them regardless of gender, age, race, religion or any other social or personal characteristics. We respect labor rights, and we strictly prohibit the recruitment and use of child labor. We established human resources management policies that systematically outline the recruitment processes, promotion procedures, dismissal/resignation processes, performance evaluation approaches, retention strategies, salary and benefits procedures, employee training, etc.

As of June 30, 2026, approximately 50.2% of our total employees were females. Our employees boast a diverse range of experiences and professional backgrounds, encompassing areas such as biomedicine, biochemistry, pharmaceutical engineering, financial management, human resources, and intellectual property, among others. We adhere to a fair and transparent employee management system and strive to enhance gender and age diversity of our workforce. We actively provide training to equip our employees with professional knowledge, skills, and competence, we also encourage employees to actively participate in various training programs during their spare time to enhance their personal and professional skills. During the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant labor laws and regulations in all material aspects.

Supply Chain Management

Our suppliers primarily include raw material suppliers and contract services providers. Our considerations in supply chains include technical quality, cost effectiveness, delivery efficiency and reliability. Accordingly, we define risks related to supply chains consisting of shortage of raw materials, workforce health and safety incidents, proper disposal of hazardous waste, and internal control for corruption and bribery.

To identify and cope with any potential risks, we established procurement management policies that clearly define the overall review and regular evaluation processes for suppliers, based on which we made a qualified supplier list and update the list from time to time. Additionally, we established management policies in relation to procurement of technical contract services that specifies the responsibilities for the service providers, including CROs, testing organizations, clinical trial centers, etc. The policies also outline due diligence procedures, selection criteria, approval process, performance management and payment settlement. Furthermore, we tend to opt for scaled suppliers with good reputation as we believe such partners are subject to stricter compliance standards and capable of offering more environmentally-friendly products and services. We have also implemented strict anti-corruption and anti-bribery policies to prevent collusion and corruption.

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LICENSES, PERMITS AND CERTIFICATES

We are required to obtain and renew certain certificates, permits, and licenses for providing our services. See “Regulatory Overview” for more information about the material certificates, permits, and licenses required for our business operations in the PRC. As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite certificates, permits and licenses that are material for our operation, and all of such certificates, permits and licenses are within their respective effective periods, and there was no material legal impediment to the renewal of the certificates, permits and licences scheduled to expire in the near term. We also had not experienced any material difficulty in renewing such certificates, permits and licenses during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we have not been penalized by the relevant government authorities for any non-compliance relating to maintenance and renewal of our material certificates, permits and licenses.

The table below sets forth the relevant details about the material licenses required for our operation in the PRC:

<u>License/Permit</u>	<u>Holder</u>	<u>Issuing Authority</u>	<u>Date of Grant</u>	<u>Expiry Date</u>
Drug Registration Certificate – Zesuning (Human Thyrotropin beta for Injection)	Our Company	NMPA	January 5, 2026	January 4, 2031
Drug Registration Certificate – Zepsun [®] (Donafenib Tosilate Tablets)	Our Company	NMPA	November 4, 2025	June 6, 2031
Drug Registration Certificate – Zepuping (Gecacitinib Hydrochloride Tablets) . . .	Our Company	NMPA	May 27, 2025	May 26, 2030
Drug Registration Certificate – Zepuning (Recombinant Human Thrombin)	Our Company	NMPA	December 26, 2023	December 25, 2028
Drug Manufacturing Certificate ⁽¹⁾	Our Company	Jiangsu Provincial Medical Products Administration (江蘇省藥品監督管理局)	May 17, 2026	December 5, 2030

Note:

- (1) Pursuant to the drug manufacturing certificate, we are approved to manufacture all four of our commercialized drugs.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subjected to legal proceedings, disputes or other claims that arise in the ordinary course of business. As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we are not aware of any claims or proceedings contemplated by government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigation. As advised by our PRC Legal Adviser, we had complied with the relevant PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

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As of the Latest Practicable Date, we had not completed the relevant property leasing registration for ten of our leased properties. For details of the risk associated with the unregistered lease agreements, please refer to “Risk Factors — Other Risks Relating to Our Operations — Our legal right to certain properties may be challenged.” During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any penalties arising from the non-registration of our lease agreement and had not experienced any dispute arising out of, or in relation to, our leased properties. As advised by our PRC Legal Adviser, the validity of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. We undertake to cooperate fully to facilitate the registration of lease agreements once we are notified of any requirements by the relevant government authorities. Our PRC Legal Adviser has advised us, and our Directors believe, that such non-registration would not materially and adversely affect our business operations. Taking into account the PRC Legal Adviser’s advice and the due diligence conducted, nothing has come to the Sole Sponsor’s attention that would cause the Sole Sponsor to disagree with the Directors’ view.

During the Track Record Period, we failed to pay social insurance premiums and housing provident funds in full for and on behalf of some of our employees in accordance with applicable PRC laws and regulations. We did not make a provision for the shortfall as the amounts are immaterial relative to the our total assets and are not expected to materially affect our financial statements. Our PRC Legal Adviser is of the view that the risk of incurring material administrative penalties issued by the relevant government authorities is remote based on the following reasons: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant government authorities requiring us to settle any payment shortfall; (ii) we had not been subject to any administrative penalties with respect to social insurance premiums and housing provident funds; and (iii) if any notice related to the payment of social insurance and housing provident funds is received from government authorities in the future, we undertake that we will make up the required amount within the stipulated period. For details, see “Risk Factors — Risks relating to government regulations — Failure to comply with relevant regulations relating to social insurance and housing provident fund may subject us to penalties and adversely affect our business, financial condition, results of operations and prospects.”

Therefore, our Directors believe that our failure to fully pay social insurance premiums and housing provident funds will not have an adverse impact on our financial condition and business operations. Taking into account the PRC Legal Adviser’s advice and the due diligence conducted, nothing has come to the Sole Sponsor’s attention that would cause the Sole Sponsor to disagree with the Directors’ view.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks in our business operations, and we believe that risk management is important to our success. See “Risk Factors — Key Risks Relating to Our Business and Industry” for more details. 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, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system;

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- adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against noncompliance in employee handbooks;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies [REDACTED] in Hong Kong;
- enhance our reporting and records system for production facilities, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities; and
- establish a set of emergency procedures in the event of major quality-related issues; and provide enhanced training programs on quality assurance and product safety procedures.

Risks identified by management will be analyzed based on likelihood and impact and will be properly followed up, mitigated and rectified by our Company and reported to our Directors. Our Audit Committee, and ultimately our Directors supervise the implementation of our risk management policies.

Internal Control

Our management team is responsible for establishing our internal controls system and 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 from October to December 2025 and identified internal control deficiencies and provided recommendation accordingly. We have adopted the corresponding remediation actions to improve the effectiveness of internal control system. The internal control consultant conducted follow-up review on the remediation status of our internal control system, and as of the Latest Practicable Date, no material deficiencies were identified.

During the Track Record Period, we regularly reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented:

- We have formulated a series of policies that establish the audit committee and remuneration committee, specifying the qualifications, roles, responsibilities, nomination and decision-making processes for committee members. Additionally, we have enacted policies preventing conflicts of interest between committee members, directors and officers, employees and other external business partners.
- We maintain strict anti-corruption and anti-bribery policies among our sales personnel in our sales and academic promotion activities. We also require our distributors to bear integrity obligations pursuant to our distribution agreements. We believe we will therefore be less affected by the increasingly stringent measures taken by the PRC government to correct corruptive practices in the biopharmaceutical industry.

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We have implemented policies for anti-money laundering compliance, including counterparty due diligence, transaction review and approval procedures, and monitoring of unusual transactions. We also require proper documentation and authorization for payments and fund flows. Suspicious activities are subject to internal reporting and escalation procedures.

- We have implemented policies relating to procurement and inventory management, further strengthening our supply chain management capabilities and quality control monitoring.
- Guided by the recommendations from our internal control consultant, we have adopted various policies in relation to information disclosure, ensuring compliance with the Listing Rules.
- We provide various training programs to keep our employees updated on relevant laws, regulations, and policies. Our new employees are required to attend compliance training programs soon after on-boarding and must pass tests which examine their understanding of the compliance issues addressed by the training programs. Our employees are also required to regularly attend on-site and online training sessions to keep them informed of recent updates in the relevant laws and regulations.
- Our Directors, who are responsible for monitoring the corporate governance of our Group, with help from our legal adviser, will also periodically review our compliance status with all relevant laws and regulations after the [REDACTED].

Based on the result of the follow-up review, our Directors are of the view and our internal control consultant concurs that our internal control system in relation to anti-money laundering, anti-corruption and anti-bribery, if implemented continuously, is adequate and effective for our current operational environment.

IMPACT OF COVID-19

Our Directors are of the view that the COVID-19 pandemic did not have any material adverse impact on our business operations or financial performance during the Track Record Period and up to the Latest Practicable Date, as we did not experience any material or prolonged operational disruptions and our clinical development, manufacturing and commercialization activities generally progressed as planned. In addition, as COVID-19 prevention and control measures have been substantially lifted since December 2022, our Directors consider it unlikely that the pandemic will have a material adverse impact on us going forward.