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Application Proof of



Zenshine Pharmaceuticals (Nanjing) Group Co., Ltd.
征祥醫藥(南京)集團股份有限公司

(the "**Company**")

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

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征祥医药
ZENSHINE

Zenshine Pharmaceuticals (Nanjing) Group Co., Ltd.

征祥醫藥(南京)集團股份有限公司

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

[REDACTED]

Number of [REDACTED] in the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB0.10 per H Share**
[REDACTED]	**:**	**[REDACTED]**

Sole Sponsor, [REDACTED]

CICC 中金公司

[REDACTED]

[•]

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The [REDACTED] (for itself and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range that stated in this document at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.zenshine-pharma.com** as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [REDACTED]. For more details, see "Structure of the [REDACTED]" and "How to Apply for [REDACTED]."

Prior to making an [REDACTED] decision, prospective [REDACTED] should consider carefully all of the information set out in this document, including but not limited to the risk factors set out in "Risk Factors."

The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure applicants for the [REDACTED] for, the [REDACTED], are subject to termination by the Sole Sponsor and the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Such grounds are set out in "[REDACTED] — Grounds for Termination."

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the risks involved in [REDACTED] in the [REDACTED] are set out in the "Risk Factors" section of this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. In particular, we are a biotechnology company seeking to [REDACTED] on the [REDACTED] of the [REDACTED] under Chapter 18A of the Listing Rules as we do not meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies like ours. Our Core Product is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. We may continue to incur substantial costs and expenses in relation to research and development activities for the Core Product, sebaloxavir marboxil tablets, for its indication expansion, and such indication expansion may not be successfully developed or marketed. Your [REDACTED] decision should be made in light of these considerations.

OVERVIEW

Founded in 2018, we are a commercial stage biopharmaceutical company dedicated to discovering, developing and commercializing innovative therapeutics that address medical needs with limited available therapies across viral infectious diseases, oncology, and inflammatory disorders. We have one Core Product, sebaloxavir marboxil tablets, which is an inhibitor targeting the influenza virus polymerase acidic protein ("**PA**") endonuclease. It has obtained its new drug application ("**NDA**") approval from National Medical Products Administration of the PRC ("**NMPA**") in July 2025 for the treatment of adult influenza and subsequently obtained NDA approval for the treatment of adolescent patients in June 2026; and we are also developing prevention of influenza in individuals who have been exposed to the virus. The market of development and commercialization of innovative antiviral drugs is highly competitive. For details, please see "Risk Factors — "Risks Relating to the Development of Our Drug Candidates — We may face intense competition and rapid technological change and the possibility that our competitors may develop drugs and therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates".

As of the Latest Practicable Date, we have developed a pipeline of six proprietary small molecule drug assets, including our commercialized anti-viral sebaloxavir marboxil tablets, a late clinical stage sebaloxavir marboxil for suspension (in the form of granules-for-suspension) targeting pediatric influenza patients, a phase 1 stage selective ectonucleotide pyrophosphatase/phosphodiesterase 1 ("**ENPP1**") inhibitor ZX-8177 for the treatment of solid tumors, with an IND application submitted to the NMPA in August 2026, subsequent to the Latest Practicable Date, for the treatment of hypophosphatasia ("**HPP**"), and an IND-enabling stage DNA polymerase inhibitor ZX-12042B for the treatment of human papillomavirus ("**HPV**") infections. We also have two preclinical stage drug candidates targeting herpes simplex virus ("**HSV**") infections and autoimmune diseases.

WE MAY NOT SUCCESSFULLY DEVELOP AND COMMERCIALIZE OUR CORE PRODUCT, SEBALOXAVIR MARBOXIL TABLETS, OR OTHER DRUG CANDIDATES.

OUR DRUG PORTFOLIO

As of the Latest Practicable Date, we had a drug portfolio consisting of six drug assets. The following chart illustrates our pipeline and development stage as of the Latest Practicable Date.

Category	Pipeline	Target	Indication	Commercial Rights	Preclinical	Phase 1	Phase 2	Phase 3	NDA	Commercialization	Competent Authority	Source	Next milestone	Target Jurisdiction
Viral Infectious Disease	★ Sebaloxavir marboxil tablets	Viral PA protein	Uncomplicated type A and B influenza treatment in adults[1]	(7)							NMPA	Internally developed		China and Middle East and North Africa
			Uncomplicated type A and B influenza treatment in adolescents[2]								NMPA	Internally developed		
			Uncomplicated type A and B influenza post-exposure prophylaxis[3][4]								NMPA	Internally developed	Phase 3 completion in 2028	
	Sebaloxavir marboxil for suspension	Viral PA protein	Uncomplicated type A and B influenza treatment for children[5]								NMPA	Internally developed	NDA approval in 2027	
			Uncomplicated type A and B influenza post-exposure prophylaxis for children[3][6]										Phase 3 completion in 2028	
	ZX-12042B	DNA polymerase	HPV infection								NMPA	Internally developed	IND submission in 2027	China
	ZX-15002	Helicase-primase	HSV infection								NMPA	Internally developed	IND submission in 2027	China
Oncology	ZX-8177	ENPP1	Advanced cancer in solid tumor[8]								NMPA	Internally developed	Phase 1 dose escalation part completion in 2026	China
			HPP								NMPA	Internally developed	IND approval	China
Inflammatory Disorders	ZX-14000	STAT6	Autoimmune diseases								NMPA	Internally developed	IND submission in 2027	China

★ Core product

Notes:

(1) Sebaloxavir marboxil tablets were approved by the NMPA in July 2025.

(2) Based on communications with Center for Drug Evaluation ("**CDE**"), we did not conduct phase 1 and phase 2 clinical trials. For details, see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets — Formulations — Sebaloxavir Marboxil Tablets — Our Core Product — Material Communications with Competent Authority." We have completed a phase 3 clinical trial and submitted the NDA to expand the target patient age of sebaloxavir marboxil tablets to adolescents, which was accepted by the NMPA in April 2025. The NDA was approved in June 2026.

(3) Influenza post-exposure prophylaxis refers to the preventive administration of influenza antiviral medications to individuals who have been exposed to confirmed or suspected influenza cases but have not yet developed symptoms.

(4) We have obtained an IND approval from CDE to initiate phase 3 clinical trial for influenza post-exposure prophylaxis with sebaloxavir marboxil tablets in April 2025. The target age group for this IND comprises adults, adolescents, and children aged 5 years and older. Considering the difficulty that younger pediatric patients have with swallowing solid oral dosage forms and the need for weight-based dosing flexibility in children, we are developing sebaloxavir marboxil for suspension specifically for pediatric patients, and we obtained an IND from the NMPA in May 2026. We plan to initiate this phase 3 clinical trial in 2026. For details, see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets — Formulations — Sebaloxavir Marboxil Tablets — Our Core Product — Material Communications with Competent Authority."

(5) Following a series of regulatory communications with the NMPA, we completed (i) a phase 1 bridging pharmacokinetics study with sebaloxavir marboxil for suspension in adults; and (ii) a clinical study of sebaloxavir marboxil tablets in patients aged 5 to 11 years, for the development of sebaloxavir marboxil for suspension. In July 2025, the NMPA confirmed that they had no objections for us to proceed with a phase 3 pivotal clinical trial with sebaloxavir marboxil for suspension in pediatric patients. For details, see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets — Formulations — Sebaloxavir Marboxil for Suspension — Development Strategy and Communications with Competent Authority." We have completed this clinical trial and submitted the NDA application to the NMPA in June 2026, which was accepted by the NMPA in July 2026 and is currently under review.

(6) We plan to expand the indication of sebaloxavir marboxil for suspension to post-exposure prophylaxis in children and to initiate its phase 3 clinical trial in 2026, without conducting phase 1 and phase 2 clinical trials, taking into account (i) CDE did not require us to conduct separate phase 1 and phase 2 clinical trials for the indication expansion to post-exposure prophylaxis for sebaloxavir marboxil tablets; and (ii) we have completed the phase 3 clinical trial for sebaloxavir marboxil for suspension for influenza treatment in children in China and submitted the NDA application to the NMPA prior to the planned phase 3 clinical trial for post-exposure prophylaxis in children. In May 2026, we obtained the IND approval for sebaloxavir marboxil tablets and sebaloxavir marboxil for suspension for a combined phase 3 clinical trial for patients aged 2 years and older.

(7) As of the Latest Practicable Date, we hold the commercial rights to our Core Product in China. In August 2023, we entered into an exclusive sales and promotion agreement with Jumpcan Pharmaceutical for sebaloxavir marboxil oral formulations in China. In July 2025, we entered into a license and distribution agreement with Cigalah Medpharm Trading LLC in relation to the distribution of sebaloxavir marboxil oral formulations, with Saudi Arabia and the UAE being our immediate target markets. In particular, our immediate commercialization focus is primarily concentrated on Saudi Arabia and the United Arab Emirates (UAE). These two markets represent our strategic priorities due to their favorable business environments, robust healthcare infrastructure, and strong patient affordability. For details, please see "Business — China Market — Relationship with CSO — China Sales and Promotion Agreement" and "— Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations."

(8) Advanced cancer refers to malignant tumors that have progressed (including local progression and distant metastasis) following standard treatments recommended by The Chinese Society of Clinical Oncology ("**CSCO**") guidelines, are unresectable, or for which there are currently no standard treatments available or the patient is intolerant to standard therapies.

SUMMARY

Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets

Sebaloxavir marboxil (ZX-7101A) is an in-house developed inhibitor targeting the influenza virus PA endonuclease. We are currently developing two different formulations of sebaloxavir marboxil, which are registered and regulated as two separate products by the NMPA, namely our Core Product — the sebaloxavir marboxil tablets and sebaloxavir marboxil for suspension. The tablet formulation represents sebaloxavir marboxil's most advanced development program, for which we have obtained its NDA approval from NMPA in July 2025 for the treatment of adult influenza. The NDA for sebaloxavir marboxil tablets for the treatment of influenza in adolescent patients was approved by the NMPA in June 2026. In addition, we are developing a suspension formulation of sebaloxavir marboxil, to offer a dosage form to improve medication adherence in pediatric patients. We completed its phase 3 clinical trial and submitted the NDA to the NMPA in June 2026. For both formulations, we submitted an IND application for a combined phase 3 clinical trial for influenza post-exposure prophylaxis in February 2026, which was approved by the NMPA in May 2026. We are currently preparing for subject enrollment for the combined phase 3 clinical trial.

We believe sebaloxavir marboxil tablets have the following advantages:

- **Broad-Spectrum Activity.** Sebaloxavir marboxil specifically inhibits the replication process of influenza virus by blocking a key enzyme required for the virus to reproduce its genetic material, thereby exerting potent and sustained antiviral activity. This broad-spectrum profile positions sebaloxavir marboxil tablets not only as a therapeutic option for seasonal influenza but also as a strategic reserve against potential future pandemic threats from novel or mutated viral strains, addressing the limitations in the current antiviral drug market.

- **Efficacy Profile.** Phase 3 clinical trials demonstrated that sebaloxavir marboxil significantly reduced both the duration of influenza symptoms and the time to viral clearance in adults and adolescents with uncomplicated influenza. The treatment exhibited consistent efficacy across all weight categories, with no requirement for dose adjustment.

- **Safety Profile.** Sebaloxavir marboxil showed a favorable safety profile in phase 3 trials, with adverse event rates similar to placebo. Gastrointestinal adverse drug reactions ("**ADRs**") were rare — 0.3% in adults and none in adolescents — addressing common tolerability issues seen with traditional flu treatments. Its metabolism independent of CYP450 enzymes also minimizes drug-drug interaction ("**DDI**") risks, making it a safer option for patients on multiple medications.

- **Drug design.** Sebaloxavir marboxil's selenium-based molecular design enhances potency, selectivity and metabolic stability, resulting in improved pharmacokinetic performance. Preclinical studies showed substantially higher oral bioavailability than baloxavir marboxil in both rats and monkeys, along with superior therapeutic effects in ferret influenza models. Phase 1 clinical data in humans confirmed these advantages, demonstrating a 34–45% longer half-life and over 14% higher systemic exposure, suggesting potential for improved clinical efficacy.

Market Opportunity and Competition

In China, influenza prevalence shows marked seasonality and regional variation due to the country's vast geographic span and diverse climates. Based on national surveillance and epidemiological studies, the average annual excess mortality rate associated with respiratory and circulatory diseases attributable to influenza is estimated at approximately 12.4 per 100,000 population in northern cities and 8.8 per 100,000 in southern cities. The elderly, children and patients with chronic underlying conditions account for a higher proportion of severe cases. The

management and prevention of influenza are typically stratified based on disease severity and seasonal risk. PA inhibitors represent a subset of the broader influenza antiviral drug market. The influenza anti-viral drug market in China was RMB13.7 billion in 2025, including RMB10.4 billion from neuraminidase inhibitors ("**NAIs**") and other antivirals and RMB3.3 billion from PA inhibitors, representing 75.8% and 24.2% of the anti-viral drug market in China in 2025. The market is expected to reach RMB14.2 billion by 2035, with PA inhibitors accounting for RMB13.6 billion and NAIs and other antivirals accounting for RMB0.6 billion.

Influenza antivirals have evolved through several generations of development. The latest class, PA inhibitors, offers single-dose oral administration with symptom-relief efficacy comparable to neuraminidase inhibitors, while providing superior reductions in viral load and duration of viral shedding. These advantages enhance patient adherence and support faster interruption of transmission chains, establishing PA inhibitors as a promising new therapeutic category in influenza treatment. The following tables set forth an overview of the approved originator antiviral influenza drugs in the world as of the Latest Practicable Date.

Global Competitive Landscape of Antiviral Drugs, as of the Latest Practicable Date

Generic/Trade Name	MoA	Company	Initial Approval Date	Median Time to Symptom Alleviation	Elimination Half-life	China Indication	U.S. Treatment/ Prophylaxis	Treatment Cost in China (RMB)
Baloxavir marboxil/速福達/Xofluza. .	PA inhibitor	Roche	Tablets: CN 2021–04; US 2018–10; Suspension: CN 2023–12; US 2020–11	53.7 h vs. 80.2 h (33.0% reduction)	79.1 h	Tablets: Acute uncomplicated influenza A or B in patients aged ≥5 years Suspension: Uncomplicated influenza A or B in children aged 1 to <12 years, including otherwise healthy patients and those at high risk of influenza-related complications	Treatment: ≥5 years old Prophylaxis: ≥5 years old	Suspension 193; Tablets 222
Suraxavir marboxil/伊速達	PA inhibitor	QingFeng Pharmaceutical	CN: 2025–03	42.0 h vs. 63.0 h (33.3% reduction)	58.1–75.9 h	Uncomplicated influenza A/B in patients aged ≥12 years	Not approved	175
Sebaloxavir marboxil/濟可舒 .	PA inhibitor	Zenshine Pharmaceutical/Our Company	CN: 2025–07	39.4 h vs. 62.9 h (37.4% reduction)	83–126 h	Uncomplicated influenza A/B in patients aged ≥12 years	Not approved	222
Pixavir marboxil /壹立康	PA inhibitor	Joincare Pharmaceutical	CN: 2025–12	60.9 h vs. 87.9 h (30.7% reduction)	33.8–39.4 h	Uncomplicated influenza A/B in patients aged ≥12 years	Not approved	198
Favipiravir/海復康 .	PB1 inhibitor	Hisun Pharmaceutical	CN: 2020–02	84.2 h vs. 98.6 h (14.6% reduction)	2.5–5 h	Novel or re-emerging influenza in adults, for use when other anti-influenza antivirals are ineffective or insufficient	Not approved	N/A
Onradivir/安睿威 . .	PB2 inhibitor	Zhongsheng Pharmaceutical	CN: 2025–05	38.8 h vs. 63.4 h (38.8% reduction)	12–35 h	Uncomplicated influenza A in adults	Not approved	N/A
Oseltamivir phosphate/達菲/ Tamiflu	NAI	Roche	Capsule: CN 2001–01; US 1999–10; Suspension: US 2000–12	53.8 h vs. 80.2 h (32.9% reduction)	6–10 h	Treatment of influenza A/B in patients aged ≥1 year, initiate within 48 hours of symptom onset Prophylaxis of influenza A/B in patients aged ≥13 years	Treatment: ≥2 weeks Prophylaxis: ≥1 year old	Capsule 172
Zanamivir/依樂韋/ Relenza	NAI	GSK	CN: 2009–07; US: 1999–07	120 h vs. 144 h (16.7% reduction)	2.5–5.1 h	Treatment of influenza A/B in adults and children aged ≥7 years	Treatment: ≥7 years old Prophylaxis: ≥5 years old	N/A
Peramivir Rapivab/瑞貝塔/Rapiacta . .	NAI	BioCryst	US: 2014–12; not approved in mainland China	59.1 h (300 mg)/59.9 h (600 mg) vs. 81.8 h (27.8%/26.8% reduction)	20 h	Not approved in mainland China	Treatment of acute uncomplicated influenza in patients aged ≥6 months; prophylaxis not approved	N/A

Source: Public Information; Annual Reports; the Lancet; NEJM; CIC

Notes: 1. Only showing originator drugs; 2. Treatment cost is calculated based on an adult weighing 75 kg; children's treatment cost is calculated based on an average body weight of 28.75 kg for boys and girls aged 5–11 years based on 2014 National Physical Fitness Monitoring Bulletin

SUMMARY

As a PA inhibitor, Sebaloxavir Marboxil demonstrates clear advantages over neuraminidase inhibitors (e.g., Oseltamivir) in terms of compliance, efficacy, and safety, among other aspects. The following table sets forth a summary of the competitive advantages of Sebaloxavir Marboxil compared to products targeting the same indication.

Comparative Analysis of Sebaloxavir Marboxil vs. Competing Antiviral Agents

	Summary of Sebaloxavir Marboxil's Advantages	Sebaloxavir Marboxil	Baloxavir Marboxil	Suraxavir Marboxil	Pixavir Marboxil	Oseltamivir
Mechanism of Action	Targets the PA subunit of viral RNA polymerase, inhibiting viral RNA transcription and replication	RNA polymerase PA subunit inhibitor	RNA polymerase PA subunit inhibitor	RNA polymerase PA subunit inhibitor	RNA polymerase PA subunit inhibitor	Neuraminidase inhibitor
Half-life[1]	Long duration of action, supporting a single-dose treatment regimen	83 — 126 h	79.1 h	58.1 — 75.9 h	33.8 — 39.4 h	6 — 10 h
Dosage and Administration . .	Single-dose regimen with no weight-based dose adjustment in adults, providing greater treatment convenience	Single dose: 80 mg (adults), 40 mg (adolescents)	Single dose: ≥20 kg and < 80 kg: 40 mg; ≥80 kg: 80 mg	Single dose: 40 mg	Single dose: < 80 kg: 40 mg; ≥80 kg: 80 mg	75 mg BID × 5 days
Median Time to Symptom Alleviation vs. Placebo[2]	Shortest median time to symptom alleviation and greatest percentage reduction versus placebo among the selected agents, based on their respective clinical trials	39.4 h vs. 62.9 h; reduced by 37.4%	53.7 h vs. 80.2 h; reduced by 33.0%	42.0 h vs. 63.0 h; reduced by 33.3%	60.9 h vs. 87.9 h; reduced by 30.7%	53.8 h vs. 80.2 h; reduced by 32.9%
Drug-Drug Interactions/ Metabolism	No CYP450 involvement in the metabolism of sebaloxavir marboxil or sebaloxavir, indicating relatively low potential for CYP-mediated drug- drug interactions	Hydrolyzed by carboxylesterases to active sebaloxavir, which can be further metabolized via UGT2B7; CYP450 enzymes are not involved in its metabolism	Primarily metabolized via UGT1A3, with minor contribution from CYP3A4	Active metabolite is primarily metabolized via CYP3A4; potential interactions with CYP3A4 inhibitors should be considered	UGT1A3-mediated glucuronidation and oxidative metabolism; no dedicated clinical DDI study has been publicly reported	Extensively converted by hepatic esterases to active oseltamivir carboxylate; low potential for CYP-mediated DDIs
Safety Profile	Low incidence of gastrointestinal adverse reactions reported in clinical studies	GI ADRs: 0.3% in adults	Diarrhea: 3%; Nausea: 2%	Diarrhea: 6.1%; Sinus arrhythmia: 4.8%; Sinus bradycardia: 2.5%	Overall AEs: 25.0%; Hyperuricemia: 2.0%; Sinus arrhythmia: 1.2%	Nausea: 10%; Vomiting: 8%; Headache: 2%

ZX-8177 — Potent and Selective ENPP1 Inhibitor

ZX-8177 is our in-house-developed potent and selective ENPP1 inhibitor being developed for oncology and HPP indications. We are currently conducting a phase 1 clinical trial of ZX-8177 for the treatment of solid tumors in China and are also developing ZX-8177 for HPP. Subsequent to the Latest Practicable Date, we submitted an IND application to the NMPA for the treatment of HPP in August 2026.

Phase 1 Stage Oncology Indication

ZX-8177 demonstrates promising single-agent anti-tumor activity in preclinical models by enhancing stimulator of interferon genes ("**STING**") pathway activation and immune cell-mediated tumor killing. The compound shows synergistic effects when combined with chemotherapy, radiotherapy, poly (ADP-ribose) polymerization ("**PARP**") inhibitor and PD-L1 antibodies, positioning it as a potential immunotherapeutic agent for cancer treatment. We are currently conducting a phase 1 clinical trial of ZX-8177 for the treatment of solid tumors in China. We expect to complete the dose escalation part of the phase 1 clinical trial in 2026.

We believe ZX-8177 has the following advantages.

- **Consistent activity regardless of pH levels.** Many ENPP1 inhibitors under development lose potency at physiological pH, limiting their binding affinity. ZX-8177 overcomes this challenge through a phosphate-based terminal group that preserves charge and zinc-binding capacity across a broad pH range. This design ensures sustained inhibitory activity under physiological and acidic conditions, effectively maintaining *in vitro* potency and translating it into in vivo therapeutic efficacy.

- **Extracellular targeting with carefully controlled membrane impermeability.** ZX-8177 is purposefully designed as a membrane-impermeable ENPP1 inhibitor to improve therapeutic efficacy while reducing safety risks. ZX-8177 acts exclusively in the extracellular space to prevent 2',3'-cyclic GMP-AMP (cGAMP) degradation after its natural export from tumor cells. This selective mechanism enhances the accumulation of cGAMP (a naturally occurring immune signaling molecule) outside the cell, promotes localized STING activation in immune cells and reduces off-target effects, supporting a favorable safety profile validated by preclinical studies.

- **Strong anti-tumor activity as monotherapy in preclinical studies.** Preclinical studies demonstrate that ZX-8177 monotherapy drives reprogramming of the tumor microenvironment, markedly enhancing anti-tumor immune activation. Treatment increases $CD8^+$ T cells, functional $CD8^+GrB^+$ T cells ("**T cells**") and natural killer cells ("**NK cells**"), while promoting a shift toward immunostimulatory M1 macrophages and reducing immunosuppressive M2 populations. By enriching key immune effector cells, ZX-8177 establishes a pro-inflammatory, tumor-suppressive environment, enabling strong single-agent efficacy and differentiating it from immunotherapies that depend on combination approaches.

- **Combination therapy potential.** Preclinical studies demonstrate that ZX-8177 enhances the efficacy of standard cancer therapies through complementary mechanisms. When combined with cisplatin, ZX-8177 produced significantly greater tumor inhibition than cisplatin ("**cisplatin**") alone, validating its ability to amplify chemotherapy-induced immune activation by preventing cGAMP degradation. Similarly, in BRCA1-mutant gastric cancer models, the combination of ZX-8177 with the PARP inhibitor olaparib resulted in marked tumor suppression, whereas either agent alone showed limited effect. These findings highlight ZX-8177's potential as a synergistic partner to established treatments, improving outcomes and enabling dose optimization in difficult-to-treat cancers.

IND Stage HPP Indication

HPP is a rare, genetically heterogeneous mineralization disorder caused by loss-of-function variants in ALPL, which result in the accumulation of inorganic pyrophosphate ("**PPi**"), leading to a clinical spectrum ranging from lethal perinatal disease to adult stress fractures, chronic pain and isolated dental disease. The current standard treatment for HPP, TNAP enzyme replacement therapy ("ERT"), improves survival and mineralization, but is injection-intensive, immunogenic, and approved primarily for perinatal/infantile- and juvenile-onset disease. ENPP1 inhibition represents a mechanistically attractive oral alternative for later-onset HPP because ENPP1 is the main extracellular source of PPi. In a proof-of-concept HPP mouse study, preliminary results demonstrated that ZX-8177 treatment significantly increased femur and tibia length.

ZX-12042B — IND-Enabling Stage HPV Infection Drug

ZX-12042B is a proprietary prodrug that works by blocking a key enzyme (DNA polymerase) responsible for copying the virus's genetic material, and ZX-12042B is metabolized to its active form PMEG-DP, which inhibits host cell DNA polymerase to block HPV replication while inducing apoptosis of infected cells to clear pathological lesions such as genital warts and cervical intraepithelial neoplasia ("**CIN**"). This dual mechanism — suppressing viral replication and eliminating HPV-induced proliferative tissue — positions ZX-12042B as a therapeutic, preventive and transmission-blocking strategy for HPV infections and associated diseases, particularly high-risk HPV-driven cervical precancerous lesions, persistent cervical high-risk HPV infection and viral warts. We are currently conducting IND-enabling studies for ZX-12042B for the treatment of CIN2/3 associated with high-risk HPV infection and we plan to submit the IND application to the NMPA in the second half of 2027.

Other Preclinical Drug Candidates

Our drug pipeline also consisted of two preclinical drug candidates, details of which are summarized as follows.

- **ZX-15002.** ZX-15002 is a proprietary drug that works by blocking the complex of enzymes (helicase-primase) involved in the virus's replication process being developed for the treatment of herpes simplex virus ("**HSV**") infections. ZX-15002 targets the viral helicase-primase complex, a critical component of viral DNA replication that has no known equivalent enzymes in the human body, offering a manageable safety profile. Preclinical studies demonstrate that ZX-15002 achieves potent antiviral activity against both HSV-1 and HSV-2 at nanomolar concentrations. The compound's long half-life enables convenient potentially once-monthly oral dosing, making it particularly suitable for managing chronic and recurrent infections. We plan to submit its IND application to NMPA in 2027.

- **ZX-14000.** ZX-14000 is a proprietary oral STAT6 degrader being developed for the treatment of autoimmune diseases, including atopic dermatitis, asthma, chronic obstructive pulmonary disease, chronic spontaneous urticaria and eosinophilic esophagitis. ZX-14000 utilizes targeted protein degradation technology to selectively eliminate STAT6 protein, offering potential advantages over traditional small molecule inhibitors. Preclinical studies demonstrate that ZX-14000 achieves complete STAT6 degradation in peripheral blood mononuclear cells at picomolar concentrations, effectively suppresses T-helper type 2 ("**Th2**") inflammatory biomarkers, exhibits high selectivity with minimal unintended effects on other STAT family members and displays favorable pharmacokinetic properties including low clearance and high exposure. Safety assessments indicate no significant human ether-a-go-go-related gene ("**hERG**") potassium channel inhibition, suggesting a low risk of cardiac toxicity. We plan to submit its IND application to NMPA in 2027.

OUR BUSINESS MODEL

Our core business model centers on the research, development and commercialization of proprietary pharmaceutical products in the field of viral infectious diseases, oncology and inflammatory disorders. Our near-term priorities focus on accelerating commercialization of our Core Product, sebaloxavir marboxil tablets, as well as clinical advancement of indication expansion of sebaloxavir marboxil oral formulations (including tablets and suspension). In parallel, we will continue to advance our drug candidates to diversify our product portfolio, including ZX-8177 and ZX-12042B. As a commercial-stage biopharmaceutical company with an approved product, we are committed to strengthening our organizational capabilities across commercialization, R&D and regulatory affairs functions to support our evolving business needs and long-term growth objectives.

SUMMARY

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have differentiated us from our competitors: (i) sebaloxavir marboxil (ZX-7101A): anti-influenza therapy with dual formulations addressing critical unmet medical and social needs; (ii) balanced and diverse pipeline combining innovation with manageable development risks to build our unique competitive edges; (iii) integrated small molecule drug R&D platform enabling sustained innovation across viral infectious diseases, oncology and inflammatory disorders; (iv) a flexible commercialization strategy to maximize our drug assets' commercial value; and (v) leadership team with diverse background, supported by a strategic investor base. For details, see "Business — Competitive Strengths."

OUR BUSINESS STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following development strategies: (i) advance clinical development and regulatory approval of sebaloxavir marboxil across multiple formulations; (ii) continue to advance our pipeline products to diversify our product portfolio; (iii) maximize commercial value through flexible partnership and commercialization models; (iv) strengthen supply chain infrastructure and enhance R&D capabilities. For details, see "Business — Business Strategies."

COMPETITION

The biopharmaceutical industry is highly competitive and subject to rapid and significant change. While we believe that our pipeline of balanced and differentiated innovative drug and drug candidates, strong research and development capability and distinguished leadership team provide us with competitive advantages, we face potential competition from many different sources working to develop therapies targeting the same indications for which we develop our drug candidates, in particular in influenza disease, oncology and HPV. These include major pharmaceutical companies as well as specialty pharmaceutical companies of various sizes and academic research institutions. Any drug candidates that we successfully develop and commercialize will compete both with existing drugs, if any and with any new drugs that may become available in the future. For more information on the competitive landscape of our drug and drug candidates, see "Business — Our Drug Portfolio" and "Industry Overview."

RESEARCH AND DEVELOPMENT

Our in-house R&D capabilities form the bedrock of our long-term growth, empowering our transformation into an innovation-driven pharmaceutical company with comprehensive expertise encompasses target discovery, lead optimization, translational science, preclinical studies and clinical development. Our research and development capabilities are exemplified by our highly skilled and experienced R&D team, which is led by distinguished scientists and medical experts, including our founders — Dr. Yang Jinfu and Dr. Hao Xiaolin, who spearhead research initiatives, drive drug development and provide strategic direction for both business operations and pipeline development. As of the Latest Practicable Date, 51 employees were actively engaged in R&D activities.

In line with our continuous R&D commitment, in 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs were RMB100.0 million, RMB112.1 million, RMB64.3 million and RMB42.8 million, respectively, representing 82.9%, 75.8%, 86.2% and 61.8% of our total operating expenses (including our research and development costs, selling expenses and administrative and other operating expenses) for the same periods. The increase in R&D costs in absolute terms in 2025 was primarily due to increased spending on the clinical development of our pipeline candidates, including the Phase I clinical trial of ZX-8177 and the preclinical development of ZX-12042B. The decrease in our research and development costs as a percentage of total operating expenses in 2025 was primarily attributable to the commencement of commercialization activities for our Core Product following its NDA approval in July 2025, which led to increased administrative and other operating expenses in connection with the commercialization and

promotion of our Core Product, as well as our proposed [REDACTED]. In particular, in 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs incurred for our Core Product, sebaloxavir marboxil tablets, amounted to RMB82.3 million, RMB75.6 million, RMB57.7 million and RMB12.5 million, respectively, representing 82.3%, 67.4%, 89.7% and 29.3% of our total research and development costs for the same periods. The decrease in our research and development costs incurred for our Core Product from the six months ended June 30, 2025 to the six months ended June 30, 2026 was primarily attributable to the different stages of clinical development activities for the expansion of indications of sebaloxavir marboxil tablets. During the six months ended June 30, 2025, we incurred higher clinical trial expenses in relation to the adolescent indication expansion, as the relevant clinical trial was ongoing during such period. During the six months ended June 30, 2026, the clinical trial for the adolescent indication expansion had been completed, and the related clinical development activities and expenses decreased accordingly. The movement of our research and development costs incurred for our Core Product during the Track Record Period was primarily in line with the progress of its clinical development and indication expansion activities. We may continue to incur substantial costs and expenses in relation to R&D activities for our drug candidates. For details, see "Business — Research and Development."

COMMERCIALIZATION

We have formulated flexible commercialization strategies for sebaloxavir marboxil across different formulations, taking into account the market conditions in different jurisdictions. In line with industry norm, we primarily promote and market sebaloxavir marboxil through contract sales organizations ("**CSOs**") and distributors. As our sales gradually ramp up, we are building our in-house commercialization team to handle sales channel expansion, marketing and promotion, medical affairs, pricing and insurance inclusion.

China Market

As sebaloxavir marboxil tablets, our Core Product, were only approved in China in July 2025 and officially launched in October 2025, this product is still under ramp-up stage in China. We primarily collaborate with a nationwide CSO, namely Jumpcan Pharmaceutical Group Co., Ltd (濟川藥業集團有限公司) ("**Jumpcan Pharmaceutical**"), and maintain a distribution network to grow market share by leveraging their established network. As of June 30, 2026, we have engaged 30 distributors in China. We believe this strategy can enable faster market access. For details, please see "Business — Commercialization — China Market."

Overseas Markets

As of the Latest Practicable Date, sebaloxavir marboxil oral formulations have not been approved in overseas market. We are exploring its commercial potential in overseas markets through collaboration with local partners, and have engaged Cigalah Medpharm Trading LLC ("**Cigalah Medpharm**"), a fast-growing pharmaceutical company in the UAE, with an aim to commercialize sebaloxavir marboxil oral formulations across the MENA region. For details, please see "Business — Commercialization — Overseas Markets."

INTELLECTUAL PROPERTY

As a company focusing on the research, development and commercialization of innovative drugs, we believe intellectual properties are crucial to our business. We actively seek patent protection for our drug candidates in China and major jurisdictions and file additional patent applications. We have developed a significant portfolio of intellectual property rights to protect our technologies and products. As of August 17, 2026, the Group had a total of 71 authorized patents and patent applications, including 35 authorized patents and 36 patent applications; the core product ZX-7101A had a total of 31 authorized patents and patent applications, including 17 authorized patents and 14 patent applications. As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that make us believe that any of the pending patent applications will be rejected. Our Directors are of the view that we

own all required intellectual property rights to cover all key characteristics of our Core Product. Our Directors confirm that we were not involved in any proceedings in respect of, and we had not received notice of any claims of infringement of, any intellectual property rights that might be threatened or pending as claimant or respondent during the Track Record Period and up to the Latest Practicable Date. As advised by our IP counsel, as of the Latest Practicable Date, our Directors are of the view that our patents or patent applications are currently not subject to any claim or invalidation request from any other party on the underlying technology in respect of these patents or patent applications.

OUR SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of raw materials suppliers, contract research organizations ("**CROs**") and other service suppliers. We did not experience any material disputes with our suppliers during the Track Record Period. In addition, we believe that adequate alternative sources for such supplies exist and we have developed alternative sourcing strategies for these supplies. We will establish necessary relationships with alternative sources based on supply continuity risk assessment. In 2024, 2025 and the six months ended June 30, 2026, our purchases from our five largest suppliers in each period, on a consolidated basis, amounted to RMB31.9 million, RMB32.8 million and RMB16.9 million, representing 38.5%, 31.6% and 42.1% of our total corresponding purchases in such period, respectively. In the same period, our purchases from the largest supplier amounted to RMB11.4 million, RMB7.6 million and RMB5.4 million, representing 13.8%, 7.3% and 13.5% of our total corresponding purchases in such period, respectively.

OUR CUSTOMERS

During the Track Record Period, our revenue primarily derived from the sales of our Core Product to distributors in Chinese mainland and drug registration assistance service for Cigalah Medpharm. In 2024, 2025 and the six months ended June 30, 2026, our revenue generated from our five largest customers, on a consolidated basis, were nil, RMB5.2 million and RMB2.5 million, respectively, representing nil, 98.8% and 97.7% of our total revenue for the corresponding period. Our revenue from our largest customer in 2024, 2025 and the six months ended June 30, 2026, on a consolidated basis, were nil, RMB2.3 million and RMB1.0 million, respectively, representing nil, 43.5% and 39.4% of our total revenue for the corresponding period.

To the best of our knowledge, each of our five largest customers in each year/period comprising the Track Record Period is an Independent Third Party. 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 such customer during the Track Record Period.

SUMMARY OF KEY FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future year.

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Revenue	**—**	**5,314**	**—**	**2,514**
Cost of sales	—	(479)	—	(756)
Gross profit	**—**	**4,835**	**—**	**1,758**
Other income	26,598	306	222	13,507
Other net gain	1,878	3,046	1,448	1,177
Selling expenses	(6,531)	(9,734)	(3,513)	(5,799)
Administrative and other operating expenses	(14,073)	(26,116)	(6,758)	(20,699)
Research and development costs	(100,003)	(112,121)	(64,325)	(42,789)
(Provision for)/reversal of impairment loss on receivables	(1)	(23)	2	18
Loss from operations	**(92,132)**	**(139,807)**	**(72,924)**	**(52,827)**
Finance income	214	416	166	207
Finance costs	(2,590)	(3,500)	(1,448)	(1,041)
Net finance costs	(2,376)	(3,084)	(1,282)	(834)
Remeasurement of redemption liabilities	(50,887)	(66,293)	(31,233)	(37,115)
Loss before taxation	**(145,395)**	**(209,184)**	**(105,439)**	**(90,776)**
Income tax	—	(84)	(15)	(17)
Loss for the year/period	**(145,395)**	**(209,268)**	**(105,454)**	**(90,793)**

In 2024, 2025 and the six months ended June 30, 2025 and 2026, we recorded revenue of nil, RMB5.3 million, nil and RMB2.5 million, respectively. During the Track Record Period, our revenue was primarily generated from sales of pharmaceutical products, namely sebaloxavir marboxil tablets. To a lesser extent, we also generated revenue from drug registration assistance service pursuant to the MENA License and Distribution Agreement, including assistance to Cigalah Medpharm to obtain regulatory approval in the Territory. For details, please see "Business — Commercialization — Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations." As sales of our sebaloxavir marboxil tablets ramp up, we expect revenue to increase significantly.

Our loss for the year/period increased from RMB145.4 million in 2024 to RMB209.3 million in 2025, primarily attributable to (i) a decrease of RMB26.3 million in other income, mainly because we received a larger amount of one-off government grants in 2024 that we had previously applied for to support the R&D of our drug and drug candidates, (ii) an increase of RMB15.4 million in the remeasurement of redemption liabilities, in relation to our Series D and D+ financing in 2025, (iii) an increase of RMB12.1 million in research and development costs, primarily driven by trial and testing expenses for our phase 3 clinical trial of sebaloxavir marboxil for suspension in children aged 2–11 years for influenza treatment, and (iv) an increase of RMB12.0 million in administrative and other operating expenses, primarily associated with our proposed [REDACTED]. Our loss for the year were offset by an increase of RMB5.3 million in our revenue primarily from sales of our Core Product. Our loss for the year/period decreased from RMB105.5 million in the six months ended June 30, 2025 to RMB90.8 million in the six months ended June 30, 2026, primarily due to (i) a decrease of RMB21.5 million in research and development costs, mainly as trial and testing expenses for sebaloxavir marboxil tablets were substantially wound down following the completion of Phase III clinical trial of sebaloxavir marboxil tablets in adolescents in 2025, (ii) an increase of RMB13.3 million in other income, primarily attributable to one-off government grants that we received to

support the R&D progress of our drug and drug candidates, and (iii) that we recorded revenue of RMB2.5 million from the sales of our sebaloxavir marboxil tablets. These were partially offset by (i) an increase of RMB13.9 million in administrative and other operating expenses, primarily associated with [REDACTED] expenses in connection with our proposed [REDACTED], (ii) an increase of RMB5.9 million in remeasurement of redemption liabilities in relation to our Series D++, D+++ financing in 2026, and (iii) an increase of RMB2.3 million in selling expenses in line with the commercialization of our Core Product.

For details, please see "Financial Information — Description of Selected Components of the Consolidated Statements of Profit or Loss" and "— Key Factors Affecting Our Results of Operations."

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Total non-current assets	2,151	16,106	16,904
Total current assets	125,926	244,140	265,978
Total current liabilities	886,605	1,218,344	1,338,177
Net current liabilities	(760,679)	(974,204)	(1,072,199)
Total assets less current liabilities	(758,528)	(958,098)	(1,055,295)
Total non-current liabilities	47,170	62,282	50,126
Net liabilities	(805,698)	(1,020,380)	(1,105,421)

Our net current liabilities increased from RMB760.7 million as of December 31, 2024 to RMB974.2 million as of December 31, 2025, primarily due to an increase of RMB331.7 million in our current liabilities, as a result of (i) an increase of RMB329.5 million in redemption liabilities related to our Pre-[REDACTED] investors, (ii) an increase of RMB9.4 million in other payables and accruals, resulted from payables for [REDACTED] expenses associated with our proposed [REDACTED] and payables for acquisition of property, plant and equipment, mainly associated with the renovation of our Hangzhou R&D center, and (iii) an increase of RMB6.0 million in trade payables, primarily due to longer credit period from certain of our suppliers in line with our business growth. This is partially offset by an increase of RMB118.2 million in our current assets, primarily because (i) an increase of RMB85.7 million in financial assets measured at fair value through profit or loss ("FVPL"), mainly because we purchased more structured deposits to improve the utilization of our cash on hand on a short-term basis, (ii) an increase of RMB20.7 million in cash and cash equivalents and an increase of RMB10.1 million in time deposits, as we received proceeds from our Series D and D+ financing, (iii) we recorded trade receivables of RMB5.0 million from sales of our sebaloxavir marboxil tablets following its commercial launch in October 2025, and (iv) an increase of RMB1.8 million in inventories, primarily attributable to the stock preparation for the commercialization of sebaloxavir marboxil tablets, partially adjusted by a decrease of RMB5.0 million in prepayments, deposits and other receivables, mainly resulted from our payment schedule to trial sites.

Our net current liabilities further increased to RMB1,072.2 million as of June 30, 2026, primarily due to an increase of RMB119.8 million in our current liabilities, as a result of (i) an increase of RMB127.1 million in redemption liabilities related to our Pre-[REDACTED] investors, and (ii) an increase of RMB3.7 million in trade payables, reflecting our revenue growth, partially offset by (i) a decrease of RMB5.9 million in other payables and accruals resulted from payables for [REDACTED] expenses associated with our proposed [REDACTED], staff costs reflecting half-year bonus accruals as compared to a full-year accrual as of December 31, 2025, other payables associated with the accrued service fees payable to a tax consultancy firm and payables for

acquisition of property, plant and equipment related to the renovation of our Hangzhou R&D center, and (ii) a decrease of RMB5.2 million in bank loans, primarily attributable to the scheduled repayment of bank borrowings. This is partially offset by an increase of RMB21.8 million in our current assets, primarily due to (i) an increase of RMB64.7 million in cash and cash equivalents due to the proceeds received from our Series D++ and D+++ financing and the redemption of certain structured deposits and wealth management products in the first half of 2026, (ii) an increase of RMB6.1 million in inventories, primarily due to we maintain a higher level of inventory in line with the growing demand of sebaloxavir marboxil tablets, and (iii) an increase of RMB5.5 million in prepayments, deposits and other receivables, mainly in relation to VAT recoverable relating to increasing of our R&D expenses and [REDACTED] expenses and other deposits and receivables related to our capitalized [REDACTED] expenses, partially offset by a decrease of RMB36.6 million in financial assets measured at FVPL, primarily due to the redemption of certain structured deposits and wealth management products.

Our net liabilities increased from RMB805.7 million as of December 31, 2024 to RMB1,020.4 million as of December 31, 2025, primarily attributable to (i) loss for the year of RMB209.3 million, and (ii) recognition of redemption liabilities of RMB263.2 million in connection with our Series D and D+ financing in 2025, partially offset by capital contributions by investors with special rights, net of issuance costs of RMB257.4 million. Our net liabilities further increased from RMB1,020.4 million as of December 31, 2025 to RMB1,105.4 million as of June 30, 2026, primarily due to (i) loss for the period of RMB90.8 million, and (ii) recognition of redemption liabilities of RMB90.0 million in connection with our Series D++ and D+++ financing in the first half of 2026, partially offset by capital contributions by investors with special rights, net of issuance costs of RMB88.2 million. See consolidated statements of changes in equity in the Accountants' Report set out in Appendix I of this document for details. Upon [REDACTED], the redemption liabilities of RMB1,237.3 million as of June 30, 2026 will be re-designated from financial liabilities to equity upon the automatic termination of the Pre-[REDACTED] Investors' special rights, and as a result, our net liabilities position is expected to turn into a net assets position.

Summary of Consolidated Cash Flow Statements

The following table sets forth the components of our consolidated cash flow statements for the periods indicated:

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
			(unaudited)	
Net cash used in operating activities	(106,049)	(129,837)	(67,643)	(52,563)
Net cash generated from/(used in) investing activities	18,294	(95,112)	(100,768)	47,951
Net cash generated from financing activities	42,249	245,624	213,547	69,360
Net (decrease)/increase in cash and cash equivalents	(45,506)	20,675	45,136	64,748
Cash and cash equivalents at beginning of year/period	55,551	10,063	10,063	30,714
Effect of foreign exchange rate changes	18	(24)	(4)	(35)
Cash and cash equivalents at end of year/period	10,063	30,714	55,195	95,427

During the Track Record Period, we incurred negative cash flows from our operations and our operating cash outflows mainly resulted from our research and development costs. Our net cash used in operating activities amounted to RMB106.0 million, RMB129.8 million, RMB67.6 million and RMB52.6 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We expect to generate more cash inflow from our operating activities, through income from sales of our Core Product, sebaloxavir marboxil tablets, advancing the development and eventually commercializing other pipeline products and enhancing our cost containment capacity and operating efficiency. In order to bring to fruition our research and development objectives, we will ultimately need additional funding sources and there can be no assurances that they will be made available. For details, see "Financial Information — Liquidity and Capital Resources — Cash Flows — Net Cash Flows Used in Operating Activities."

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our business operations and mitigate the effects of fluctuations in cash flows. Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents and unutilized bank facilities and the estimated [REDACTED] from the [REDACTED], as well as our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development costs, selling expenses and administrative and other operating expenses for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents of RMB95.4 million, time deposits of nil and financial assets measured at FVPL of RMB138.2 million as of June 30, 2026. We estimate that we will receive [REDACTED] of approximately HK$[REDACTED] in the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the low end of the indicative [REDACTED] range stated in this document. Assuming an average cash burn rate going forward of [REDACTED] time the level in the six months ended June 30, 2026, we estimate that (i) our cash and cash equivalents time deposits and financial assets measured at FVPL will be able to maintain our financial viability for [REDACTED] months, or, (ii) if we take into account all estimated [REDACTED] from the [REDACTED], [REDACTED] months. Our Directors and management team will continue to monitor our working capital, cash flows, and our business development progress. We expect to raise our next round of financing no earlier than 12 months after the completion of the [REDACTED].

Key Financial Ratio

The following table sets forth a key financial ratio as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio[(1)]	0.1	0.2	0.2

Note:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

SUMMARY

SUMMARY OF MATERIAL RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [REDACTED] in our Company. Some of the major risks that we face include: (i) our business and financial prospects depend substantially on the successful development, approval and commercialization of our drug candidates, as well as the expansion of indications of our current drug product. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our drug candidates or new indication, including our Core Product, or experience delays in doing so, our business prospects could be adversely affected; (ii) clinical drug development involves a lengthy and expensive process with uncertain outcomes and results of earlier studies and trials may not be predictive of future trial results; (iii) we may face intense competition and rapid technological change and the possibility that our competitors may develop drugs and therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates; (iv) if our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates; (v) if we encounter delays or difficulties enrolling patients in our clinical trials, clinical development of our drug candidates could be delayed or otherwise adversely affected; (vi) the data and information that we gather or rely on in our research and development process could be inaccurate or incomplete; (vii) we may not be able to identify, discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates to maintain or expand our drug pipeline; (viii) adverse events ("**AEs**") or undesirable side effects caused, or are perceived to be caused, by our drug candidates could interrupt or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following any regulatory approval; (ix) we may allocate our limited resources to the development of a specific drug candidate or indication, potentially overlooking other drug candidates and indications that may later demonstrate greater commercial potential or a higher probability of success; and (x) our sales are subject to seasonality, which could cause our results of operations to fluctuate.

ACTING IN CONCERT AND OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Pursuant to the Concert Party Agreements, Dr. Yang, Dr. Hao and Zhengxiang Jiwan are parties acting in concert until 36 months after the [REDACTED]. Additionally, Dr. Yang is the general partner of Zhengxiang Jiwan. As of the date of this document, Dr. Yang, Dr. Hao and Zhengxiang Jiwan are collectively entitled to exercise approximately 22.14% of the voting rights in our Company. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Yang, Dr. Hao and Zhengxiang Jiwan will be collectively entitled to exercise approximately [REDACTED]% of the voting rights in our Company. Therefore, Dr. Yang, Dr. Hao and Zhengxiang Jiwan constitute the Single Largest Group of Shareholders and our Company will not have any controlling shareholder as defined under the Listing Rules.

SUMMARY

PRE-[REDACTED] INVESTORS

Since the establishment of our Company, we have received nine rounds of equity financing totaling approximately RMB942.20 million from our Pre-[REDACTED] Investors. Our Pre-[REDACTED] Investors include two Sophisticated Investors, Ennovation Ventures and FIIF II, who have made meaningful investment in the Company at least six months before the [REDACTED]. Ennovation Ventures and FIIF II will hold approximately [REDACTED]% and [REDACTED]%, respectively, of the total issued Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). We utilized the proceeds from the Pre-[REDACTED] Investments to finance our R&D development activities of pipeline products and fund our daily operations.

Pursuant to the applicable PRC laws, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) of our Company could not dispose of any of the Shares held by them.

For further details of the identity and background of our Sophisticated Investors and other Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, please see "History and Corporate Structure — Pre-[REDACTED] Investments."

DIVIDENDS

We did not declare or pay dividends on our Shares during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be subject to the approval of our Shareholders in a shareholder's meeting, our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our drug candidates as well as our earnings, capital requirements, overall financial condition and contractual restrictions. There is no assurance that dividends of any amount will be declared or distributed in any year. Currently, we do not have and do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [REDACTED]. As confirmed by our PRC Legal Advisors, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future.

[REDACTED]

[REDACTED]

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED], after deducting [REDACTED] commissions, fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range stated in this document and that the [REDACTED] is not exercised. We intend to use our [REDACTED] from the [REDACTED] for the following purposes: (i) approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund the clinical advancement, commercialization and indication expansion for sebaloxavir marboxil across different formulations; (ii) approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund the clinical development of ZX-8177 across different indications; (iii) approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to fund the clinical development of ZX-12042B; and (iv) approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used for working capital and general corporate purposes.

For details, please see "Future Plans and [REDACTED]."

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] expenses consist of (i) [REDACTED]-related expenses, including [REDACTED] commission, of approximately HK$[REDACTED], and (ii) non-[REDACTED]- related expenses of approximately HK$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[REDACTED], and (b) other fees and expenses of approximately HK$[REDACTED]. During the Track Record Period, the [REDACTED] expenses charged to our consolidated statements of profit or loss were RMB[REDACTED], and the issue costs, which was recognized as prepayments and are expected to be deducted from equity upon the [REDACTED], were HK$[REDACTED]. After the Track Record Period, approximately HK$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Since the end of the Track Record Period, we have continued to develop our business and advance our pipeline, and our business operations and financial results have continued to grow. We completed the pre-NDA submission for sebaloxavir marboxil for suspension in children aged 2–11 years for influenza treatment in March 2026. Such submission was supported by our clinical and regulatory progress, including the relevant PK study and phase 1 PK bridging study, the CDE's confirmation in July 2025 that it had no objection to our proceeding with the phase 3 pivotal clinical trial, and the latest progress of such trial, for which the clinical trial was completed. We held a pre-NDA meeting with the CDE in June 2026, during which the CDE agreed that we may submit the NDA for sebaloxavir marboxil for suspension based on the then available clinical data. Accordingly, we submitted the NDA application for sebaloxavir marboxil for suspension to the NMPA in June 2026, which was accepted by the NMPA in July 2026.

Subsequent to the Latest Practicable Date, we submitted the IND application to the NMPA for ZX-8177 for the treatment of HPP in August 2026.

We have completed subject enrollment for the first three dose cohorts in the monotherapy dose-escalation portion of the phase 1 dose-escalation clinical trial of ZX-8177. We have also been actively broadening our sales and distribution network by engaging new distributors in 2026. This enables us to tap in new region, such as Guangdong, Guangxi and Hunan province. Driven by our strengthened sales and marketing capabilities, the sales volume and revenue generated from our marketed products, sebaloxavir marboxil tablets, have achieved continuous and sustainable growth. In addition, we are actively communicating with National Healthcare Security Administration ("**NHSA**") regarding the inclusion of our Core Product in National Reimbursement Drug List ("**NRDL**").

We have submitted the application material for the inclusion of our Core Product in the NRDL to the NHSA in June 2026, which is currently under review. We expect to enter the NRDL negotiation in September 2026. NRDL inclusion represents both an opportunity for enhanced market access and a commitment to pricing frameworks that support broad patient accessibility within China's healthcare insurance system. While NRDL inclusion provides substantial market advantages through enhanced patient accessibility and reduced out-of-pocket costs, it may also result in price adjustments through negotiated pricing mechanisms designed to balance patient access with healthcare system sustainability.

We expect our loss to increase in 2026 compared to 2025, primarily because we expect to record an increase in (i) research and development expenses, mainly driven by the initiation of the combined phase 3 clinical trials for indication expansion to post-exposure prophylaxis with both sebaloxavir marboxil tablets and sebaloxavir marboxil for suspension; and (ii) our selling and distribution expenses as a result of anticipated expansion of our sales and marketing team and enhanced marketing efforts following the commercialization of our Core Product in 2025.

No Material Adverse Change

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this document, and up to the date of this document.

DEFINITIONS

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

"affiliate"	any individual or entity which directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, the individual or entity specified
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of the Company, taking effect on the [REDACTED] and as amended from time to time, a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day" or "business day"	a day on which banks in Hong Kong are generally open for normal business, excluding Saturdays, Sundays, and public holidays in Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"China", "PRC" or "Chinese Mainland"	the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires otherwise, references in this document to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China
"CIC" or "Independent Industry Consultant"	China Insights Industry Consultancy Limited, a global market research and consulting company, and our Independent Industry Consultant
"CIC Report"	the report prepared by CIC
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Zenshine Pharmaceuticals (Nanjing) Group Co., Ltd. (征祥醫藥(南京)集團股份有限公司), a limited liability company established in the PRC on May 14, 2020 and converted into a joint stock company with limited liability on December 31, 2025, formerly known as Nanjing Zenshine Pharmaceuticals Company Limited (南京征祥醫藥有限公司)
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"Compliance Advisor"	First Shanghai Capital Limited
"Concert Party Agreements"	the concert party agreement dated October 21, 2020 (as renewed on April 25, 2025) between Dr. Yang and Dr. Hao, and the concert party agreement dated November 28, 2022 between Dr. Yang and Zhengxiang Jiwan, each governing the respective parties' acting in concert arrangements with respect to their interests in the Company
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
[REDACTED]	[REDACTED]
"core connected person"	has the meaning ascribed thereto under the Listing Rules
"Core Product"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules, which is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants; for the purpose of this document, our Core Product refers to sebaloxavir marboxil tablets
"CSDC"	China Securities Depository and Clearing Co., Ltd. (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company, including all executive, non-executive and independent non-executive directors
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Scheme"	the pre-[REDACTED] share incentive scheme adopted by our Company on January 5, 2026, the principal terms of which are set out in "Appendix IV — Statutory and General Information — Employee Incentive Scheme"
"Euronext"	The pan-European Stock Exchange
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, largescale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FDA"	the United States Food and Drug Administration

"FIL"	the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), as amended, supplemented or otherwise modified from time to time
[REDACTED]	[REDACTED]
"FWB"	The Frankfurt Stock Exchange
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Greater China"	the PRC, Hong Kong, the Macau Special Administrative Region, and Taiwan, China
"Group", "our Group", "our", "we" or "us"	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
"Hangzhou Zhengxiang"	Hangzhou Zhengxiang Pharmaceuticals Co., Ltd. (杭州征祥醫藥有限公司), a predecessor and a historical wholly-owned subsidiary of our Company, which was established in the PRC on June 22, 2018 and was deregistered on October 31, 2022
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"IASB"	the International Accounting Standards Board
"IFRS"	IFRS Accounting Standards as issued by IASB
"Independent Third Party(ies)"	an individual or a company which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

"Latest Practicable Date"	August 17, 2026, being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication
[REDACTED]	[REDACTED]
"Listing Committee"	the Listing Committee of the Stock Exchange
[REDACTED]	[REDACTED]
"Listing Guide"	the Guide for New Listing Applicants, as amended, supplemented or otherwise modified from time to time
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"LSE"	The London Stock Exchange
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"MENA"	Middle East and North Africa
"MOFCOM" or "Ministry of Commerce"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"NASDAQ"	The Nasdaq Stock Market
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局)
"Nomination Committee"	the nomination committee of the Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"NYSE"	The New York Stock Exchange
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
"PBOC"	the People's Bank of China (中國人民銀行)
"PRC Legal Advisors"	Jingtian & Gongcheng, the legal advisors to our Company as to the laws of the PRC
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"Pre-[REDACTED] Investment(s)"	the pre-[REDACTED] investment(s) in our Company undertaken by the Pre-[REDACTED] Investor(s), as described in "History and Corporate Structure — Pre-[REDACTED] Investments"
"Pre-[REDACTED] Investor(s)"	the investor(s) of Pre-[REDACTED] Investment(s)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"R&D"	research and development
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"Share(s)"	the ordinary share(s) issued by our Company with a nominal value of RMB1.00 each prior to the completion of the Share Subdivision and RMB0.10 each upon completion of the Share Subdivision, comprising Unlisted Shares and H Shares

"Share Subdivision"	the subdivision of the Shares, pursuant to which each Share with a nominal value of RMB1.00 is subdivided into ten Shares with a nominal value of RMB0.10 each, to become effective immediately prior to the [REDACTED]
"Shareholder(s)"	the holder(s) of our Share(s)
"Single Largest Group of Shareholders"	Dr. Yang, Dr. Hao and Zhengxiang Jiwan
[REDACTED]	[REDACTED]
"Sole Sponsor"	the sole sponsor as named in "Directors and Parties involved in the [REDACTED]"
[REDACTED]	[REDACTED]
"Sophisticated Investor(s)"	has the meaning ascribed to it under Chapter 2.3 of the Listing Guide
"SSE"	The Shanghai Stock Exchange
"STA"	the State Taxation Administration (中華人民共和國國家税務總局)
[REDACTED]	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "SEHK"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"SZSE"	The Shenzhen Stock Exchange
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the two years ended December 31, 2024 and 2025 and six months ended June 30, 2026
"Trial Measures for Administration"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), as amended, supplemented or otherwise modified from time to time
"UAE"	United Arab Emirates
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"Unlisted Share(s)"	the ordinary share(s) issued by our Company with a nominal value of RMB1.00 each prior to the completion of the Share Subdivision and RMB0.10 each upon completion of the Share Subdivision, which is/are not [REDACTED] on any stock exchange
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value added tax
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
"Zenshine CA"	Zenshine Pharmaceuticals Inc., a corporation incorporated in the U.S. on July 17, 2019, and a wholly-owned subsidiary of our Company
"Zenshine Changchun"	Zenshine Pharmaceuticals (Changchun) Co., Ltd. (征祥醫藥(長春)有限公司), a limited liability company established in the PRC on September 17, 2025 and a wholly-owned subsidiary of our Company
"Zenshine Hangzhou"	Zenshine Pharmaceuticals (Hangzhou) Co., Ltd. (征祥醫藥(杭州)有限公司), a limited liability company established in the PRC on January 22, 2025 and a wholly-owned subsidiary of our Company
"Zenshine Yangzhou"	Zenshine Pharmaceuticals (Yangzhou) Co., Ltd. (征祥醫藥(揚州)有限公司), a limited liability company established in the PRC on January 21, 2025 and a wholly-owned subsidiary of our Company
"Zhengxiang Jiwan" or "Employee Incentive Platform"	Nanjing Zhengxiang Jiwan Enterprise Management Partnership (Limited Partnership) (南京征祥濟萬企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 13, 2020 and our Employee Incentive Platform
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only. The references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

The following table sets out the full legal names and the corresponding abbreviations used in this document for the [REDACTED] who participated in our Pre-[REDACTED] Investments.

"Beijing Kunlun"	Beijing Kunlun Internet Intelligent Industry Investment Fund Partnership (Limited Partnership) (北京昆侖互聯網智慧產業投資基金合夥企業(有限合夥))
"Changchun Changxing"	Changchun Changxing Equity Investment Fund Partnership (Limited Partnership) (長春長興股權投資基金合夥企業(有限合夥))
"Changchun Runxin"	Changchun Xinghe Runxin Entrepreneurship Investment Center (Limited Partnership) (長春星河潤信創業投資中心(有限合夥))
"Chongqing Proxima"	Chongqing Proxima Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (重慶比鄰星私募股權投資基金合夥企業(有限合夥))
"Chuangyi Future"	Nanjing Chuangyi Future Entrepreneurship Investment Center (Limited Partnership) (南京創熠未來創業投資中心(有限合夥))
"Chuangyi Yingdi"	Nanjing Chuangyi Yingdi Angkeli Venture Capital Partnership Enterprise (Limited Partnership) (南京創熠贏迪昂科利創業投資合夥企業(有限合夥))
"City Football"	Nanjing City Football Club Co., Ltd. (南京城市足球俱樂部有限公司)
"Enjie Venture"	Nanjing Enjie Venture Capital Partnership Enterprise (Limited Partnership) (南京恩捷創業投資合夥企業(有限合夥))
"Ennovation Chengfeng"	Nanjing Ennovation Chengfeng Venture Capital Partnership (Limited Partnership) (南京恩然呈豐創業投資合夥企業(有限合夥))
"Ennovation Raylight"	Nanjing Ennovation Raylight Venture Capital Partnership (Limited Partnership) (南京恩然瑞光創業投資合夥企業(有限合夥))
"FIIF II"	Future Industry Investment Fund Phase II (Limited Partnership) (先進製造產業投資基金二期(有限合夥))
"Hangzhou Chuanhua"	Hangzhou Chuanhua Kechuang Equity Investment Fund Partnership (Limited Partnership) (杭州傳化科創股權投資基金合夥企業(有限合夥))
"Hangzhou Taikun"	Hangzhou Taikun Equity Investment Fund Partnership Enterprise (Limited Partnership) (杭州泰鯤股權投資基金合夥企業(有限合夥))
"Jiangbei Gaoxin"	Nanjing Jiangbei Hi-Tech Industrial Development Equity Investment Fund (Limited Partnership) (南京江北高新技術產業發展股權投資基金(有限合夥))
"Jiangsu Dingzhu"	Jiangsu Dingzhu Technology Co., Ltd. (江蘇鼎竹科技股份有限公司)
"Zhongbo Shouzhong"	Jiaxing Zhongbo Shouzhong Equity Investment Partnership (Limited Partnership) (嘉興中博守中股權投資合夥企業(有限合夥))
"Jieyuan Growth"	Nanjing Jieyuan Growth Venture Capital Partnership Enterprise (Limited Partnership) (南京捷源成長創業投資合夥企業(有限合夥))
"Jiuyou Herong"	Gongqingcheng Jiuyou Herong Investment Management Partnership Enterprise (共青城久友和榮投資管理合夥企業)

DEFINITIONS

"Jumpcan Pharmaceutical"	Jumpcan Pharmaceutical Group Co., Ltd. (濟川藥業集團有限公司)
"KangJoin"	KangJoin Biotech Co., Limited
"LYZZ Fund"	LYZZ Capital (Jiang Su) Healthcare Venture Fund, L.P. (江蘇聿泉醴澤健康產業創業投資基金(有限合夥))
"MPC HK"	MPC VI HK Limited
"MPC VI"	MPC VI L.P.
"MPC VI-A"	MPC VI-A L.P.
"Nanjing Jiakang"	Nanjing Jiakang Venture Capital Partnership Enterprise (Limited Partnership) (南京佳康創業投資合夥企業(有限合夥))
"Nanjing Runxin"	Nanjing Runxin Cooperative SME Development Fund Partnership (Limited Partnership) (南京潤信協同中小企業發展基金合夥企業(有限合夥))
"Qirui Youkang"	Nanjing Qiruiyoukang Venture Capital Partnership (Limited Partnership) (南京其瑞佑康創業投資合夥企業(有限合夥))
"Saizhi Chuangyun VI"	Hangzhou Saizhi Chuangyun Phase VI Venture Capital Partnership (Limited Partnership) (杭州賽智創雲陸期股權投資合夥企業(有限合夥))
"Saizhi Chuangyun VII"	Hangzhou Saizhi Chuangyun Phase VII Venture Capital Partnership (Limited Partnership) (杭州賽智創雲柒期創業投資合夥企業(有限合夥))
"Saizhi Saidao II"	Hangzhou Saizhi Saidao Phase II Venture Capital Partnership (Limited Partnership) (杭州賽智賽道貳期創業投資合夥企業(有限合夥))
"Shenyang Yueyin"	Shenyang Yueyin Dingtai Equity Investment Management Center (Limited Partnership) (瀋陽約印鼎泰股權投資管理中心(有限合夥))
"Suzhou Proxima"	Suzhou Proxima Phase III Venture Capital Partnership Enterprise (Limited Partnership) (蘇州比鄰星三期創業投資合夥企業(有限合夥))
"Yangtze River Chenxing"	Nanjing Yangtze River Chenxing Equity Investment Partnership (Limited Partnership) (南京揚子江辰星股權投資合夥企業(有限合夥))
"Zhonghui Baohua"	Jiaxing Zhonghui Baohua Venture Capital Partnership Enterprise (Limited Partnership) (嘉興眾匯寶華創業投資合夥企業(有限合夥))
"Zhonghui Shengping"	Jiaxing Zhonghui Shengping Venture Capital Partnership Enterprise (Limited Partnership) (嘉興眾匯昇平創業投資合夥企業(有限合夥))
"Zijin Advanced Manufacture"	Nanjing Zijin Advanced Manufacturing Industry Equity Investment Center (Limited Partnership) (南京紫金先進製造產業股權投資中心(有限合夥))

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains definitions of certain terms used in this document in connection with our Company and our business. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms, and may not be directly comparable to similarly titled terms adopted by other companies operating in the same industries as our Company.

"adverse reaction", "adverse drug reaction" or "ADR"	unintended, harmful events attributed to the use of medicines
"AE"	adverse event, which may be mild, moderate, or severe, any untoward medical occurrence in a patient or subject receiving a drug or other pharmaceutical product in a clinical trial and which does not necessarily have a causal relationship with the treatment
"API"	active pharmaceutical ingredient, the active ingredient which is contained in a drug
"ATP"	adenosine triphosphate
"BID"	twice a day
"BRCA"	breast cancer susceptibility gene, of which there are two types, i.e., BRCA1 and BRCA2. BRCA genes are tumor suppressor genes that encode proteins responsible for repairing DNA. Deleterious BRCA mutations contribute to an increased risk of various types of cancers such as breast cancer and ovarian cancer
"CAGR"	compound annual growth rate
"CDMO"	contract development and manufacturing organization
"CEO"	chief executive officer
"cGAMP"	2',3'-cyclic GMP-AMP, a metazoan cyclic dinucleotide second messenger produced by cGAS that serves as a potent ligand for STING, initiating the innate immune signaling cascade against intracellular DNA pathogens and cellular stress
"cGMP"	Current Good Manufacturing Practice regulations enforced by the FDA, which provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities
"CIN"	cervical intraepithelial neoplasia, a precancerous condition characterized by abnormal cell growth on the surface of the cervix, graded on a 1–3 scale with 3 being the most abnormal
"cisplatin"	a widely used platinum-based chemotherapy drug for the treatment of various solid tumors
"C_{max}"	maximum plasma concentration, a pharmacokinetic parameter that measures the highest concentration of a drug in the blood, cerebrospinal fluid, or target organ after a dose is given
"CMC"	Chemistry, Manufacturing and Control

GLOSSARY OF TECHNICAL TERMS

"CRO"	contract research organization, a company that provides support to pharmaceutical companies by providing a range of professional research services on a contract basis
"CSO"	contract sales organization, a third-party organization providing drug sales and promotion services
"drug-drug interaction study" or "DDI study"	studies where the investigational drug is co-administered with known enzymatic inhibitor or substrate drugs
"ENPP1"	ectonucleotide pyrophosphatase/phosphodiesterase 1, an extracellular enzyme that degrades cGAMP to suppress STING-mediated anti-tumor immune responses
"GCP"	good clinical practice, an international set of guidelines that helps make sure that the results of a clinical trial are reliable and that the patients are protected. GCP covers the way a clinical trial is designed, conducted, performed, monitored, audited, recorded, analyzed, and reported
"GLP"	Good Laboratory Practice, a quality system of management controls for research laboratories and organizations to try to ensure the uniformity, consistency, reliability, reproducibility, quality and integrity of chemical and pharmaceuticals non-clinical safety tests
"GMP"	Good Manufacturing Practice, a quality system enforced by relevant regulatory authorities, such as the FDA, to ensure that the products produced meet specific requirements for identity, strength, quality and purity
"hERG"	human ether-a-go-go-related gene, a gene that codes for a protein known as Kv11.1, the alpha subunit of a potassium ion channel
"HPV"	human papillomavirus, a double-stranded DNA virus with over 200 subtypes, some of which are high-risk subtypes and associated with cervical lesions, while low-risk subtypes can cause genital warts
"HPP"	hypophosphatasia, a rare genetic disorder caused by mutations in the ALPL gene, resulting in deficient activity of tissue-nonspecific alkaline phosphatase and defective mineralization of bones and teeth
"HSV"	herpes simplex virus, a common virus that can cause infections in various parts of the body, primarily categorized into two types of HSV-1 and HSV-2
"IMP"	investigational medicinal product, a medicinal product which is being tested or used as a reference in a clinical trial, including a placebo
"IND"	Investigational New Drug, also known as clinical trial application in China
"*in vitro*"	Latin for "within the glass," a study or experiment which is done in the laboratory within the confines of a test tube or laboratory dish
"*in vivo*"	Latin for "within the living," studies in which the effects of various biological or chemical substances are tested on whole, living organisms including animals, humans and plants, as opposed to a partial or dead organism, or those done *in vitro*

GLOSSARY OF TECHNICAL TERMS

"NAI"	neuraminidase inhibitors, to inhibit viral neuraminidase activity and thereby prevent the release and spread of newly formed influenza virions after replication
"NDA"	new drug application
"NK cell"	natural killer cell, the human body's first line of defense due to their innate ability to rapidly seek and destroy abnormal cells
"NRDL"	China's National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工商保險和生育保險藥品目錄》), or the National Reimbursement Drug List
"NSAID"	nonsteroidal anti-inflammatory drugs, members of a drug class that reduces pain, decreases fever, prevents blood clots, and in higher doses, decreases inflammation
"PA"	polymerase acidic protein, a subunit of influenza viral RNA polymerase complex with endonuclease activity
"PARP"	poly ADP-ribose polymerase, a family of enzymes with PARP1 being the most abundant and well-characterized member, primarily involved in DNA replication and transcriptional regulation, which plays an important role in cell survival in response to DNA damage
"PARP1/2 inhibitor"	small molecule drug that selectively blocks the enzymatic activity of both PARP1 and PARP2, thereby preventing DNA repair and leading to synthetic lethality in cells with defective homologous recombination repair pathways
"PB"	polymerase basic protein, a core subunit of the influenza virus RNA-dependent RNA polymerase complex, responsible for catalyzing viral RNA synthesis (transcription and replication)
"PBMC"	peripheral blood mononuclear cell, cells including lymphocytes and monocytes used to construct humanized immune mouse models PBMC
"PD"	pharmacodynamic
"PFS"	progression-free survival, time from randomization or initiation of treatment to disease progression or death from any cause, whichever occurs first
"PI"	principal investigator
"PK"	pharmacokinetics
"PMEG-DP"	the active metabolite of ZX-12042B that dually inhibits viral and host cell DNA polymerases to block HPV replication
"post-exposure prophylaxis"	the preventive administration of antiviral medications to individuals who have been exposed to confirmed or suspected infected cases but have not yet developed symptoms
"R&D"	research and development

GLOSSARY OF TECHNICAL TERMS

"RNA"	ribonucleic acid, a nucleic acid present in all living cells. Its principal role is to act as a messenger carrying instructions from DNA for controlling the synthesis of proteins, although in some viruses RNA rather than DNA carries the genetic information
"SAE"	serious adverse event, any medical occurrence in human drug trials that at any dose: results in death; is life-threatening; requires inpatient hospitalization or causes prolongation of existing hospitalization; results in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or requires intervention to prevent permanent impairment or damage
"STING"	stimulator of interferon genes, a signaling molecule associated with the endoplasmic reticulum, which is essential for controlling the transcription of numerous host defence genes and plays a key role in innate immunity
"TEAE"	treatment-emergent adverse event, either an adverse event with onset after the initiation of the study medication or an adverse event with onset before study medication that worsened in severity after the initiation of study medication
"Th2"	T helper type 2, a type of T cell that plays an important role in the immune system
"TGI"	tumor growth inhibition, the specific reduction in growth of tumors by a chemical compound, mechanical therapy, radiation, protein therapy, ultrasound waves, light, or other treatment
"T cells"	a type of white blood cell that plays a central role in the immune response against infected or cancerous cells

FORWARD-LOOKING STATEMENTS

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

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim," "anticipate," "believe," "could," "estimate," "expect," "going forward," "intend," "may," "might," "ought to," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change.

These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- our business strategies and plans to achieve these strategies, including our global expansion plans;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- the market opportunities of our marketed products and drug candidates;
- the commercialization strategies and pricing policy of our marketed products and drug candidates;
- the timing of initiation and completion, and the progress of our pre-clinical studies and clinical trials;
- the timing and likelihood of regulatory filings and approvals, such as IND and NDA;
- our ability to advance our drug candidates into drug products, and the successful completion of clinical trials;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our expectations regarding demand for and market acceptance of our marketed products and drug candidates;
- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to adequately protect our reputation and brand image, as well as our intellectual property rights;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- our ability to attract and retain qualified personnel;

- competition in the industries and markets in which we operate or into which we intend to expand;
- our proposed [REDACTED];
- rapid developments in technology and our ability to successfully keep up with technological advancement;
- relevant government policies and regulations relating to industries which we operate in;
- certain statements in this document with respect to trends in prices, operations, margins, overall market trends, and risk management;
- change of volatility in interest rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- various uncertainties described in the "Risk Factors;" and
- other statements in this document that are not historical facts.

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

In this document, statements of or references to our intentions or those of the Directors are made as of the date of this document. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in the [REDACTED] involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before deciding to [REDACTED] in the [REDACTED]. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such event, the [REDACTED] of the [REDACTED] could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this document. In particular, we are a biotechnology company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with our shares in companies such as ours. Your [REDACTED] decision should be made in light of these considerations.

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

Our business and financial prospects depend substantially on the successful development, approval and commercialization of our drug assets, as well as the expansion of indications of our current drug product. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our drug candidates or new indication, including our Core Product, or experience delays in doing so, our business prospects could be adversely affected.

Since our establishment, we have been dedicated to the research and development of small molecule drug assets in the areas with medical needs that are not fully addressed, including viral infections, cancer and inflammatory diseases. Sebaloxavir marboxil is an in-house developed advanced inhibitor targeting the influenza virus PA endonuclease. We have obtained NDA approval from NMPA for sebaloxavir marboxil tablets in July 2025 and subsequently obtained NDA approval for the treatment of adolescent patients in June 2026. In addition, we are developing a suspension formulation of sebaloxavir marboxil to offer more dosing convenience, primarily for pediatric patients. Our ability to sustain and expand the market presence and clinical potential of sebaloxavir marboxil is subject to numerous risks and uncertainties.

Moreover, our future revenue and profitability will substantially depend on our ability to successfully complete the development of our drug candidates, obtain requisite regulatory approvals, and manufacture and commercialize our drug candidates. We have invested a significant portion of our efforts and capital resources in the development of our existing drug candidates, and we expect to continue to incur substantial and increasing expenditures for the development and commercialization of our drug candidates in the future. However, development of new drug candidates, including expanding new indications for our Core Product, can be time-consuming and costly and the outcome may be uncertain. The success of expanding new indications and developing drug candidates will depend on several factors, including obtaining regulatory approvals for additional indications and formulations, expanding clinical evidence for broader use and post-exposure prophylaxis, maintaining manufacturing capacity, quality management and supply chain reliability, achieving continued acceptance by physicians, patients and regulatory bodies, securing appropriate pricing, reimbursement and market access amid intense competition, and addressing the potential impact of evolving influenza virus strains and treatment guidelines. Failure to achieve one or more of these targets could adversely affect the future sales performance and lifecycle management of our Core Product and other drug candidates, which in turn may materially impact our overall results of operations and growth prospects.

Furthermore, the advancement of these programs requires additional technical, financial and human resources to support research, process optimization and clinical trial execution. If our ongoing or planned development activities for these pipeline candidates fail to progress as expected, or if we are unable to identify additional therapeutic opportunities through internal R&D efforts, we may not be able to expand or diversify our product portfolio as planned. Such failure could materially and adversely affect our long-term competitive position, growth potential and prospects.

Clinical drug development involves a lengthy and expensive process with uncertain outcomes and results of earlier studies and trials may not be predictive of future trial results.

Clinical development entails substantial cost, resource-intensive and time-consuming, which is subject to inherent uncertainty as to outcome. Failures or unexpected results may occur at any stage of ongoing or planned clinical studies, whether for expansion of indications of our approved product or for new drug candidates. As of the Latest Practicable Date, we had one approved drug and a portfolio of drug candidates under different stages of clinical trials. For details, please see "Business — Our Drug Portfolio." We may be unable to initiate or continue trials as planned, such as when regulators do not approve protocols or require suspension, modification or termination of ongoing trials, when clinical trials produce negative results, when third parties fail to perform as expected, when costs exceed estimates or patient enrollment faces challenges.

We cannot assure you that any ongoing or planned clinical studies will commence or progress as planned, will not need to be restructured, or will be completed on schedule, or at all. Significant delays or failures in our clinical programs could hinder our ability to obtain regulatory approvals for new indications or formulations of sebaloxavir marboxil or for our other drug candidates, allowing competitors to bring products to market earlier, which may materially and adversely affect our business, financial condition and results of operations.

Our marketed product and drug candidates approved in the future may fail to achieve or maintain the degree of market acceptance by physicians, medical institutions, pharmacies, patients, and others in the medical community necessary for commercial success, and the actual market size of our product could be smaller than expected.

The commercial success of our Core Product and drug candidates to be approved in the future, is highly dependent on their continued market acceptance among physicians, medical institutions, pharmacies, patients, and others in the medical community. The market acceptance of our products and drug candidates depends on many factors, including the perceived advantages of our products over competing products, safety and efficacy, pricing and cost-effectiveness, the effectiveness of our sales and marketing efforts, publicity concerning our products or competing products, our ability to respond to changes in needs and preferences of healthcare practitioners and patients, and whether our products are included in the NRDL or other government-sponsored medical insurance programs.

In addition, market acceptance of a product is also affected by whether it is included in the NRDL or other government-sponsored medical insurance programs. If our products fail to achieve or maintain widespread market acceptance, or if new products introduced by our competitors are more cost-effective or are received more favorably, our products may be deemed less competitive, and the demand for our products may decline and our business and financial performance may be materially and adversely affected. Furthermore, the actual market size of our drug candidates may not be as large as we anticipate. The number of patients in the addressable markets may turn out to be lower than expected, or new patient identification and access may become more challenging. Any of these unfavorable developments could adversely affect our business, financial condition and results of operations.

We rely on CSOs to promote and market our products and on our distribution network to sell and distribute our products, and if we fail to maintain, manage and expand our CSO arrangements or distribution network, our business could be adversely affected.

We rely on CSOs to promote and market, and distributors to sell and distribute, our products in relevant markets. During the Track Record Period, we had engaged two CSOs in total, namely Jumpcan Pharmaceutical in Chinese Mainland and Cigalah Medpharm in the MENA region. Our reliance on a limited number of CSOs exposes us to concentration risks. If either of our CSOs fails to perform its obligations, maintain sufficient sales, promotion, regulatory or market access capabilities, comply with applicable laws and regulations, or continue its business relationship with us, our commercialization progress, market coverage, product uptake and revenue growth may be materially and adversely affected. Although we may seek to engage alternative or additional CSOs or distributors where appropriate, we may not be able to identify and onboard suitable partners in a timely manner or on commercially reasonable terms.

Consistent with industry practice, we sold our products through distributors in China. As of June 30, 2026, we have engaged 30 distributors across China. All of these distributors were Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, we complied with the two-invoice system for our pharmaceutical products sold to public hospitals and medical institutions in China. In line with industry practice in China, we typically enter into distribution agreements with our distributors for a prescribed term. However, we cannot assure you that our distributors will always distribute our products in an effective manner, and we may not be able to renew these agreements with our distributors on commercially acceptable terms or at all. Our distributors may elect not to renew their distribution agreements with us or otherwise terminate their business relationships with us for various reasons, including if the pricing regulations imposed by the PRC government authorities or other factors substantially limit the margins they can obtain through the resale of our products. In addition, we may not be able to establish business relationships with new distributors to support the continued growth of our business. In the event that a significant number of our distributors terminate their relationships with us, or we are otherwise unable to maintain and expand our distribution network effectively, our business, financial condition and results of operations could be materially and adversely affected. Additionally, if a significant number of our distributors cease or reduce their purchases of our products or fail to meet the terms provided in our distribution agreements, our business, financial condition and results of operations could be materially and adversely affected. Moreover, non-compliance by any of our distributors or sub-distributors under applicable regulations may adversely affect the sales and distribution of our products. Nor can we guarantee their continuous compliance with our sales policies or prevent potential competition among them for market share of our products. Failure by these distributors to sell our products efficiently, manage inventory appropriately, or adhere to our pricing and marketing strategies could disrupt our commercial operations and sales performance, which could in turn materially and adversely affect our business, financial condition, and results of operations.

We may face intense competition and rapid technological change, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

The market of development and commercialization of innovative antiviral and other therapeutic drugs is highly competitive. Our Core Product and other drug candidates may compete with major multinational, smaller emerging pharmaceutical companies and biotechnology companies worldwide. We are developing our drug candidates in competition with a number of large biopharmaceutical companies that currently market and sell drugs or are pursuing the development of drugs or indications for the same or similar target therapeutic area as ours. Some of these competing drugs and therapies may be based on scientific approaches that are the same as or similar to our approach, and others may be based on entirely different approaches. If we fail to differentiate our drugs and drug candidates or secure robust intellectual property protection, we may lose market share or face legal challenges. For details, refer to "Industry Overview."

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than our Core Product, namely the sebaloxavir marboxil tablets, or any of our current drug candidates and any drugs that we may develop or commercialize in the future. Our competitors also may obtain approval from the NMPA or other comparable regulatory authorities for their drugs more rapidly than we may obtain approval for our drug candidates, including the suspension formulation of sebaloxavir marboxil and our other drug candidates, which could result in our competitors establishing a stronger market position. They may render our drug candidates obsolete or non-competitive before we can recover expenses of developing and commercializing any of our drug candidates.

Furthermore, mergers and acquisitions in the pharmaceutical and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties may compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

If our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

While our sebaloxavir marboxil tablets have obtained approval by NMPA for the treatment of influenza in adults in China, we are also developing a suspension formulation of sebaloxavir marboxil to offer more dosing convenience, primarily for pediatric patients. As such, the suspension formulation of sebaloxavir marboxil and other drug candidates remain subject to the approval of the NMPA and, where applicable, other regulatory authorities. Unexpected or severe adverse events during clinical trials could cause us or regulatory authorities to interrupt, delay, suspend or terminate such trials, or could lead to restrictions, delays, or denials of regulatory approval by the NMPA or other applicable regulatory authorities. Adverse events could also slow enrollment, cause discontinuation of participation by subjects, or result in potential product liability claims.

Even for our sebaloxavir marboxil tablets and any future approved products, post-marketing regulatory scrutiny may lead regulatory authorities to require updated labeling or additional warnings, mandate risk management and pharmacovigilance measures, demand post-marketing studies or extra clinical data, suspend, restrict or withdraw marketing approvals, order product recalls, or take enforcement actions for manufacturing or reporting non-compliance.

We could also be sued and held liable for harm caused to patients. Any such events could result in significant costs, reputational damage, reduced sales, or loss of market acceptance of our drug product, and could materially and adversely affect our business, financial condition, results of operations and prospects.

If we encounter delays or difficulties enrolling patients in our clinical trials, clinical development of our drug candidates could be delayed or otherwise adversely affected.

The timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the trial until its conclusion. We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible patients, or if there are delays in the enrollment of eligible patients as a result of the competitive environment for clinical trial subject enrollment.

We may experience difficulties resulting from trial design, eligibility criteria, the drug candidate's risk-benefit profile, our operational resources, physician referral practices, and competing trials for similar indications.

Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in enrollment may result in increased costs or affect the timing or outcome of such trials, which could prevent their timely completion and adversely impact the overall development timeline of our drug candidates and, ultimately, our ability to obtain regulatory approvals.

The data and information that we gather or rely on in our research and development process could be inaccurate or incomplete.

We and our collaboration partners collect, process and analyze large volumes of data and information from our preclinical studies, clinical programs and other research and development activities. Following the identification of a promising drug candidate, we also conduct extensive information gathering and data verification. However, the overall quality, accuracy and integrity of such data may be subject to challenge. If we identify material mistakes in data capture, entry, analysis or reporting, our ability to advance the development of our drug candidates could be materially impaired and our reputation and business prospects could be adversely affected. We also prepare and submit data to the NMPA and where applicable, other regulatory authorities, in connection with the clinical development, approval and post-marketing management of our drug product and drug candidates. Interim or preliminary clinical data that we announce for our investigational products may differ from final data after further patient follow-up or verification and material changes could expose us to potential liability if any authority or third party determines that our storage, submission or disclosure of data was inaccurate, incomplete or misleading. Even if such claims prove to be unfounded, they could result in significant cost, negative publicity, or diversion of management attention. In addition, we rely on CROs, SMOs and other third parties to collect, record and manage data for certain of our preclinical and clinical programs in China. We exercise only limited control over their performance. If any of these third parties fail to meet our standards of data accuracy, completeness or regulatory compliance, our regulatory reviews and development timelines may be delayed or otherwise negatively affected.

We may not be able to identify, discover or develop new drug candidates, or to identify additional therapeutic opportunities for our drug candidates to maintain or expand our drug pipeline.

We cannot guarantee that we will be successful in identifying or discovering new potential drug candidates or new therapeutic applications for our existing ones. Drug candidates that we identify may ultimately be found to have limited efficacy, undesirable safety profiles, or other characteristics that make them unmarketable or unlikely to receive regulatory approval. Certain types of small-molecule drug assets may also pose technical challenges in terms of synthetic feasibility, formulation, or large-scale manufacturing. Some of our early-stage discovery programs may fail to produce meaningful outcomes in further stages of development due to insufficient discovery technologies, adverse effects or inadequate efficacy of candidates, technical limitations of internal platforms, higher-than-expected time and resource requirements, and competition for talent and enabling technologies. Accordingly, there can be no assurance that we will be able to discover or develop new drug candidates, identify additional therapeutic uses for our existing drug product, or otherwise maintain and expand our product pipeline through internal research programs. If we fail to do so, our ability to sustain future growth, enhance our product portfolio and strengthen our market position could be materially and adversely affected. In addition, we may devote significant resources to research programs or potential innovations that ultimately prove unsuccessful, which could further divert capital and management attention from other more promising opportunities.

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

Results of trials conducted by us with respect to our drug candidates could reveal a high and unacceptable severity or prevalence of certain AEs. In such an event, such trials could be suspended or terminated and the NMPA or other comparable regulatory authorities could order us, as applicable, to cease further development of, or deny approval of, our drug candidates for any or all

targeted indications. AEs related to our drug candidates may also affect subject recruitment or the ability of enrolled subjects to complete the trial and could result in potential liability claims. If safety issues are identified after any approval, regulators may impose additional warnings or risk-management requirements, including restrictions on distribution and/or post-marketing studies, or withdraw approvals or revoke licenses, and we or our collaboration partners may be required to suspend marketing. In addition, the use of our drug candidates in combination with third-party drugs may present distinct or exacerbated AEs compared with monotherapy, which could further complicate development, labeling and regulatory oversight. Any of these occurrences may significantly harm our reputation, business, financial condition and prospects.

We may allocate our limited resources to the development of a specific drug candidate or indication, potentially overlooking other drug candidates and indications that may later demonstrate greater commercial potential or a higher probability of success.

We have limited financial and human resources, and we must decide which of our drug discovery, research and development programs to pursue and how much funding to allocate to each. Currently, we strategically focus our R&D on viral infection, oncology, and inflammatory disorders and on a small number of high-priority candidates, including sebaloxavir marboxil, ZX-8177 for oncology and HPP indications and ZX-12042B for HPV infections. As a result, we may forgo, deprioritize or delay opportunities to develop other drug candidates that could later prove to have greater commercial potential, a broader clinical application, or a higher likelihood of success. If our assessment of the potential of our drug candidates is incorrect, or if these programs encounter unexpected setbacks while other development opportunities prove more promising, our resource allocation could be suboptimal. In addition, if we do not accurately evaluate the commercial potential, target market, or competitive positioning of a particular drug candidate, we may choose to enter into collaboration, licensing or other arrangements for a program that would have been more advantageous to develop and commercialize independently, or we may allocate resources to internal programs that would have been better advanced through a partnership. Any such misallocation of resources could materially and adversely affect our business, financial condition, results of operations and future prospects.

Our sales may be subject to seasonality, which could cause our results of operations to fluctuate.

Our sales performance may subject to seasonal fluctuations. Influenza infections typically exhibit strong seasonality, with higher incidence during colder months (usually from late autumn to early spring) and lower incidence in other periods of the year. As a result, the demand and sales of sebaloxavir marboxil tablets are expected to increase significantly during influenza seasons and decrease during non-peak periods, leading to seasonal variations in our revenue and results of operations. The unpredictability of seasonal influenza epidemics outbreaks in terms of timing, severity, duration, type, and geographic spread can vary significantly from year to year. A particularly mild influenza season could result in substantially reduced demand for sebaloxavir marboxil tablets, potentially leaving us with excess inventory. As these factors are largely beyond our control and are difficult to predict with certainty, the potential fluctuations relating to our sebaloxavir marboxil tablets' performance could materially impact our revenue and business prospects. In addition, any prolonged outbreak of epidemic illness may lead to large-scale travel restrictions, social-distancing measures and business closures which would significantly reduce the movement of people, resulting in a decline in the incidence of influenza which in turn could have a negative impact on our business. This seasonal tendency may cause our quarterly, semi-annual or even annual operating results to fluctuate significantly. Therefore, comparisons of our operating performance between certain period may not be meaningful and should not be regarded as reliable indicators of future performance. Furthermore, if our manufacturing, distribution or sales operations are disrupted by factors such as supply chain interruptions, logistic bottlenecks, or public health control measures during or immediately prior to the influenza season, our ability to timely meet market demand could be adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION

We have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a biopharmaceutical company with a limited operating history. Since our inception, our operations have primarily focused on drug discovery, preclinical studies and clinical trials, establishing our intellectual property portfolio, seeking business development opportunities and business planning and raising capital. Our Core Product, sebaloxavir marboxil tablets, received regulatory approval in China in July 2025. However, we still have limited experience in drug commercialization and the sustainability or scale of such revenue remains uncertain. As a result of our limited operating history, it may be difficult for [REDACTED] to evaluate our business, assess our prospects or accurately predict our future performance. We may face risks and difficulties commonly experienced by early-stage companies in developing, manufacturing and, when approved, commercializing proprietary therapeutics. If we are unable to successfully manage these risks and difficulties, our business, financial condition and results of operations could be materially and adversely affected.

We have incurred significant loss since inception, and we may continue to incur losses and may fail to achieve or maintain profitability in the future. As a result, you may lose substantially all of your [REDACTED] in us if our business fails.

[REDACTED] in biopharmaceutical companies is highly speculative. It entails substantial upfront capital expenditures and significant risk that a drug candidate will fail to gain regulatory approval or become commercially viable. We have incurred significant expenses related to the research and development of our drug product and drug candidates. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs amounted to RMB100.0 million, RMB112.1 million, RMB64.3 million and RMB42.8 million, respectively. In addition, we also incurred other expenses related to our operations including administrative expenses. As a result, our loss for the year/period amounted to RMB145.4 million, RMB209.3 million, RMB105.5 million and RMB90.8 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

Our Core Product, sebaloxavir marboxil tablets, has obtained regulatory approval and is commercially available in China. However, the revenue generated to date has been limited and has not been sufficient to offset our total operating costs. We expect to continue to incur significant expenses and operating losses for the foreseeable future as we advance our pipeline and scale up our commercialization capabilities. Our future expenses are expected to relate mainly to advancing clinical and pre-clinical studies of our drug candidates, seeking additional regulatory approvals, commercializing approved drug candidates, identifying new drug candidates, addressing competition, maintaining and expanding our intellectual property portfolio, and building necessary infrastructure and compliance systems as a public company.

We cannot guarantee that we will be able to obtain regulatory approvals for any of our drug candidates in a timely manner, or at all. In addition, only one of our drug candidates has been approved by NMPA for the treatment of influenza in adults in China, and we expect to continue incurring substantial expenditures before we are able to generate sufficient revenue from product sales. Considering the numerous risks and uncertainties associated with regulatory approval, we are unable to accurately predict the timing or amount of additional expenses, or when, or if, we will be able to achieve or maintain profitability. Our expenses could increase beyond expectations if we are required by the NMPA or other applicable authorities to perform studies in addition to those that we currently anticipate. Even if our drug candidates are approved for commercial sale, we expect to continue incurring significant costs associated with the manufacturing and the commercial launch of the drug candidates.

We invest substantial human and capital resources in research and development, but we cannot guarantee that such efforts will lead to successful outcomes.

In 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs were RMB100.0 million, RMB112.1 million, RMB64.3 million and RMB42.8 million, respectively. We intend to continue to strengthen our technical capabilities in the development and manufacture of our drug candidates, which requires substantial capital and time. We cannot assure you that we will be able to develop, improve or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, or obtain sufficient or any patent or other intellectual property protection for such new or enhanced products in a timely and cost-effective manner. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our technology platforms and drug candidates and harm our business and prospects.

We recorded net liabilities and net current liabilities during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.

As of December 31, 2024, 2025 and June 30, 2026, we have net liabilities of RMB805.7 million, RMB1,020.4 million and RMB1,105.4 million, respectively. As of the same date, we had net current liabilities of RMB760.7 million, RMB974.2 million and RMB1,072.2 million, respectively. A net liabilities position can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all. If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We had net operating cash outflows during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.

Since our inception, our operations have consumed substantial amounts of cash. We had net cash used in operating activities of RMB106.0 million, RMB129.8 million, RMB67.6 million and RMB52.6 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We may continue to experience net cash outflows from our operating activities from time to time. See "Financial Information — Liquidity and Capital Resources — Cash Flows — Net Cash Flows Used in Operating Activities" for details. As our business develops and expands, we expect to generate more net cash from our operating activities, through increasing sales revenue of the existing drug product. If we are unable to maintain adequate working capital or obtain sufficient financings to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, results of operations, financial condition and prospects.

We have historically received financial incentives, such as government grants and tax benefits, and we may not receive such incentives in the future.

We recognized government grants in other income of RMB26.5 million, RMB195 thousand, RMB112 thousand and RMB13.4 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. These government grants primarily represent subsidies received from the local governments for expenses arising from research and development activities and contribution to regional economic development. We also enjoyed preferential tax treatment during the Track Record Period. See "Financial Information — Description of Selected Components of the Consolidated Statements of Profit or Loss — Income Tax." The government grants and preferential tax treatments we receive are subject to the discretion of relevant government authorities, who may reduce or eliminate such incentives at any time, generally with prospective effect. Given this inherent uncertainty, our net income in a particular period may fluctuate relative to other periods beyond those attributable to our underlying business performance or operational factors. Consequently, the

discontinuation or changes of such government grants, preferential tax treatments and other related financial incentives currently available to us could have an adverse effect on our financial condition, results of operations, cash flows and prospects.

We are exposed to risks in connection with the wealth management products we purchased.

We may from time to time purchase structured deposits and low-risk wealth management products. These structured deposits and wealth management products are principal-guaranteed with an original maturity ranging from one to six months and are issued and managed by reputable and licensed commercial banks in China. Our wealth management products are recognized as financial assets measured at FVPL, which amounted to RMB89.1 million, RMB174.8 million and RMB138.2 million as of December 31, 2024, 2025 and June 30, 2026, respectively. The returns of our investments on the structured deposits and wealth management products are not guaranteed. We are exposed to credit risks in relation to these financial assets, which may adversely affect their fair value. Net changes in their fair value are recorded in profit or loss, and therefore directly affect our results of operations. In addition, there can be no assurance that our internal management and investment strategy will be effective and adequate with respect to our purchased structured deposits. We cannot guarantee that we will not experience losses with respect to such investments in the future or that such losses or other potentially negative consequences due to such investments will not have material adverse effects on our business, results of operations and prospects. If there is any decrease of fair value on financial assets due to the change of the valuation of such financial assets, our financial conditions will be adversely affected.

We are exposed to risks associated with our redemption liabilities.

Our redemption liabilities represent the redemption liabilities of the equity shares we issued to our Pre-[REDACTED] Investors with certain special rights. Specifically, these investors have the right to require our Company to redeem all or part of the shares at any time upon occurrence of specified triggering events, including non-completion of a qualified [REDACTED] by a predetermined date. In the event of a liquidation, dissolution or winding up of our Company or in the event of any deemed liquidation event, which includes a sale or transfer of all or a significant portion of assets, intellectual properties or business of our Group, or a change in control of our Group, all assets and funds of our Company legally available for distribution (after satisfaction of expenses required by law, creditors' claims and outstanding taxation expense) shall be distributed to Pre-[REDACTED] Investors by cash at the respective liquidation preference amount. For details, see note 25 to the Accountants' Report as set out in Appendix I to this document. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our remeasurement of redemption liabilities amounted to RMB50.9 million, RMB66.3 million, RMB31.2 million and RMB37.1 million, respectively. If we fail to complete a qualified [REDACTED] by the predetermined date or other triggering events occur, we may be required to redeem these shares, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.

During the Track Record Period, we financed our operations primarily through proceeds from pre-[REDACTED] investments and bank borrowings. As of December 31, 2024, 2025 and June 30, 2026, our bank loans were RMB84.9 million, RMB79.5 million and RMB64.6 million, respectively. We believe our current cash and cash equivalents and the estimated [REDACTED] from the [REDACTED] will be sufficient to meet our anticipated cash needs for at least the next 12 months from the date of this Document. We expect to fund our future operations primarily with existing cash and cash equivalents, future potential payments received from our license and collaboration agreements and [REDACTED] from the [REDACTED]. Upon the successful commercialization of more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug product. Changes in our ability to fund our operations may affect our cash flow and results of operations.

As our business continues to expand, we may seek additional funding through public or private [REDACTED], debt financing, collaboration arrangements and licensing arrangements or other funding sources, which may not be available on terms favorable or commercially reasonable to us or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted and the terms may include liquidation or other preferences that may adversely affect your rights as a [REDACTED] of our H Shares. Incurring additional debt could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials or other research and development activities, or the commercialization of one or more of our drug candidates, which may adversely affect our business prospects.

In the event that we enter into collaboration or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or drug candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future arrangements when we might be able to achieve more favorable terms.

Our future investments, potential acquisitions or strategic partnerships, may increase our capital requirements, cause dilution to our Shareholders, and/or cause us to incur debt or assume contingent liabilities and subject us to other risks.

To support our growth, we may acquire businesses, products, technologies, or know-how, or enter into strategic partnerships that would enhance our product development, technological capabilities, or distribution network. However, any potential acquisition or strategic partnership may involve a number of risks, including but not limited to increased operating expenses and cash needs, assumption of indebtedness or contingent liabilities, key personnel retention risks, counterparty-related uncertainties, equity issuance with dilutive effects, integration challenges, diversion of management attention, failure to generate sufficient revenue from acquired assets to meet strategic objectives, and adverse financial impacts from changes in relevant accounting principles. Moreover, pursuing acquisitions may require us to issue securities that dilute existing Shareholders, take on new debt obligations, incur substantial one-time costs, or acquire intangible assets that could lead to significant future amortization expenses. Additionally, we may face challenges in identifying appropriate acquisition targets and any such difficulty could impede our growth or restrict access to technologies and products essential for advancing our business.

RISKS RELATING TO DEPENDENCE ON THIRD PARTIES

We work with third parties to develop a portion of our drug candidates for clinical development and future commercialization. Our business could be harmed if those third parties fail to deliver sufficient quantities of product, maintain necessary licenses or otherwise duly perform their contractual obligations.

We have worked with and plan to continue to work with reputable CROs, CDMOs, CSOs and SMOs to support our ongoing preclinical research and clinical trials under our oversight and management. In addition, we will rely on some of these third parties to perform certain specification tests on our drug candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and regulatory authorities could place significant restrictions on us until deficiencies are remedied.

We are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements. We, our CROs and SMOs for our clinical programs and our clinical investigators are required to comply with Good Clinical Practice ("**GCP**"), enforced by the NMPA and other comparable regulatory authorities. If we or any of our

CROs, SMOs or clinical investigators fail to comply with applicable GCP, the clinical data generated in our clinical trials may be deemed unreliable and the NMPA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our pivotal clinical trials must be conducted with product produced under Good Manufacture Practices ("**GMP**") regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. We and our third-party service providers are also subject to environmental, health and safety laws and regulations, and any failure to comply could expose us to fines, penalties or liabilities that could exceed our resources. If any of our relationships with these third-party service providers deteriorate or terminate, we may not be able to replace them in a timely manner or on commercially reasonable terms. Failure by these third-party service providers to perform their contractual duties or to meet expected milestones may delay or disrupt our research, clinical development, manufacturing operations or commercialization, which could materially and adversely affect our business, financial condition and results of operations. Switching or onboarding replacements may also result in additional cost and delay. In addition, our sales and promotional activities partly depend on the performance and capacity of personnel placed by CSOs, and any failure by CSOs to provide qualified personnel, renew their agreements with us, or comply with applicable anti-corruption and other laws and regulations could result in material and adverse fluctuations in our revenue or market share. Furthermore, if any of our business partners fail to obtain or maintain necessary permits, licenses and certificates required for their operations, our ability to develop, manufacture and commercialize our products could be materially impaired.

In addition, under certain of our agreements with CSOs, key decisions are made by a JSC composed of representatives from both us and our CSO partners. Under the China Sales and Promotion Agreement with Jumpcan Pharmaceutical, the JSC comprises six members, with each party appointing three representatives. Decisions are made by consensus. In the event that consensus is not reached, decision-making authority is bifurcated: (i) we retain final decision-making authority over all other matters relating to sebaloxavir marboxil oral formulations, including R&D, registration, production, trademarks, product pricing, medical insurance access, centralized procurement and bidding strategy, and distributor selection; and (ii) Jumpcan Pharmaceutical has final decision-making authority solely with respect to matters related to the execution of promotional activities for sebaloxavir marboxil oral formulations within the Licensed Field in the Territory. Under the MENA License and Distribution Agreement with Cigalah Medpharm, in the event that consensus is not reached by the JSC, we are entitled to cast the deciding vote on any matter relating to sebaloxavir marboxil oral formulations.

While we retain substantive control over the core strategic elements of commercialization, Jumpcan Pharmaceutical's final decision-making authority over promotional execution matters could result in promotion-level decisions that are not fully aligned with our preferred approach. If such decisions lead to suboptimal promotional strategies, reduced market uptake or inefficiencies in sales channel execution, our ability to maximize the commercial potential of our Core Product could be adversely affected. In addition, if we are unable to reach consensus with our CSO partners on matters within their decision-making authority, we may need to increase our expenditures or undertake promotional activities at our own expense in order to supplement or redirect the CSO's efforts. Any material disagreement or deadlock that delays, limits or otherwise negatively impacts the promotion of our Core Product could materially and adversely affect our business, financial condition, results of operations and prospects.

If we cannot maintain or develop clinical collaborations and relationships with our PIs, physicians and experts, our results of operations and prospects could be adversely affected.

Our relationships with PIs, physicians and experts play an important role in our research and development and marketing activities. We have established collaborations with numerous hospitals and PIs in China to gain first-hand knowledge of unmet clinical needs and clinical practice trends, which is critical to our ability to develop new market-responsive drugs. However, we cannot assure

you that we will be able to maintain or strengthen our clinical collaborations and relationships with our PIs and physicians and experts, or that our efforts to maintain or strengthen such relationships will yield the successful development and marketing of new products.

RISKS RELATING TO COMMERCIALIZATION AND MANUFACTURING OF OUR DRUG CANDIDATES

We have limited experience in commercializing our drug candidates. If we are unable to establish and improve our marketing and sales capabilities through successfully building up our sales and marketing team and sales network, our ability to generate revenue and our business, financial condition, results of operations and prospects may be materially and adversely affected.

We have only commercialized one drug to date, namely our Core Product, sebaloxavir marboxil tablets. We have limited experience in commercializing our drug candidates. Our long-term success depends on our ability to further strengthen in-house commercialization capabilities, including expanding and training our sales and marketing team, enhancing our market access and distribution network and accumulating sufficient experience to support the launch of additional drug candidates. Commercialization of pharmaceutical products is a complex and resource-intensive process that requires expertise, infrastructure and compliance systems. We plan to continue enhancing our internal sales and marketing capabilities while partnering with qualified CSOs and other third-party collaborators to expand our market presence effectively. However, there can be no assurance that we will be able to effectively scale up or manage our growing sales force, or that our cooperative arrangements with CSOs or other external partners will produce satisfactory results. Any failure to attract or retain capable marketing professionals, to maintain efficient coordination with external sales partners, or to comply with applicable promotional and distribution regulations could impair our ability to capture market opportunities. As a result, if we are unable to further establish, expand and optimize our sales and marketing capabilities, or if our commercialization arrangements fail to perform as expected, our ability to sustain revenue growth and our business, financial condition, results of operations and prospects may be materially and adversely affected.

The market size of our drug and drug candidates might be smaller than we expected.

Our estimates of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates have been derived from a variety of sources, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of the diseases we are targeting. The number of our target patients may turn out to be lower than expected. Likewise, the potentially addressable patient population for each of our product and drug candidates may be limited or may not be receptive to treatment with our product and drug candidates, and new patients may become increasingly difficult to identify or access. If the market opportunities for our drug candidates are smaller than we estimate, it could have an adverse effect on our business, financial condition, results of operations and prospects. Our Core Product, sebaloxavir marboxil tablets, has been developed for the treatment of influenza. However, given the presence of various prevention methods, such as vaccine coverage and lifestyle changes, as well as existing and potential alternative treatment options, for our targeted indications, the market potential of the sebaloxavir marboxil tablets may be limited. As a result, even though the number of patients of our targeted indications may be large, the actual addressable patients of our product and drug candidates may be limited and smaller than we expected.

Our drug product and drug candidates approved in the future may fail to achieve or maintain the degree of market acceptance by physicians, medical institutions, pharmacies, patients, third-party payers and others in the medical community necessary for commercial success, and the actual market size of our drug candidates could be smaller than expected.

The commercial success of our products, including drug product and drug candidates to be approved in the future, is highly dependent on their continued market acceptance among patients, healthcare practitioners and others in the medical community. The market acceptance of our products and drug candidates depends on many factors, including their perceived advantages over

competing products, safety and efficacy, pricing and cost-effectiveness, sales and marketing effectiveness, related publicity, as well as adaption to changing needs and preferences of healthcare providers and patients. In addition, market acceptance of a product is also affected by whether it is included in the NRDL or other government-sponsored medical insurance programs. See also "— Our drugs may not be covered by reimbursement programs or may become subject to unfavorable reimbursement practices, either of which could harm our business." If our products fail to achieve or maintain widespread market acceptance, our products may be deemed less competitive or even rendered obsolete, and the demand for our products may decline and our business and profitability may be materially and adversely affected. Furthermore, the actual market size of our drug candidates may not be as large as we anticipate, the number of patients in the addressable markets may turn out to be lower than expected, or new patient identification and access may become more challenging. Any of these unfavorable developments could adversely affect our business, financial condition and results of operations.

Our drugs may not be covered by reimbursement programs or may become subject to unfavorable reimbursement practices, either of which could harm our business.

The regulations that govern reimbursement for new therapeutic drugs vary substantially from country to country. For details of the NRDL and other related matters, see "Regulatory Overview." There can be no assurance that any of our drug candidates will be included in the NRDL after initial approval for commercial sale. If we were to successfully launch commercial sales of our products but fail in our efforts to have our products included in the NRDL, our revenue from commercial sales will be highly dependent on patient self-payment, which can make our products less competitive. In addition, a key trend in the global healthcare industry is cost containment. Government authorities and third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. As a result, even if our drug candidates are successfully approved by the NRDL or any other reimbursement programs sponsored by government health administration authorities and third-party payers, our potential revenue from the sales of these products could still decrease as a result of the significantly lowered prices we may be required to charge or potential deeper-than-expected price reduction required for our products to be included in such reimbursement programs due to price control policies. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate that we successfully develop.

There may also be significant delays in obtaining reimbursement for approved drug candidates, and reimbursement coverage may be more limited than the approved indications of the drug candidates by the NMPA or other comparable regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Our inability to promptly obtain reimbursement coverage at intended payment rates from both government funded and private payers for our drug candidates and any new drug candidates that we develop could have a material adverse effect on our business, operating results and overall financial conditions.

If we fail to meet the growing demand for sebaloxavir marboxil tablets and our future approved drugs by ensuring that we have adequate manufacturing capacity through our cooperation with CDMOs, or if we are unable to successfully manage our anticipated growth or to precisely anticipate market demand, our business could suffer.

Manufacturing operations are subject to a range of potential disruptions, including equipment failure, non-compliance with established protocols, changes in product specifications, substandard or insufficient raw material supply, shifts in product mix, evolving manufacturing technologies, physical constraints affecting production continuity, and both natural and human-induced environmental events. If the manufacturing process of our drug and drug candidates encounters unanticipated delays and expenses as a result of any of these disruptions, the supply of sebaloxavir marboxil tablets and our other drug candidates would be limited, which would in turn limit our

development and commercialization activities and adversely affect our sales and profitability. To produce sebaloxavir marboxil tablets and our drug candidates in the quantities that will be required to meet anticipated market demand, we will need to increase, or "scale up," the production process over the initial level of production. If we are unable to do so through our cooperation with CDMOs, or if the cost of this scale up is not economically feasible for us or we cannot find a third-party supplier, we may not be able to offer sebaloxavir marboxil tablets or other future approved drugs in a sufficient quantity to meet future demand.

Guidelines, recommendations and studies published by various organizations could disfavor our drug candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' drugs and drug candidates. Currently, there are not any unfavorable guidelines, recommendations and studies published by various organizations in relation to our drug candidates. However, any such guidelines, recommendations or studies that reflect negatively on our drug candidates, either directly or relative to our competitive drug candidates, could result in current or potential decreased use and/or sales of, and revenue from one or more of our drug candidates. Furthermore, our success depends in part on our ability to educate healthcare providers and patients about our drug candidates, and these education efforts could be rendered ineffective by, among other things, third parties' guidelines, recommendations or studies.

We may not be able to maintain effective quality control over our drug product and drug candidates.

The quality of sebaloxavir marboxil tablets and our other drug candidates we used for research and development purposes, will depend significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the robustness of the production processes of our drug product, the quality and reliability of equipment used, the capabilities of the CDMOs we engage and our ability to ensure that they adhere to our quality control and quality assurance protocol. We operate a comprehensive quality control system, which is established and refined in accordance with the rigorous regulations and guidelines in China. However, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our standard operating procedures will be complete or updated at all times, or that our CDMOs will strictly adhere to our quality control and quality assurance procedures. Any significant failure or deterioration of our quality control and quality assurance protocol or standard operating procedures could render our approved drugs unsuitable for use, result in gaps in the audit of our processes and/or harm our market reputation and relationship with business partners. Any such developments may have a material and adverse effect on our business, financial condition and results of operations.

We are exploring collaboration opportunities on product commercialization and development worldwide and may continue to do so in the future, which will expose us to additional risks of conducting business in additional international markets.

Overseas markets are an important component of our growth strategy. In July 2025, we entered into a license and distribution agreement with Cigalah Medpharm, a fast growing pharmaceutical company in the UAE, in relation to sebaloxavir marboxil. We plan to explore more market opportunities overseas in the future, where there is substantial demand for our drug product and drug candidates and we intend to identify and collaborate with reputable local partners that have proven track record to maximize the global value of our drug candidates. We may also engage in licensing, co-development and co-promotion arrangements with global MNCs, and continue to conduct certain of our clinical trials abroad. For more details, see "Business — Business Strategies." However, such activities may subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including increased expenses and management distraction; challenges in identifying and cooperating with qualified partners; difficulties in

enforcing contracts overseas; changes in trade restrictions; adverse economic and foreign exchange risks; compliance burdens under foreign tax, employment and labor laws; labor uncertainty; as well as business interruptions caused by geopolitical conflicts, natural disasters and other events. These and other risks may materially adversely affect our ability to procure equipment and raw materials and to attain or sustain any future revenue from international markets.

Counterfeit pharmaceutical products may reduce demand for our drug candidates, which could have a negative impact on our reputation and business.

Since the commercialization of sebaloxavir marboxil tablets and upon commercialization of our drug candidates, the illegal import of competing drugs from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our drug candidates and, in turn, may adversely affect our sales and profitability in China and other countries where we plan to commercialize our products. Furthermore, cross-border imports from lower-priced markets (parallel imports) into higher-priced markets could harm sales of our existing and future approved drugs and exert commercial pressure on pricing within one or more markets. In addition, competent government authorities may expand consumers' ability to import lower priced versions of our future approved drugs or competing drugs from outside China or other countries where we operate. Any future legislation or regulations that increase consumer access to lower priced medicines from outside China or other countries where we operate could have a material adverse effect on our business.

Our drug candidates may involve risks of contamination during production.

Production of pharmaceutical products is a complex process, which may be exposed to contamination during production. In addition, manufacturing operations based on the sharing of equipment and facilities are common and activities such as developing clinical samples which may increase chances of cross-contamination. Contamination of our future pharmaceutical products, if and when approved and manufactured, could have a material adverse effect on our commercial prospects and financial results by negatively impacting customers, healthcare providers and collaboration partners. In addition, contaminated products that are unknowingly distributed could result in patient harm, damage the reputation of our drug candidates and company and expose us to liability claims, regulatory enforcement actions.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

If we are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates would be materially adversely affected.

Our commercial success depends, to a certain extent, on our ability to protect our proprietary technology and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent rights. We seek to protect the drug candidates and technology that we consider commercially important primarily by filing patent applications in China and other countries or regions, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. As of the Latest Practicable Date, we held 71 patents and patent applications, including 31 patents and patent applications in relation to our Core Product. The process of prosecution and maintenance can be expensive and time-consuming, and we or our business partners may not be able to file and prosecute all necessary or desirable patent applications and secure other intellectual property protection in all jurisdictions in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we or our business partners may fail to timely identify third-party infringement of our intellectual property rights and take necessary actions to defend and enforce our rights, or at all.

The issuance, scope, validity, enforceability and commercial value of patents are inherently uncertain. Patent examination may require us to narrow our claims, potentially reducing protection, and undiscovered prior art or defects in patents or applications may prevent issuance or render issued patents invalid or unenforceable. Even if patents are granted, third parties may challenge them in litigation or administrative proceedings, and adverse outcomes could narrow or invalidate our claims, limit our ability to exclude others, or require us to obtain licenses or otherwise prevent us from commercializing certain drug candidates without infringing third-party intellectual property rights. In addition, intellectual property laws and enforcement vary across jurisdictions and may be costly, time-consuming and unpredictable, which may limit our ability to prevent third parties from practicing our inventions, or from selling, importing or exporting competing products, and competitors may design around our patents.

Our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, which could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the China National Intellectual Property Administration (the "**CNIPA**"), the United States Patent and Trademark Office (the "**USPTO**") and other applicable patent authorities over the lifetime of a patent. There are situations in which inadvertent failures or non-compliance will result in the abandonment or lapse of the patent or patent application and the partial or complete loss of patent rights in the relevant jurisdiction. Such non-compliance events include, but not limited to failure to respond to official actions within prescribed time limits and non-payment of fees and failure to properly legalize and submit formal documents within prescribed time limits.

If our patent terms expire before or soon after our drug candidates are approved, or if competitors successfully challenge our patents, our business may be materially harmed. Lack of protection under the applicable patent linkage and patent term extension laws and regulations could increase the risk of early generic competition.

Patents have a limited duration. Depending on the jurisdiction, various extensions may be available, but the life of a patent and the protection it affords, is limited. For example, the expiration of a patent is generally 20 years from the date of application for inventions in China and generally 20 years from the earliest date of filing of the first non-provisional patent application to which the patent claims priority in the U.S. Even if patents covering our drug candidates, their manufacture, or use are obtained, once the patent life has expired, we may be open to competition from competitive medications, including biosimilar medications. Manufacturers of generic or biosimilar drugs may challenge the scope, validity, or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. Upon the expiration of our issued patents or patents that may be issued from our patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our owned and licensed patents and patent applications may not provide us with sufficient rights to exclude others from commercializing technology and products similar or identical to ours. Even if we believe that we are eligible for certain patent term extensions, there can be no assurance that the applicable authorities, including the FDA and the USPTO in the U.S., and any equivalent regulatory authority in other countries, will agree with our assessment of whether such extensions are available, and such authorities may refuse to grant extensions to our patents, or may grant more limited extensions than we request. Moreover, the applicable time period or the scope of patent protection afforded could be less than

we request. If we are unable to obtain a patent term extension or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration and our business could be harmed.

We may not be able to adequately protect our intellectual property rights throughout the world or prevent unfair competition by third parties.

Filing, prosecuting, maintaining and defending patents on drug candidates in all countries throughout the world could be prohibitively expensive for us, and our intellectual property rights in some countries can have a different scope and strength than do those in some other countries. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of certain other countries. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing drugs made using our inventions in and into certain jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to certain jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in certain other countries. These drugs may compete with our drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

The legal systems of some countries do not favor the enforcement of patents, trade secrets and other intellectual property, particularly those relating to biopharmaceutical products, which could make it difficult in those jurisdictions for us to stop the infringement, misappropriation or other violation of our patents or other intellectual property rights, or the marketing of competing drugs in violation of our proprietary rights. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We may be involved in lawsuits to protect or enforce our intellectual property, or defend against infringement and other claims alleged by third parties, which could be expensive, time consuming and unsuccessful, and delay us from developing or commercializing our drug candidates.

Competitors or other third parties may infringe our or our licensors' patent rights or misappropriate or otherwise violate our intellectual property rights. Litigation and other proceedings in connection with any of the foregoing claims can be expensive and time-consuming and, even if resolved in our favor, may cause us to incur significant expenses and could distract management and our scientific and technical personnel from their normal responsibilities. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. Moreover, we may not be able to detect infringement against our patents. If we later sue such third party for patent infringement, the third party may have certain legal defenses available to it, making it impossible for us to enforce our patents against such third party.

The outcome following legal assertions of invalidity and unenforceability is unpredictable. Moreover, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or

commercialize our drug candidates. Additionally, we may be subject to claims that former employees, collaboration partners or other third parties have an interest in our owned, out-licensed or in-licensed patents, patent applications, trade secrets or other intellectual property as an inventor or co-inventor.

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

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our competitive position, business, financial condition, results of operations and prospects.

If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position will be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patents and pending patent applications, we rely on trade secrets and confidential information, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We seek to protect our trade secrets and confidential information, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to trade secrets or confidential information, such as our employees, collaboration partners, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisors and other third parties that have access to them. However, we may not be able to prevent unauthorized disclosure or use of our proprietary information. If a competitor lawfully obtains or independently develops similar information, we may have no legal recourse to prevent its use. Furthermore, many of our employees, consultants and advisors, including our senior management, may currently be, or were previously employed at other pharmaceutical companies, including our competitors or potential competitors. We may face claims alleging misappropriation of intellectual property from former employers. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or be required to obtain licenses to such intellectual property rights, which may not be available on commercially reasonable terms or at all. Even if successful, such litigation may disrupt operations and hinder our ability to retain or recruit key personnel, adversely affecting our drug development and commercialization efforts. In addition, claims by or against us related to the ownership of such intellectual property may arise. We may also be subject to claims by former employees, consultants or other third parties asserting an ownership right in our owned or licensed patents or patent applications. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending any of the foregoing claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel. Moreover, our

trade secrets and other proprietary or confidential information may become known or be independently developed by a third party, or misused by any collaborator or other third party to whom we disclose such information.

Intellectual property and other laws and regulations are developing, which could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

Obtaining and enforcing patents in the pharmaceutical and biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing pharmaceutical and biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or their interpretation in China or other jurisdictions may increase the uncertainties and costs surrounding the prosecution of our patents, diminish our ability to protect our inventions, obtain, maintain, defend and enforce our intellectual property rights and, more generally, affect the value of our intellectual property or narrow the scope of our patent rights. Changes in patent laws and regulations in other jurisdictions, or changes in the practices of the authorities responsible for enforcing them, could impair our ability to secure new patents or to assert and defend those we currently own or license, or may acquire in the future.

Intellectual property rights do not necessarily protect us from all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business or permit us to maintain our competitive advantage. For example, third parties may develop similar products or technologies outside the scope of our patents or independently develop similar technologies without violating our owned or licensed intellectual property rights; we may not be the first to invent or file for relevant inventions; our pending applications may not issue as patents, and issued patents may be invalid or unenforceable. Should any of these events occur, they could materially adversely affect our competitive position, business, financial condition, results of operations and prospects.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated. Any failure to comply with relevant laws and regulations may adversely affect our business and results of operations.

All jurisdictions in which we intend to conduct our biopharmaceutical industry activities regulate these activities in great depth and detail. We intend to focus our activities primarily in China, among other potential markets. These jurisdictions strictly regulate the pharmaceutical industry, and in doing so they employ extensive regulations governing the development, approval, manufacturing, marketing, sales and distribution of pharmaceutical products. Differences in regulatory regimes across jurisdictions may lead to a higher compliance burden. The process of obtaining regulatory approvals and compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process and approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include refusal to approve pending applications; withdrawal of an approval; license revocation; clinical hold; voluntary or mandatory product recalls; product seizures; total or partial suspension of production or distribution; injunctions, refusals of government contracts; injunctions, fines and other civil or criminal penalties. Failure to comply with these regulations could therefore have a material adverse effect on our business.

The regulatory approval processes of the NMPA and other comparable regulatory authorities are time-consuming and may evolve over time, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The regulatory approval processes of the NMPA and other comparable regulatory authorities are inherently time-consuming and may evolve over time or vary among jurisdictions. Our drug candidates could fail to receive regulatory approval for many reasons, including regulators' disagreement with beginning or completing clinical trials; failure to comply with or pass inspections or audits under applicable standards, such as GCP at clinical sites and GMP across production; deficiencies in manufacturing processes found by regulators; changes in approval policies and regulations that render our existing data inadequate; failure to incorporate required technological advancements into clinical trials; and deviations from a trial protocol or regulatory requirements. Even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a drug candidate with an indication that is not desirable for the successful commercialization of that drug candidate. We cannot guarantee that we will be able to obtain regulatory approvals for our existing drug candidates or any drug candidates we may discover, in-license or acquire and seek to develop in the future.

In addition, the NMPA or a comparable regulatory authority may require more information support approval and regulatory requirement are subject to change, which may result in increased costs, delays, or disruption to the successful completion of our clinical trials.

Changes in government regulations or in practices relating to the biopharmaceutical industry, including healthcare reform in China, and compliance with new regulations may result in additional costs.

The biopharmaceutical market is heavily regulated in China. Changes in government regulations or in practices relating to the biopharmaceutical industry, such as a relaxation in regulatory requirements or the introduction of simplified approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may cause difficulty for us to satisfy such requirements, may have a material adverse impact on our business, financial condition, results of operations and prospects. Furthermore, our licensing partners gain exposure to the China market through license arrangements with us. If China modifies regulations which materially and adversely affects collaboration with foreign pharmaceutical or biopharmaceutical companies, our business, financial condition, results of operations and prospects may be materially and adversely affected as well.

Emerging U.S. laws, executive actions and procurement/export controls targeting biotech supply chain and data security could restrict or discourage collaborations with certain China-based CROs/CDMOs. If enacted or applied via statute, executive order, guidance, or funding rules, these measures may force us to replace vendors, transfer know-how, revalidate manufacturing, amend regulatory filings, and qualify new suppliers, leading to delays, higher costs and operational disruption. Even without formal enactment, counterparties' risk responses and heightened due diligence could increase compliance burden and negatively impact our partnerships, financing and timelines, which could materially adversely affect our business and prospects.

We are subject to stringent privacy laws and information security policies related to data privacy and security, and we may be exposed to risks relating to personal or other sensitive information.

We process significant amounts of data in our research, development, and clinical trial activities, including scientific data, personal information, important data, and potentially human genetic resources. As a result, we are subject to stringent and evolving data privacy and security laws and policies in the PRC and other jurisdictions. Key PRC regimes include the Measures for Cybersecurity Review (《網絡安全審查辦法》), Regulation on the Administration of Cyber Data Security (《網絡數據安全管理條例》), and outbound data transfer rules such as the Measures for the Security Assessment of Outbound Data Transfer (數據出境安全評估辦法). For details, see "Regulatory Overview." As of the Latest Practicable Date, we have not received any notification

regarding non-compliance with such regulations. However, the scope, interpretation, and enforcement of these regimes remain uncertain and may tighten over time. If we cannot complete required procedures on a timely basis or at all, or if we are required to undergo cybersecurity or national security related review, we may face restrictions on data sharing, delays or disruptions to our R&D and international collaboration, increased compliance costs, required changes or suspension of certain operations, and administrative penalties such as fines. Any of these outcomes could materially and adversely affect our business, liquidity, and financial results.

We may be subject, directly or indirectly, to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in China and other jurisdictions.

Healthcare providers play a primary role in recommending and prescribing products, and if we obtain approval for any of our drug candidates and commercialize them in China, our operations may be subject to fraud and abuse laws in the PRC and other countries, including the federal Anti-Kickback Statute, the False Claims Act, the Federal Physician Payment Act, and other regulations by U.S. federal, state and local authorities. Regulatory authorities could conclude that our business practices may not comply with current or future fraud, abuse or other healthcare laws or regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational damage, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a material adverse effect on our business, financial condition, results of operations and prospects. If any of the physicians or other providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, our business may also be adversely affected.

Our drug candidates will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expense, and we may be subject to penalties and other negative consequences if we fail to comply with regulatory requirements.

Sebaloxavir marboxil tablets and any of our future approved drugs, will be subject to ongoing or additional regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies and submission of safety, efficacy, and other post-marketing information, including requirements of regulatory authorities in China and other jurisdictions. As such, we are and will be subject to continual review and inspections by the regulators for their assessment of our compliance with applicable laws and requirements and adherence to commitments we made in any application materials with the NMPA or other comparable regulatory authorities. Following the approval of any of our drug candidates by the NMPA or other comparable regulatory authorities, we will be subject to ongoing regulatory obligations. These may include the submission of safety and other post-marketing reports, product registration updates and continued compliance with current cGMP and GCP standards for any post-approval clinical trials. Regulatory authorities may also impose additional conditions, such as the implementation of a Risk Evaluation and Mitigation Strategy ("**REMS**") or equivalent programs, either as a prerequisite for approval or as a post-marketing requirement. As a result, we and our collaboration partners must continue to devote significant time, financial resources, and operational effort to ensure full compliance across manufacturing, production and quality control functions. The regulatory landscape in China and other jurisdictions is continuously evolving, and we cannot predict the nature, scope, or timing of future legislative or administrative changes. If we fail to adapt to new or revised regulatory requirements, or are unable to maintain compliance with existing obligations, we may lose regulatory approvals already obtained, which could materially and adversely affect our ability to commercialize our products and achieve or sustain profitability.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations. Non-compliance with such laws and regulations, whether by us or third parties, can subject us to administrative, civil, and criminal penalties or other consequences, any of which could adversely affect our business, financial condition, results of operations and prospect.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, and similar laws and regulations in various jurisdictions where we conduct activities, including the U.S. Foreign Corrupt Practices Act ("**FCPA**"), sanction laws and regulations imposed by the U.S., the European Union, the United Nation, the United Kingdom and Australia, and other anticorruption laws and regulations. A violation of these laws or regulations could adversely affect our business, financial condition, results of operations and prospects. In the ordinary course of business, we have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities, which may expose us to a number of compliance-related risks and regulatory scrutiny. In addition, we may be exposed to fraud, bribery or other misconduct committed by our Directors, officers, employees, principal investigators, consultants and commercial partners that could subject us to financial losses and sanctions imposed by government authorities. Furthermore, sanctions laws and regulations are continually evolving, with new individuals and entities regularly being added to the list of sanctioned persons. New requirements or restrictions may be introduced, increasing regulatory scrutiny over our business, particularly in relation to our international expansion plans. If any of our future activities are deemed to violate applicable sanctions, our business and reputation could be materially and adversely affected.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery, or other misconduct involving employees and other third parties that had any material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in future. We may be unable to prevent, detect or deter all such instances of misconduct, even though we consider our internal control policies and procedures to be adequate. Any such misconduct and/or non-compliance, whether previously undetected or occurring in the future, could have a material adverse effect on our business, financial performance and reputation. We may be subject to claims, fines or suspension of our operations. Negative publicity arising from actual or alleged misconduct by our Directors, officers, employees, or commercial partners could also adversely affect our reputation, sales activities, or the [REDACTED] and [REDACTED] of our H Shares.

We could be adversely affected as a result of any transactions we have with countries that are, or become subject to, sanctions administered by the Relevant Sanctions Authorities.

Certain countries or organizations, including the U.S., the EU, the UK, Australia and the UN, have implemented economic sanctions against Sanctioned Countries or against targeted industry sectors, groups of companies or persons, and/or organizations. During the Track Record Period, we entered into a license and distribution agreement with Cigalah Medpharm in relation to sebaloxavir marboxil oral formulations (including but not limited to tablets and suspension formulations). As of the Latest Practicable Date, sebaloxavir marboxil was not approved in the MENA region or any other overseas market. We cannot predict the interpretation or implementation of government policy at the U.S. federal, state or local levels or any policy by the EU, the UK, Australia, the UN and other applicable jurisdictions with respect to any current or future activities by us or our affiliates in these countries. Moreover, because sanctions programs evolve over time, new requirements or restrictions could come into effect which may increase scrutiny on our business or result in our business activities being deemed to violate sanctions. We cannot assure you that regulators will not take the position that our past, current or future activities globally constitute sanctionable activities or business. Our business and reputation could be adversely affected if the government of the United States, the EU, the UK, Australia, the UN or any other governmental entities were to determine that any of our activities constitute violations of the sanctions they impose. We cannot assure you that [REDACTED] who are subject to the jurisdictions of the U.S., the EU, the UK, Australia and/or other jurisdictions will be willing to make [REDACTED], or may divest their [REDACTED], in us, which may have an adverse impact on the [REDACTED] and the future prevailing [REDACTED] of

our Shares, despite our commitment not to direct the [REDACTED] from the [REDACTED] and any other funds [REDACTED] through the Stock Exchange to [REDACTED] with Sanctioned Targets. While our immediate commercialization focus in the MENA region is primarily concentrated on Saudi Arabia and the UAE, which are not subject to comprehensive sanctions, certain other countries covered by the MENA License and Distribution Agreement may be subject to varying degrees of geopolitical instability or armed conflicts. Any escalation of geopolitical tensions, imposition of new sanctions or outbreak of armed conflicts in countries within the Territory could disrupt regulatory approval processes, impair market access, affect supply chain logistics or reduce patient demand, which could in turn adversely affect our commercialization plan for the Core Product in the MENA region.

RISKS RELATING TO OUR OPERATIONS

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

As part of our business strategy, we intend to advance clinical development and regulatory approval of our Core Product, continue to advance our drug candidates to diversify our product portfolio, maximize commercial value through flexible partnership and commercialization models and strengthen supply chain infrastructure and enhance R&D capabilities. For more details, see "Business — Business Strategies." Managing our growth and executing on our growth strategies will require, among other things, our ability to continue to identify and develop promising drug candidates in the highly competitive global and Chinese biopharmaceutical market, effective coordination and integration of new facilities and new teams that we may develop, successful hiring and training of personnel, effective cost control, sufficient liquidity, effective and efficient financial and management control, effective quality control, and management of our suppliers to leverage our purchasing power. All of these endeavors will require substantial management attention and efforts and significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalize on new business opportunities, which in turn may have a material and adverse effect on our business, financial condition, results of operations, and prospects.

Negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and, as a result, our brand, business, financial condition and results of operations may be negatively affected.

Any negative publicity concerning us, our affiliates or any entity using a similar brand name, our Shareholders, Directors, officers, employees and business partners, management, even if untrue, could adversely affect our reputation and business prospects. Such negative coverage in the media and publicity could threaten the perception of our reputation. To the extent our Shareholders, Directors, officers, employees and business partners were incompliant with any laws or regulations or became involved in lawsuits, disputes, or other legal proceedings or became subject to administrative measures, penalties or investigations by regulatory authorities, we may also suffer negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity. In addition, any negative publicity about us could adversely affect our ability to maintain our existing collaboration arrangements or attract new collaboration partners, and we may not be able to diffuse such negative publicity to the satisfaction of our [REDACTED] and customers.

Our success depends on our key senior management members and our ability to attract, train, motivate and retain highly skilled personnel.

We may face challenges in recruiting and retaining qualified personnel in the future. We may be unable to retain existing talent or attract experienced individuals to fill critical roles, particularly as we expand our commercialization capabilities. The departure of one or more of our senior management or key clinical and scientific personnel, regardless of whether or not they join a competitor or form a competing company, may subject us to risks relating to replacing them in a timely manner or at all, which may disrupt our drug development progress and have a material and

adverse effect on our business and results of operations. In addition, we will need to hire additional employees as we build and expand our commercialization team. We may not be able to attract and retain qualified employees on acceptable terms.

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

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, environmental matters, breach of contract, employment or labor disputes and infringement of intellectual property rights. Claims, disputes or legal proceedings against us may be brought by our counterparties, such as our business partners, suppliers, CSOs, CDMOs, CROs and other service providers. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could lead to substantial damages payable by us and materially harm our reputation.

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

We maintain insurance policies that are required under the PRC laws and regulations as well as based on our assessment of our operational needs and industry practice. In addition to employee social and medical insurances, our principal insurance policies also cover adverse events in clinical trials and product liability for our Core Product. We currently do not maintain insurance for environmental liability or property loss. For additional information, see "Business — Insurance." According to CIC, our insurance policy is in line with the industry practice. Our insurance coverage may be insufficient to cover any claims that we may have. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources and may negatively impact our product development and overall operations.

Increased labor costs could result in exceeding expenses, slow our growth and negatively affect our ability to operate efficiently.

Since our operations are relatively labor-intensive and our operations, to a certain extent, require the use of technical skills and know-how of our employees, we have implemented a number of initiatives in an effort to attract, retain and motivate our qualified and competent staff. Our business may be adversely affected by labor shortages, rising labor costs, increased employee turnover, or changes in labor laws and regulations. In addition, share options and other share-based incentives granted under our existing or future share-based incentive plans could adversely affect our costs and our results of operations. In addition, we may face labor disputes with employees from time to time, which could result in settlement payments and operational disruptions. Such disputes may also damage our reputation, making it more difficult to attract and retain qualified personnel.

If we fail to make full contribution to the social insurance fund and housing provident fund, we may be subject to late fees, fines or other administrative penalties.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. Any failure to make timely and adequate social welfare contribution for its employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a specified period of time, and the competent authority may further impose fines or penalties. As the PRC labor laws and regulations are still evolving, we cannot guarantee you that our employment practices and policies will at all times be deemed to be in full compliance with such laws and regulations. For example, during the Track Record Period, we have engaged certain third parties to make contributions to the social insurance fund and housing provident fund for three of our employees and we have not

received any complaints or notices from our employees regarding such practice. During the Track Record Period, we have not been subject to any material administrative penalties from the competent authorities for violations of labor-related laws and regulations. In addition, introduction of new judicial interpretations or changes in regulatory guidance in the future may result in certain aspects of our operations being deemed not fully compliant with evolving labor laws and regulations, and we could be subject to related penalties, fines or legal fees and our business, financial condition and results of operations could be materially and adversely affected.

Product liability claims or lawsuits could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the clinical testing and any future commercialization of our drug candidates inside and outside China. For example, we may be sued if our drug candidates cause or are perceived to cause injury or material adverse side effects or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. If we cannot successfully defend ourselves against or obtain indemnification from our collaborators for product liability claims, we may incur substantial liabilities or be required to postpone, restrict or cease commercialization of our drug candidates. Even successful defense would require significant financial and management resources. We purchase insurance to cover potential liability claims arising from our clinical studies and the commercialization of our Core Product, but we may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy all liabilities that may arise. If a successful product liability claims or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business, financial condition and results of operations could be materially affected.

Any failure to comply with applicable laws and regulations and industry standards or obtain various licenses and permits could harm our reputation, business, financial condition, results of operations and prospects.

A number of governmental agencies or industry regulatory bodies in the PRC and other applicable jurisdictions impose strict rules, regulations and industry standards governing biopharmaceutical research and development activities. Our or our business partners' failure to comply with such regulations could result in the termination of ongoing research, administrative penalties imposed by regulatory bodies or the disqualification of data for submission to regulatory authorities. Pursuant to relevant laws and regulations, we are required to obtain, maintain and renew various approvals, licenses, permits and certificates from relevant authorities to operate our business. Any failure to obtain or renew any approvals, licenses, permits and certificates necessary for our operations may result in enforcement actions including orders issued by the relevant regulatory authorities to take remedial actions, suspend our operations or impose fines and penalties which could materially and adversely affect our business, financial condition, results of operations and prospects. If the interpretation or implementation of laws and regulations is adjusted in the future or new regulations come into effect, or the criteria used in reviewing applications for, or renewals of permits, licenses and certificates change, we may be required to obtain any additional approvals, permits, licenses or certificates and we cannot assure you that we will be able to do so. Our failure to obtain the additional approvals, permits, licenses or certificates may restrict the conduct of our business, increase our costs, and in turn, adversely affect results of operations and prospects. Any government investigation of alleged violations of laws could cost significant time and resources in response and generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize our product. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our Company and our results of operations will be adversely affected.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations, and those of our business partners, including third-party research institution collaborators, suppliers, contractors and consultants, could be subject to natural or man-made disasters or business interruptions. Specifically, we rely on CROs for conducting research and development of our drug candidates, CSO for selling our sebaloxavir marboxil tablets and CDMO for the manufacturing of sebaloxavir marboxil tablets and other drug candidates for clinical development, and they may be affected by such business interruptions. The occurrence of any of these business disruptions could seriously affect our ability to obtain supplies of our drug candidates, harm our operations and financial condition and could increase our costs and expenses. Damage or extended periods of interruption to our corporate, development, research or manufacturing facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development or commercialization of some or all of our drug candidates. Our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such delays and disruptions.

Changes in the political relationships between the PRC and other countries and international trade policies, may adversely affect our business operations.

We are focusing our activities in China while pursuing global opportunities. China's political relationships with foreign countries and regions may affect our development of drug candidates and the commercialization of sebaloxavir marboxil tablets and other drug candidates, upon approval, in foreign countries.

For example, on February 21, 2025, U.S. President Donald J. Trump issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as semiconductors, artificial intelligence, quantum, biotechnology, hypersonics, aerospace, advanced manufacturing and directed energy. The America First Memo also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. Escalating trade and political tensions or unfavorable government policies may undermine the competitive position of our approved drugs or adversely impact the clinical development and commercialization of our other drugs overseas.

In addition, rising geopolitical friction, increased regulatory scrutiny, or adverse policy shifts may affect our current and future relationships with Shareholders and business partners, the provision of research and development and other services, the supply of materials and products, the recruitment of scientists and R&D personnel and the import or export of raw materials used in drug development. Such developments may also prevent us from generating revenue from sebaloxavir marboxil tablets, our future approved drugs and other drug candidates in certain markets. If new tariffs, policies, legislation, or regulations are introduced, or if existing trade agreements are renegotiated, these changes could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Our operations may be under the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola, Zika, COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks. Any of these factors and other factors beyond our control could cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the "**Scientific Data Measures**"), under which enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given the term state secret is not clearly defined, if and to the extent our research and development of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad or to our foreign partners in China. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, financial condition, results of operations and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities. In addition, according to the Administration of Human Genetic Resources (《人類遺傳資源管理條例》) promulgated in May 2019 and the PRC Biosecurity Law (《中華人民共和國生物安全法》) promulgated in October 2020, if any scientific data falls within the scope of Chinese human genetic resources, any transfer of such data outside of China will be subject to the prior approval of the PRC Ministry of Science and Technology. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all.

Restrictions on currency exchange may limit our ability to utilize our revenue effectively in the future.

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Shortages in availability of foreign currency may then restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to our offshore entities for our offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign-currency-denominated obligations. The RMB is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and foreign currency debt. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

[REDACTED] of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the PRC Individual Income Tax Law (the "**IIT Law**") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual

holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied on non-PRC resident individual [REDACTED] on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not levy income tax on non-PRC resident individual [REDACTED] on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC Enterprise Income Tax Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise [REDACTED] of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise [REDACTED] of our H Shares (including [REDACTED]). Non-PRC resident enterprises (or other non-PRC owners [REDACTED] H shares through non-PRC enterprises) that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

The interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may materially and adversely affect the value of your [REDACTED] in our H Shares.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing original actions in China against us or our management.

We are a joint stock company incorporated in China. In addition, most of our Directors and senior management personnel reside within Chinese Mainland. Therefore, it may be difficult for [REDACTED] to directly effect service of legal process upon us or our Directors and senior management personnel in the PRC. Judgment rendered by a Hong Kong court can generally be recognized and enforced in Chinese Mainland even if the parties in the dispute do not enter into a choice of court agreement in writing. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in Chinese Mainland, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court.

RISKS RELATING TO THE [REDACTED]

There has been no [REDACTED] for our H Shares and their [REDACTED] and [REDACTED] following the [REDACTED] may be volatile.

Prior to the completion of the [REDACTED], there has been no [REDACTED] for our H Shares. There can be no guarantee that an active [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

RISK FACTORS

The [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. Pursuant to the applicable PRC law, within one year following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the [REDACTED] and [REDACTED] of the H Shares in the short term following the [REDACTED] may be significantly affected. These factors may significantly affect the [REDACTED] and [REDACTED] of our H Shares, regardless of our actual operating performance.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the [REDACTED] of our H Shares and our ability to raise additional [REDACTED] in the future.

The [REDACTED] of our H Shares could decline as a result of future [REDACTED] of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], the issuance of [REDACTED] or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future [REDACTED], could also materially and adversely affect our ability to raise [REDACTED] at a specific time and on terms favorable to us. In addition, our Shareholders may experience [REDACTED] in their holdings if we [REDACTED] more [REDACTED] in the future. [REDACTED] or [REDACTED] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

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

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate [REDACTED] in [REDACTED] consolidated net tangible asset value. To expand our business, we may consider [REDACTED] and [REDACTED] additional [REDACTED] in the future. [REDACTED] of the [REDACTED] may experience [REDACTED] in the net tangible asset value per Share of their Shares if we [REDACTED] additional shares in the future at a [REDACTED] that is lower than the net tangible asset value per Share at that time.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

Our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. In addition, as stipulated by our Articles, distributable profits are recognized as our after-tax profit determined under PRC GAAP or IFRS Accounting Standards, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our Company and our subsidiaries may not be able to pay a dividend in a given year if our Company or our subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS Accounting Standards. See "Financial Information — Dividends" for details of our dividend policy. Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will have sufficient or any profits to distribute dividends to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

RISK FACTORS

Our Single Largest Group of Shareholders has substantial influence over the Company, and their interests may not always be aligned with the interests of our other Shareholders.

Our Single Largest Group of Shareholders collectively has significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the Share Subdivision and the [REDACTED], our Single Largest Group of Shareholders will be together entitled to control in aggregate approximately [REDACTED]% of our total issued share capital and thus remain as the Single Largest Group of Shareholders upon [REDACTED]. The interests of Single Largest Group of Shareholders might differ from the interests of our other Shareholders. Any conflict of interest between Single Largest Group of Shareholders and our other Shareholders may materially and adversely affect aspects such as the decision and implementation of our business plans, which may, in turn, affect our operations and prospects.

Certain facts, forecasts and statistics in this document relating to the biopharmaceutical industry are derived from official government sources and may not be fully reliable.

Certain statistics, information and data contained in this document relating to China and elsewhere in the world, and the industry in which we operate have been derived from various official government publications. We cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor, [REDACTED] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such statistics, information and data, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods and analysis or discrepancies between published information and market practice, such statistics, information and data in this document may be inaccurate or may not be comparable to statistics, information and data produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information, and other matters. The words "will," expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "objective," "target," "schedule," "predict," "aim," "intend," "consider," "would," "continue" and "outlook" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this document. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

You should only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any

such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

WAIVERS AND EXEMPTION

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

MANAGEMENT PRESENCE IN HONG KONG

According to Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since our business operations are not principally located, managed or conducted in Hong Kong, and our Directors consider that the relocation of our executive Directors to Hong Kong or the appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Company and therefore would not be in the best interests of our Company and our Shareholders as a whole, our Company does not, and, for the foreseeable future, will not, have two executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, on the basis that our Company implements the following arrangements to ensure there is an effective channel of communication between our Company and the Stock Exchange:

(i) **Authorized Representatives**: both of our Company's authorized representatives, Dr. Yang Jinfu, an executive Director, and Mr. Wong Chun Wing Samuel (黃俊穎), a joint company secretary of our Company, will act as our Company's principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone or email.

Each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;

(ii) **Directors**: each Director has provided their mobile phone number, office phone number, fax number (if any) and email address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives.

Each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

(iii) **Compliance Advisor**: we have appointed First Shanghai Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will, among other things and in addition to the authorized representatives and our Directors, also act as an additional channel of communication with the Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. Pursuant to the Note to Rule 3A.23, the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules. We shall

ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and dealings between the Stock Exchange and us.

Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (i) a member of The Hong Kong Chartered Governance Institute; (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's: (i) length of employment with the issuer and other issuers and the roles they played; (ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (iv) professional qualifications in other jurisdictions.

Pursuant to paragraph 11 of Chapter 3.10 of the Listing Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include: (i) whether the issuer has principal business activities primarily outside Hong Kong; (ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the acceptable qualification (as defined under paragraph 11 of Chapter 3.10 of the Listing Guide) nor relevant experience (as defined under paragraph 11 of Chapter 3.10 of the Listing Guide) as a company secretary; and (iii) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 11 of Chapter 3.10 of the Listing Guide, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. Xu Ming (許明) as our joint company secretary. The Board considers this appointment necessary and in the best interests of our Company for the following reasons: (a) our Group's principal business activities and senior management are based outside Hong Kong. Appointing a senior executive closely integrated with our core operations is critical to ensuring effective corporate governance and decision-making; and (b) while Mr. Xu joined the Group in November 2025, the Board believes his extensive pharmaceutical background establishes his qualifications and mitigates any concerns related to his recent tenure. His past career experiences in multinational pharmaceutical management and capital markets, particularly his tenure as a financial and commercial manager at Dr. Reddy's Laboratories, his executive role at a Hong Kong-listed company, China NT Pharma Group, and his specific governance experience as secretary of the board at Ambrx Biopharma, equipped him with highly relevant expertise in financial reporting, internal

controls, and capital markets compliance. After joining our Group, Mr. Xu has rapidly gained familiarity with our day-to-day operations and has performed well, while also providing the Board with valuable insights and support in enhancing our Company's corporate governance.

Since Mr. Xu does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a [REDACTED] issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. To support Mr. Xu, we have appointed Mr. Wong Chun Wing Samuel (黃俊穎), a member of The Hong Kong Chartered Governance Institute, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance, for a three-year period from the [REDACTED] so as to enable Mr. Xu to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Xu as our joint company secretary. Pursuant to the Chapter 3.10 of the Listing Guide, such waiver has been granted on the conditions that:

(i) Mr. Wong is appointed as a joint company secretary to assist Mr. Xu in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules;

(ii) our Company will further ensure that Mr. Xu has access to the relevant training and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer [REDACTED] on the Stock Exchange. Our Hong Kong legal advisors have provided training to Mr. Xu on the principal requirements of the Listing Rules and the Hong Kong laws and regulations applicable to our Company after the [REDACTED]. In addition, Mr. Xu will endeavor to familiarize himself with the Listing Rules, including any updates thereto, during the three-year period from the [REDACTED];

(iii) Mr. Xu has confirmed that he will attend no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of a company secretary of a Hong Kong [REDACTED] issuer during each financial year as required under Rule 3.29 of the Listing Rules;

(iv) before the expiry of Mr. Xu's initial term of appointment as a joint company secretary of our Company, our Company will evaluate his experience in order to determine if he has acquired the qualifications required under Rule 3.28 of the Listing Rules; and

(v) this waiver will be revoked immediately if and when Mr. Wong ceases to provide such assistance during the three-year period, and we undertake to re-apply to the Stock Exchange for a waiver in the event that Mr. Wong ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company. In addition, this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company.

Prior to the end of the Waiver Period, we will demonstrate and seek the confirmation from the Stock Exchange that Mr. Xu, having had the benefit of Mr. Wong during the three years, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of the company secretary of our Company so that a further waiver would not be necessary.

EXEMPTION IN RESPECT OF FINANCIAL INFORMATION OF OUR COMPANY

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

WAIVERS AND EXEMPTION

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this document a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of this document as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

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

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

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

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

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

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

(ii) the Accountants' Report for the years ended December 31, 2024 and 2025 and six months ended June 30, 2026 has been disclosed in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;

(iii) notwithstanding that the financial results set out in this document are only for the years ended December 31, 2024 and 2025 and six months ended June 30, 2026 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements;

(iv) as Chapter 18A of the Listing Rules provides shorter track record period for biotech companies in terms of financial disclosure, strict compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unduly burdensome for our Company as this would require additional work to be performed by us and our Reporting Accountants; and

(v) our Directors are of the view that the Accountants' Report covering the years ended December 31, 2024 and 2025 and six months ended June 30, 2026, together with other disclosures in this document, has already provided the potential [REDACTED] with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company, and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of our Company's business, assets and liabilities, financial position, trading position, management and prospects has been included in this document. Therefore, the exemption would not prejudice the interests of the [REDACTED].

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

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Yang Jinfu (楊金夫)	No. 17 Qiaokang Road Jiangbei New District Nanjing City Jiangsu Province PRC	American
Dr. Hao Xiaolin (郝小林)	Room 203, Unit 2 Building 04 Shanyuhu Garden No. 3 Yonggu Road Pukou District Nanjing City Jiangsu Province PRC	American
Non-executive Directors		
Dr. Chen Renhai (陳仁海)	Room 602, No. 39 Lane 388, Changyi Road Baoshan District Shanghai PRC	Chinese
Dr. Yi Hua (易華)	No. 620 Zhongshan West Road Changning District Shanghai PRC	Chinese
Independent Non-executive Directors		
Mr. Lam Ka Tak (林嘉德)	Flat A, 4/F., Tai Gardens 285 Prince Edward Road West Ho Man Tin, Kowloon Hong Kong	Chinese (Hong Kong)
Dr. Ma Dawei (馬大為)	Room 1301, No. 2 Lane 2455, Xietu Road Xuhui District Shanghai PRC	Chinese
Dr. Wang Zhengping (王政萍)	1825 Cottage Grove Ave San Mateo CA 94401 United States	American

For further details regarding our Directors, see "Directors and Senior Management."

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor, [REDACTED]	**China International Capital Corporation Hong Kong Securities Limited** 29th Floor One International Finance Centre 1 Harbour View Street Central Hong Kong
[REDACTED]	[REDACTED]
Legal Advisors to our Company	*as to Hong Kong and U.S. laws:* **Kirkland & Ellis** 26/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *as to PRC law:* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road, Chaoyang District Beijing PRC *As to PRC intellectual property law:* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road, Chaoyang District Beijing PRC
Legal Advisors to the Sole Sponsor and the [REDACTED]	*as to Hong Kong law:* **King & Wood** 13/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *as to PRC law:* **King & Wood** 17th Floor, One ICC Shanghai ICC 999 Huai Hai Road (M) Shanghai PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountants	**KPMG** *Certified Public Accountants* *Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance* 8th Floor, Prince's Building 10 Chater Road Central Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC
Compliance Advisor	**First Shanghai Capital Limited** 19/F., Wing On House 71 Des Voeux Road Central Hong Kong
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Head Office, Registered Office and Principal Place of Business in the PRC	1st Floor, Light of Life Building A No. 141 Longshan South Road Jiangbei New Area Nanjing City Jiangsu Province PRC
Principal Place of Business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.zenshine-pharma.com** *(Information contained in this website does not form part of this document)*
Joint Company Secretaries	Mr. Xu Ming (許明) 1st Floor, Light of Life Building A No. 141 Longshan South Road Jiangbei New Area Nanjing City Jiangsu Province PRC Mr. Wong Chun Wing Samuel (黃俊穎) *(a member of The Hong Kong Chartered Governance Institute and a member of The Chartered Governance Institute in the United Kingdom)* 31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	Dr. Yang Jinfu (楊金夫) 1st Floor, Light of Life Building A No. 141 Longshan South Road Jiangbei New Area Nanjing City Jiangsu Province PRC Mr. Wong Chun Wing Samuel (黃俊穎) 31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Mr. Lam Ka Tak (林嘉德) *(Chairperson)* Dr. Yi Hua (易華) Dr. Ma Dawei (馬大為)
Remuneration and Appraisal Committee	Dr. Wang Zhengping (王政萍) *(Chairperson)* Mr. Lam Ka Tak (林嘉德) Dr. Ma Dawei (馬大為) Dr. Chen Renhai (陳仁海) Dr. Yang Jinfu (楊金夫)

CORPORATE INFORMATION

Nomination Committee	Dr. Yang Jinfu (楊金夫) *(Chairperson)* Dr. Ma Dawei (馬大為) Dr. Wang Zhengping (王政萍)
[REDACTED]	[REDACTED]
Principal Bank	**Nanjing Bank Co., Ltd. High-tech Development Zone Branch** Units 101–105, Building A No. 3–1, Xinjinhu Road High-tech Development Zone Pukou District Nanjing City PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by CIC, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

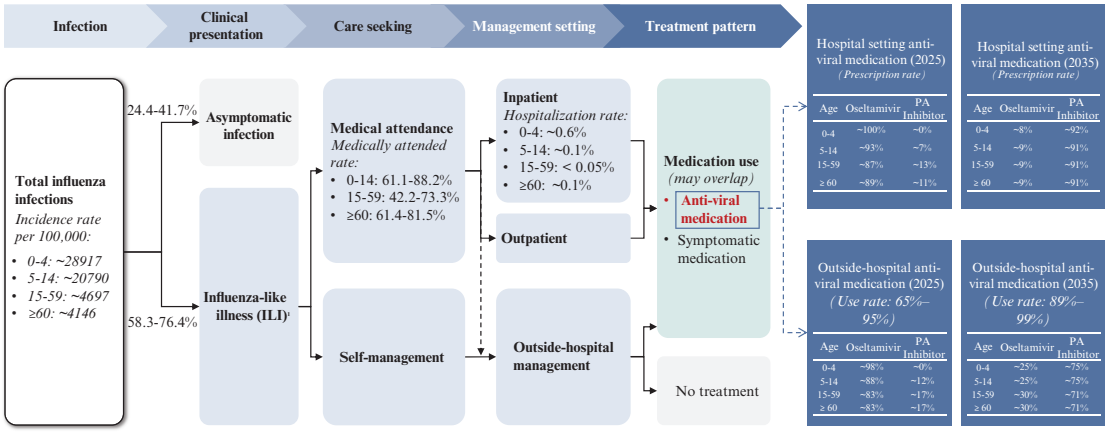
OVERVIEW OF THE MARKET FOR INFLUENZA TREATMENT AND PREVENTION DRUGS

Overview of Influenza Disease

Influenza is an acute respiratory viral infectious disease caused by influenza viruses, transmitted mainly via droplets, aerosols, and contact. Hemagglutinin ("**HA**") and neuraminidase ("**NA**") on the viral surface serve as key targets for vaccine design. Upon infecting respiratory epithelial cells, the virus replicates and is released. A proportion of infections present as influenza-like illness ("**ILI**") defined by fever with respiratory symptoms, with approximately 60% of infections being symptomatic, while severe cases may develop viral pneumonia or secondary bacterial infections. Due to frequent antigenic drift and shift, periodic vaccine updates and booster immunization are required to maintain community protection. Influenza A and B viruses are the principle types of influenza viruses responsible for seasonal epidemics in humans. Influenza A viruses (including subtypes such as H1N1 and H3N2) and influenza B viruses are the predominant circulating strains associated with seasonal influenza infections worldwide.

Epidemiology of Influenza

Overview of Influenza Patient Journey in China



Source: JAMA Netw Open; Int. J. Environ. Res. Public Health; Am J Epidemiol; BMC Infect Dis; Vaccines (Basel); Emerg Infect Dis; Clin Microbiol Infect; Influenza Diagnosis and Treatment Guideline (2025 Edition); Diagnosis and Treatment Protocol for Influenza (2025 Edition, China); Clinical Practice Guidelines for the Treatment and Prophylaxis of Influenza in China (2025 Edition); China CDC; CIC

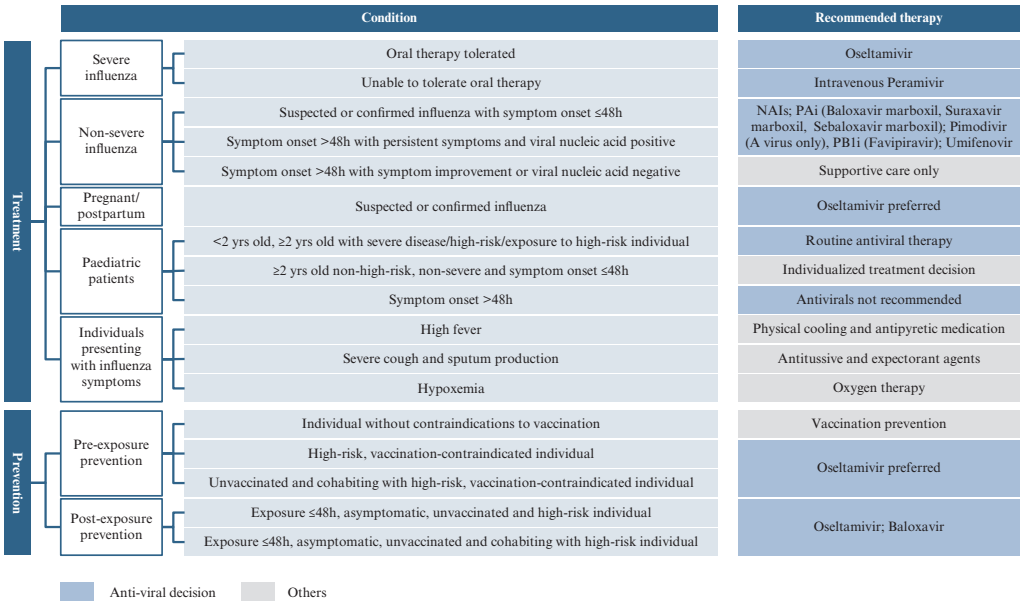
Note: 1. Among ILI patients, age-based high-risk groups included children aged 0–4 years and older adults aged ≥60 years, accounting for 13.6% and 12.1%, respectively.

Influenza exhibits seasonal circulation globally, with annual incidence significantly higher in children (20%–30%) than in adults (5%–10%). According to the World Health Organization ("**WHO**"), approximately 1 billion infections and up to 650,000 deaths occur worldwide each year, of which approximately three to five million are severe cases (0.3%–0.5%), implying that more than 99% of seasonal influenza cases are non-severe and generally fall within the clinical scope of uncomplicated influenza. In China, influenza prevalence shows marked seasonality and regional variation, with excess mortality rates in northern cities (12.4 per 100,000) higher than in southern cities (8.8 per 100,000). In the MENA, influenza exhibits weak seasonality and multi-peak circulation across temperate and Gulf countries, with an annual symptomatic incidence of approximately 10.2%. The elderly and children are identified as populations at high risk of severe infection.

Treatment Paradigms for Prevention and Treatment of Influenza

The management and prevention of influenza are typically stratified based on disease severity and seasonal risk. Clinical guidelines emphasize that during influenza seasons, antiviral therapy should be initiated as early as possible for ILI patients with risk factors for severe or critical disease. The greatest clinical benefit is achieved when antiviral medications are administered within 48 hours of symptom onset. The following schematic diagram illustrates the main diagnostic and therapeutic pathways following influenza infection.

Overview of Treatment Paradigm of Influenza in China



Source: Influenza Diagnosis and Treatment Guideline (2025 Edition); Diagnosis and Treatment Protocol for Influenza (2025 Edition, China); Clinical Practice Guidelines for the Treatment and Prophylaxis of Influenza in China (2025 Edition); CIC

Notes: 1. Antibiotics are not routinely indicated for influenza; use only if bacterial co-infection is suspected, with close monitoring and prompt pathogen testing; 2. Traditional Chinese medicine is applicable to all populations, with treatment tailored by disease severity and individualized according to time, location, and patient characteristics; 3. NAI, neuraminidase inhibitor; PAi, polymerase acidic (PA) inhibitor(s); CN, China

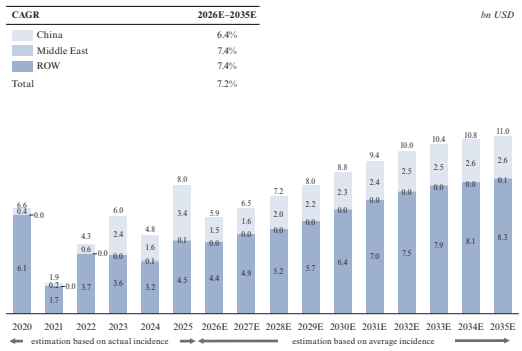
Sebaloxavir marboxil has demonstrated favorable efficacy and a good safety profile in clinical studies. As indicated in the Clinical practice guidelines for the treatment and prophylaxis of influenza in China (2025 edition), it is currently approved for adults and has shown favorable efficacy in non-severe, non-high-risk patients, significantly shortening the time to symptom relief with no notable adverse events.

Unmet Needs for Influenza Treatment and Prophylaxis Drugs

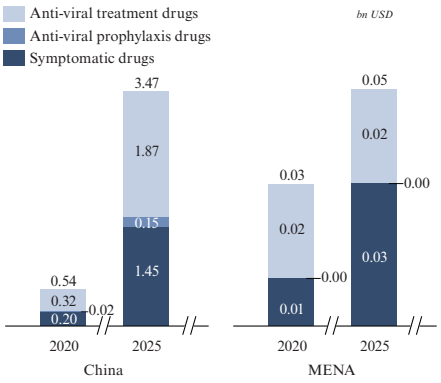
Unmet needs for influenza treatment and prophylaxis drugs include: (i) Influenza vaccination uptake in China remains low. According to the Chinese Center for Disease Control and Prevention ("**China CDC**"), influenza vaccination coverage was only 3.84% during the 2022/2023 influenza season, with approximately 42.9 million doses administered during the 2024/2025 influenza season. Coupled with the moderate effectiveness of influenza vaccines, which typically ranges from approximately 40% to 60% depending on the season and circulating strains, vaccination alone remains insufficient to effectively control influenza transmission. (ii) Post-exposure chemoprophylaxis with NAIs demonstrates limited real-world effectiveness. (iii) In out-of-hospital settings, patients often forgo antiviral therapy, limiting both effective treatment and prevention of influenza. (iv) NAIs achieve slow viral clearance, with adherence and efficacy further compromised by adverse reactions. (v) Accessibility of PA inhibitors remains insufficient, as some indications in China, such as treatment for younger children and prevention for the general population, have not yet been fully approved.

Influenza Treatment and Prophylaxis Drug Market Size

Global Influenza Treatment and Prophylaxis Drug Market Size



Break down of Global Influenza Treatment and Prophylaxis Drug Market



Source: the Lancet; Nature Communications; China CDC; U.S. CDC; CIC

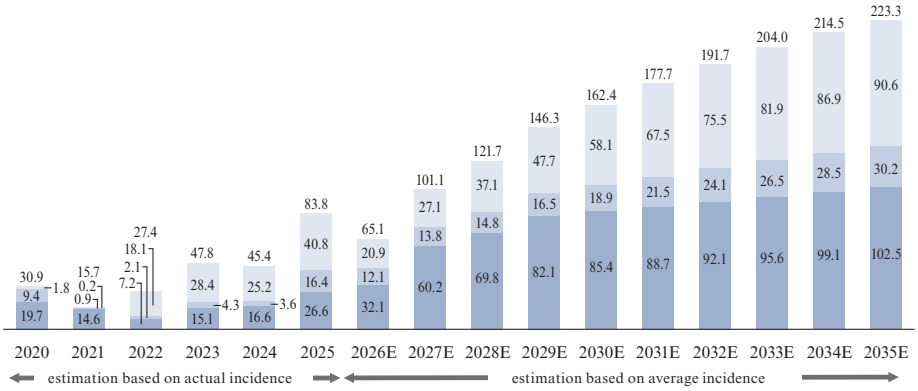
Note: 1. MENA influenza treatment and prophylaxis drug market sizes from 2020 to 2035 are 0.03, 0.02, 0.03, 0.05, 0.05, 0.05, 0.03, 0.03, 0.03, 0.03, 0.03, 0.03, 0.04, 0.04, 0.05, and 0.05 USD bn, respectively; 2. The MENA antiviral prophylaxis drug market size is at USD0.001 bn in 2020 and USD0.002 bn in 2025.

The above chart shows the market size and breakdown of influenza drugs, including antiviral therapies (for both treatment and prophylaxis) and symptomatic treatments. The market size of influenza treatment and prophylaxis drugs represents the addressable market for uncomplicated seasonal influenza caused by influenza A and B viruses, excluding avian and other zoonotic influenza virus infections. The global influenza treatment and prophylaxis drug market is closely correlated with seasonal influenza activity and therefore exhibits year-to-year fluctuations. The relatively lower market size between 2020 and 2022 primarily reflected reduced influenza transmission during the COVID-19 pandemic due to widespread non-pharmaceutical interventions, including mask wearing, social distancing and travel restrictions. The increase in market size in 2023 reflected the resumption of seasonal influenza circulation following the relaxation of pandemic-related measures. The higher market size estimated for 2025 reflects updated epidemiological data from major markets. The U.S. Centers for Disease Control and Prevention estimated at least 11 million influenza illnesses in the 2025/26 season by early January 2026, compared with approximately 5.3 million during the corresponding period of the previous season. In addition, the World Health Organization reported elevated seasonal influenza activity across many countries.

MENA Influenza Treatment and Prophylaxis Drug Market Size

CAGR	2026E–2035E
UAE	17.7%
Saudi Arabia	10.7%
Rest of MENA	13.8%
Total	14.7%

mn USD



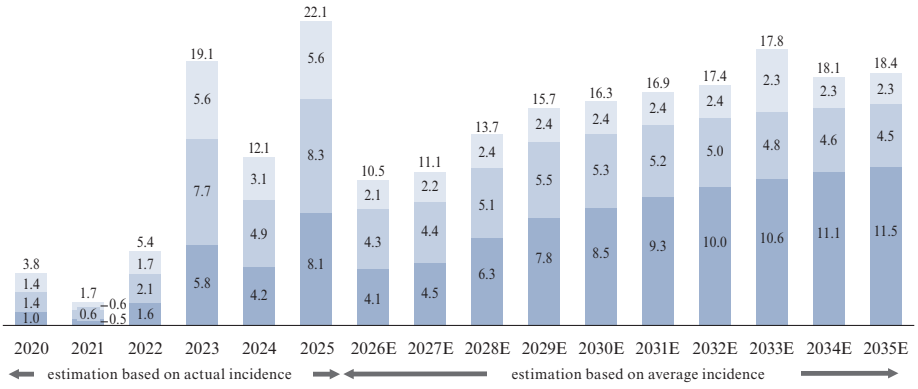
Source: the Lancet; Nature Communications; WHO; World Bank; CIC

The above charts set forth the influenza drug market size in the MENA region, further segmented into key markets including Saudi Arabia and the United Arab Emirates.

China Influenza Treatment and Prophylaxis Drug Market Size

CAGR	2020-2025	2026E-2035E
0–4 yrs old	32.2%	1.2%
5–14 yrs old	43.6%	0.4%
>14 yrs old	52.1%	12.2%
Total	42.5%	6.4%

bn RMB

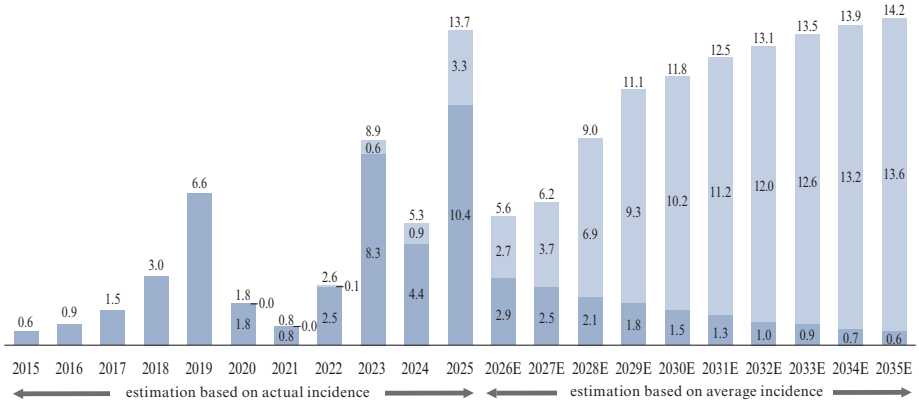


Source: the Lancet; Nature Communications; China CDC; U.S. CDC; CIC

China Influenza Anti-viral Treatment and Prophylaxis Drug Market Size

CAGR	Historical	2026E-2035E
PA inhibitors	238.1% (2021-2025)	19.8%
NAIs and other anti-virals	33.5% (2015-2025)	-15.9%
Total	37.3% (2015-2025)	10.9%

bn RMB



Source: the Lancet; Nature Communications; China CDC; CIC

The above two charts set forth the market size of influenza anti-viral treatment and prophylaxis drugs in China. Data for 2020 to 2025 reflect actual market estimates. The decline in 2021 was primarily attributable to reduced influenza transmission during the COVID-19 pandemic, followed by market recovery after the relaxation of pandemic-related measures. Confirmed influenza cases reported by sentinel surveillance hospitals increased by 266% year-on-year to 12.8 million in 2023 and by 100% year-on-year to 17.2 million in 2025, according to the China CDC. Projections from 2026 are based on historical average incidence rates. From 2028 onwards, market growth is expected to accelerate, driven by additional approved indications of influenza drugs.

Competitive Landscape of Influenza Antiviral Drug Market

Influenza antiviral drugs have undergone multiple generations of development, progressing from M2 ion channel inhibitors to NAIs. The latest generation, PA polymerase inhibitors, enable single-dose oral administration, achieve earlier viral clearance, and reduce the risk of transmission. They therefore offer advantages over previous drugs in terms of lower resistance rates, shorter treatment duration, higher adherence, and broader therapeutic coverage.

Comparative Overview of Influenza Antiviral Drugs by Generations

Generation	Representative Drugs	Mechanism of Action	Dosing Regimen	Key Clinical Outcomes (Symptom Relief)	Key Clinical Outcomes (Virologic Outcomes)	Lineage Coverage	Guideline Recommendation
1st Generation: Adamantanes (amantadine class)	Amantadine, Rimantadine	Inhibition of influenza A M2 ion channel	Multi-day oral regimen	Early studies suggested symptom reduction	NA (not active against influenza B)	Influenza A only	No longer recommended by U.S. CDC or Chinese guidelines
2nd Generation: Neuraminidase inhibitors (NAIs)	Oseltamivir, Zanamivir, Peramivir	Inhibition of neuraminidase, leading to blockade of progeny virion release	5-day regimen (oseltamivir); inhaled and IV formulations available	Median time to symptom relief: 53.8 h (oseltamivir) vs. 80.2 h (placebo)	Median time of viral shedding: 24.0h (baloxavir) vs 96.0h (placebo) vs 72.0h (oseltamivir)	Influenza A/B	First-line therapy for prevention and treatment of influenza, early intervention is recommended; recommended for high-risk populations or severe cases; recommended for post-exposure prophylaxis
3rd Generation: PA inhibitors	Baloxavir marboxil and others	Inhibition of the viral PA endonuclease, blocking viral mRNA synthesis and thereby preventing viral replication at its source	Single oral dose	Median time to symptom alleviation: 53.7 hours (baloxavir) vs 80.2 hours (placebo), with a reduction of 33.0%	Median time of viral shedding: 24.0h (baloxavir) vs 96.0h (placebo) vs 72.0h (oseltamivir)	Influenza A/B	First-line therapy for prevention and treatment of influenza, early intervention is recommended; recommended for high-risk populations; recommended for post-exposure prophylaxis

Source: US/CN CDC; NEJM; The Lancet; CAPSTONE-1 study; Clinical practice guidelines for the treatment and prophylaxis of influenza in China (2025 edition); CIC

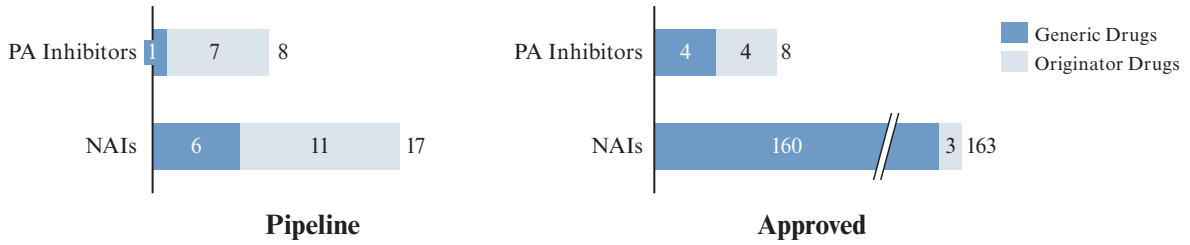
Compared with NAIs, which block viral release from infected cells, Sebaloxavir marboxil acts earlier in the influenza virus life cycle by inhibiting the PA endonuclease activity of the viral polymerase, potentially leading to more rapid reduction in viral replication and shorter symptom duration. Clinical studies indicate that Sebaloxavir marboxil demonstrates broad antiviral activity against influenza A and B strains and provides efficacy comparable to approved antiviral therapies. Although oseltamivir resistance has been observed in certain viral variants, and other PA endonuclease inhibitors have been associated with multidrug resistance-related substitutions at the PA I38 site, clinical data for Sebaloxavir marboxil suggest that resistance mutations are less frequent and more narrowly distributed.

As a single-dose oral antiviral, Sebaloxavir marboxil offers greater convenience and a favorable resistance profile compared with NAIs, as well as a longer half-life (83–126 h) compared with other PA inhibitors. Moreover, Sebaloxavir marboxil demonstrates a significant advantage in gastrointestinal safety, with low incidence of gastrointestinal adverse reactions, which is substantially lower than that reported for Baloxavir (3% diarrhea/2% nausea in adults, and the combined rate of vomiting and diarrhea was 10.4% in children). This may further improve patient compliance. On the other hand, clinical data in high-risk populations, including elderly individuals, immunocompromised patients, pregnant individuals, and hospitalized patients, remain limited.

INDUSTRY OVERVIEW

The following two charts provide an overview of approved and pipeline influenza antiviral drugs in China and globally, covering both originator and generic PA inhibitors and NAIs across all dosage forms.

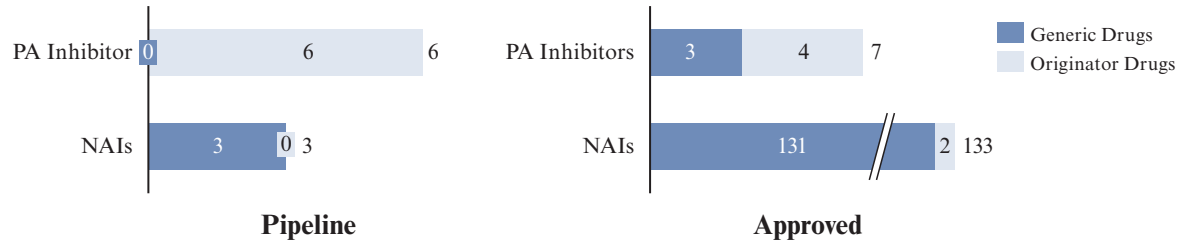
Global Overview of Originator and Generic PA Inhibitors and NAIs, as of the Latest Practicable Date



Source: ClinicalTrials; CIC

Note: The number of pipeline is calculated based on the number of products

Overview of Originator and Generic PA Inhibitors and NAIs in China, as of the Latest Practicable Date



Source: CDE, CIC

Note: Three PA inhibitors have passed the consistency evaluation of the quality and efficacy of generic drugs and obtained generic drugs approvals from NMPA, but have not yet been commercialized due to patent-related constraints.

The following tables set forth an overview of the approved originator influenza antiviral drugs in the world as of the Latest Practicable Date.

Global Competitive Landscape of Originator Influenza Antiviral Drugs, as of the Latest Practicable Date

Generic/Trade Name	MoA	Company	Initial Approval Date	Median Time to Symptom Alleviation	Elimination Half-life	Detailed Indication in China and U.S.		Treatment Cost in China (RMB)
						Treatment	Prophylaxis	
Baloxavir marboxi 速福達/ Xofluza . . .	PA inhibitor	Roche	Tablets: • CN: 2021–4 • US: 2018–10 Suspension: • CN: 2023–12 • US: 2020–11	53.7 h vs 80.2 h (33.0% reduction)	79.1 h	US: Acute, uncomplicated influenza in patients aged ≥5 years who have been symptomatic for ≤48 hours and who are otherwise healthy or at high risk of developing influenza-related complications. CN: Acute, uncomplicated influenza A or B in patients aged ≥5 years, including patients who are at high risk of influenza-related complications. CN (Suspension): Uncomplicated influenza A or B in pediatric patients aged 1 to <12 years, including otherwise healthy patients and those at high risk of influenza-related complications.	US: Post-exposure prophylaxis of influenza in patients aged ≥5 years following contact with an individual with influenza	Suspension: 193 Tablets: 222

Generic/Trade Name	MoA	Company	Initial Approval Date	Median Time to Symptom Alleviation	Elimination Half-life	Detailed Indication in China and U.S.		Treatment Cost in China (RMB)
						Treatment	Prophylaxis	
Suraxavir marboxil 伊速達	PA inhibitor	QingFeng Pharmaceutical	• CN: 2025–03	42.0 h vs 63.0 h (33.3% reduction)	58.1 — 75.9 h	Uncomplicated influenza A and B infections in patients aged ≥12 years	Not approved	175
Sebaloxavir marboxil 濟可舒	PA inhibitor	Zenshine Pharmaceuticals	• CN: 2025–07	39.4 h vs 62.9 h (37.4% reduction)	83 — 126 h	Uncomplicated influenza A and B infections in patients aged ≥12 years	Not approved	222
Pixavir marboxil 壹立康	PA inhibitor	Joincare Pharmaceutical	• CN: 2025–12	60.9 h vs 87.9 h (30.7% reduction)	33.8 — 39.4 h	Uncomplicated influenza A and B infections in patients aged ≥12 years	Not approved	198
Favipiravir 海復康	PB1 inhibitor	Hisun Pharmaceutical	• CN: 2020–02	84.2 h vs 98.6 h (14.6% reduction)	2.5 — 5 h	Novel or re-emerging influenza in adults, for use when other anti-influenza antiviral drugs are ineffective or insufficient	Not approved	N/A
Onradivir 安睿威	PB2 inhibitor	Zhongsheng Pharma	• CN: 2025–05	38.8h vs 63.4h (38.8% reduction)	12 — 35 h	Uncomplicated influenza A infections in adults	Not approved	N/A
Oseltamivir phosphate 達菲/Tamiflu .	NAI	Roche	Capsule: • CN: 2001–01 • US: 1999–10 Suspension: • US: 2000–12	53.8 h vs 80.2 h (32.9% reduction)	6 — 10 h	US: Acute, uncomplicated influenza A and B in patients aged ≥2 weeks who have been symptomatic for no more than 48 hours CN: Acute, uncomplicated influenza A and B in patients aged ≥1 year who have been symptomatic for no more than 48 hours	US: Prophylaxis of influenza A and B in patients aged ≥1 year CN: Prophylaxis of influenza A and B in adults and adolescents aged ≥ 13 years	Capsule: 172
Zanamivir 依樂韋/ Relenza . . .	NAI	GSK	• US: 1999–07 • CN: 2009–07	120 h vs. 144 h (16.7% reduction)	2.5 — 5.1 h	US: Treatment of uncomplicated acute influenza A/B in patients aged ≥7 years who have been symptomatic for ≤48 h. CN: Treatment of influenza A/B in adults and children aged ≥7 years; treatment should be initiated within 48 hours	US: Prophylaxis of influenza in patients aged ≥5 years	N/A
Peramivir Rapivab 瑞貝塔/ Rapiacta . .	NAI	BioCryst	• US: 2014–12	59.1 h (300 mg)/ 59.9 h (600 mg) vs. 81.8 h (27.8%/26.8% reduction)	20 h	US: Acute uncomplicated influenza in patients aged ≥6 months who have been symptomatic for ≤2 days	Not approved	N/A

Source: Public Information; Annual Reports; the Lancet; NEJM; CIC

Notes: 1. Only showing originator drugs; 2. Median time to symptom alleviation refers to the median time to symptom relief in the treatment group compared with that in the placebo group; 3.Treatment cost (excluding the suspension) is calculated based on an adult body weight of 75 kg, whereas the suspension treatment cost is calculated based on an average body weight of 28.75 kg for boys and girls aged 5–11 years, according to the 2014 National Physical Fitness Monitoring Bulletin; 4."Uncomplicated influenza" refers to influenza infection without severe manifestations, complications, or high-risk comorbidities, typically presenting with fever, respiratory symptoms, and malaise but without pneumonia, hospitalization, or organ dysfunction, and this definition aligns with internationally recognised guidance from WHO, FDA, and the Clinical Practice Guidelines for the Treatment and Prophylaxis of Influenza in China(2025 edition); 5. These data have not been evaluated in head-to-head trials.; 6. EUA = Emergency Use Authorization; 7. Baloxavir marboxil (tablets), Suraxavir marboxil, Favipiravir, Onradivir, and Oseltamivir (conventional oral dosage forms, granules, and powder for suspension), as well as domestic generic injectable formulations of Peramivir, are covered by the NRDL, while Sebaloxavir marboxil, Pixavir marboxil, and Zanamivir are not covered; 8. N/A refers to not available; 9. Peramivir (Rapivab) developed by BioCryst Pharmaceuticals has not been approved in PRC. Peramivir modified formulation was approved in mainland China, with Guangzhou Nanshin Pharmaceutical Co., Ltd. as the originator; 10. Tamiflu (branded oseltamivir capsule): RMB172/course (based on pre-VBP branded price)

Kewei is a generic oseltamivir phosphate granule product and the best-selling NAIs in Chinese Mainland in 2025. It is indicated for the treatment of influenza A and B in children aged 2 weeks and older and in adults, or for the prophylaxis of influenza A and B in patients aged 1 year and older. Based on an average body weight, the complete treatment cost of Kewei is RMB163.96 for children and 204.95 for adults as of the Latest Practicable Date.

INDUSTRY OVERVIEW

In China, most anti-influenza antiviral drugs are included in the National Reimbursement Drug List ("**NRDL**"), such as Oseltamiv and Baloxavir marboxil ("**速福達**"), improving patient affordability and access through public medical insurance coverage. Sebaloxavir marboxil ("**濟可舒**") and Pixavir marboxil ("**壹立康**") were launched recently and have not yet been included in the NRDL price negotiation process. As of the Latest Practicable Date, PA inhibitors have not incorporated into national volume-based procurement ("**VBP**") programs, whereas NAIs have been included in both national and provincial centralized procurement initiatives, significantly reducing drug prices. VBP has been applied to oseltamivir products in China, with different winning bid prices across dosage forms. In the seventh national VBP round in 2022 covering oseltamivir capsules, the lowest winning bid price was approximately RMB0.99 per capsule (30 capsules per box) offered by Dongyangguang Pharmaceutical, while other winning bid prices for generic oseltamivir capsules were generally approximately RMB1.5–2.7 per capsule. In the eleventh national VBP round in 2025 covering oseltamivir phosphate granules, the lowest winning bid price was approximately RMB17.88 per box (900 mg specification); however, this product was not ranked among the top 20 oseltamivir products by sales volume in China. Kewei, the leading oseltamivir product by sales value, did not participate in VBP and maintained its leading market position.

INDUSTRY OVERVIEW

The following tables set forth an overview of the development stage influenza PA inhibitors in the U.S. and China, as of the Latest Practicable Date.

Pipeline of Influenza PA Inhibitors in China, as of the Latest Practicable Date

Drug Name	Company	Dosage Form	Indication	Phase
Deunoxavir Marboxil (ADC189)	Jiaxing AnDiCon Biotech	Tablets	Patients aged ≥5 years with acute influenza A or B Adults and adolescents with uncomplicated influenza A or B	NDA
		Granules	Children aged ≥2 years and adults with uncomplicated influenza A or B Post-exposure prophylaxis against influenza A and B for individuals aged ≥2 years	Phase 3
Suraxavir marboxil (GP681).	Jiangxi Kerui Pharmaceutical	Suspension	Children aged 2 years to < 12 years with uncomplicated influenza A or B	
	Jiangxi Kerui Pharmaceutical	Tablets	Post-exposure prophylaxis of influenza in adults and adolescents aged 12 years and older Adults and adolescents aged 12 years and older with influenza who are at high risk for influenza-related complications	NDA
Seloxavir Marboxil (ZX-7101A)	Zenshine Pharmaceuticals	Suspension	Children aged 2–11 years with uncomplicated influenza	NDA
		Tablets/ Suspension	Post-exposure prophylaxis against influenza in household contacts aged ≥2 years	Phase 3
TG-1000/JKN2301	Joincare Haibin Pharmaceutical Joincare Pharmaceutical Group Industry	Suspension	Children aged 2 weeks to < 12 years with uncomplicated influenza A or B	Phase 3
102D-6	Cavendish (Taizhou) Pharmaceutical	Suspension	Patients aged ≥5 years with uncomplicated influenza A and B	Phase 2
SYH2085	CSPC Zhongqi Pharmaceutical Technology Shijiazhuang	Tablets	Patients aged ≥ 12 years with uncomplicated influenza A and B	Phase 1

Source: CDE; CIC

Note: 1. List only active pipeline of novel drugs, not including those whose study status is "unknown", "completed", "terminated", "withdrawn" and "suspended"

Pipeline of Influenza PA Inhibitors in the U.S., as of the Latest Practicable Date

Drug Name	MoA	Administration	Indication	Company	Phase
Baloxavir Marboxil . .	PA inhibitor	Oral	Influenza in Pediatric Patients	Roche	Phase 3

Source: ClinicalTrials; CIC

Note: 1. List only active pipeline of novel drugs, not including those whose study status is "unknown", "completed", "terminated", "withdrawn" and "suspended"

As of the Latest Practicable Date, three generic PA inhibitors had obtained marketing approvals from the NMPA, but had not been commercialized as the relevant compound patents remain in force and restrict their commercial launch before patent expiry. The approved indications of such generic drugs are subject to their respective NMPA approvals and do not automatically extend to additional indications of the originator drug. Such patent protection is not expected to affect the indication expansion or commercialization of sebaloxavir marboxil, which is supported by its own clinical development program and regulatory pathway. The primary generic pressure is expected to come from the potential future market entry of generic PA inhibitors (Baloxavir marboxil after 2036 and Sebaloxavir marboxil after 2040). However, leveraging first-mover advantages and accumulated clinical data, Sebaloxavir marboxil is likely to maintain a stronger market positioning relative to generics. In clinical practice, physicians tend to prefer drugs that are supported by robust clinical data. Furthermore, drawing on the performance of Oseltamivir phosphate in the NAIs market, the originator drug continues to retain a sufficiently stable market share.

Future Trends and Growth Drivers of the Influenza Antiviral Drug Market

Future trends and growth drivers of the influenza antiviral drug market include: (i) PA polymerase inhibitors are expected to increase the rate of antiviral treatment outside hospital settings. (ii) Increasing use for post-exposure prophylaxis as next-generation agents better suit preventive settings. (iii) Increasing public awareness of antiviral-based management is driving demand expansion. (iv) Vaccination gaps create persistent demand for antiviral therapies. (v) Regulatory reforms and investment in antiviral R&D support broader market penetration.

OVERVIEW OF ENPP1 INHIBITOR MARKET

Overview of ENPP1-Targeted Oncology Drug Market

Ectonucleotide pyrophosphatase/phosphodiesterase 1 ("**ENPP1**"), as an extracellular hydrolase, disrupts immune signaling by degrading cGAMP and promotes an immunosuppressive tumor microenvironment. It is highly expressed in multiple solid tumors, including hepatocellular carcinoma, ovarian cancer, pancreatic cancer, and triple-negative breast cancer, and is closely associated with poor prognosis and immune evasion. Inhibition of ENPP1 restores STING activation, enhances antitumor immune responses induced by DNA-damaging therapies, and holds promise for converting "cold" tumors into immunologically responsive tumors.

Competitive Landscape of ENPP1-Targeted Oncology Drug Market

Global Pipeline of ENPP1-Targeted Oncology Drugs, as of the Latest Practicable Date

Drug Name	Company	Indication	Therapy Type	Location	Phase
SR-8541A . .	Stingray Therapeutics	Refractory Metastatic Microsatellite Stable Colorectal Cancer	Combo with ICI (Botensilimab and Balstilimab)	U.S.	Phase 2
		Advanced Unresectable Hepatocellular Carcinoma	Combo with ICI (STRIDE regimen: Durvalumab + Tremelimumab)	U.S.	Phase 2
RBS2418 . . .	Riboscience, LLC.	Metastatic Colorectal Cancer; Advanced Colorectal Cancer	Monotherapy + Best Supportive Care	U.S. and others	Phase 2
		Advanced Unresectable, Recurrent or Metastatic Tumors	Monotherapy; Combo with ICI (Pembrolizumab)	U.S.	Phase 1
TXN10128 . .	Txinno Bioscience Inc.	Locally Advanced (Unresectable) or Metastatic Solid Tumors	Monotherapy; Combo with Chemotherapy (Irinotecan or Paclitaxel)	South Korea	Phase 1
ISM5939 . . .	Insilico Medicine Hong Kong Limited	Advanced and/or Metastatic Solid Tumors	Monotherapy; Combo with Chemotherapy (Cisplatin or Docetaxel); Combo with ICI (Pembrolizumab)	N/A	Phase 1
ZX-8177 . . .	Our Company	Advanced Solid Tumors	Monotherapy	China	Phase 1

Source: ClinicalTrials; CDE; CIC

Notes: 1. List only active pipeline of novel drugs, not including those whose study status is "unknown", "completed", "terminated", "withdrawn" and "suspended"; 2. "Others" under Location represents multinational clinical studies conducted in countries and regions other than the U.S.

It is estimated that by 2035, the global market size of ENPP1-targeted immuno-oncology therapies will reach approximately USD524 million.

Overview of HPP Treatment Market

Hypophosphatasia ("**HPP**") is a rare inherited metabolic disorder caused by ALPL mutations and defective bone mineralization. Pediatric-onset HPP is generally more severe, with skeletal abnormalities and potentially life-threatening complications, while adult-onset HPP is typically milder, with fractures, musculoskeletal pain and impaired mobility. Strensiq® (asfotase alfa), an enzyme replacement therapy for perinatal-, infantile- and juvenile-onset HPP, is currently the only drug approved globally for HPP and has not been approved in mainland China. Annual treatment cost of Strensiq in the U.S. can exceed US$1 million per patient, depending on body weight. For patients not receiving enzyme replacement therapy, particularly those with milder or adult-onset disease, current management is largely supportive and symptomatic, such as fracture and pain management. ENPP1 inhibitor reduce the production of extracellular inorganic pyrophosphate, a key inhibitor of mineralization, thereby promoting bone mineralization through a mechanism distinct from enzyme replacement therapy. ENPP1 inhibition represents a potential therapeutic approach for HPP across different ages of onset and disease severities, including both pediatric- and adult-onset HPP.

Competitive Landscape of HPP Treatment Drug Market

Global Pipeline of HPP Treatment Drugs, as of the Latest Practicable Date

Drug Name	Company	Indication	Therapy Type	Location	Phase
ALE1	Alesta Therapeutics	HPP in adults	Monotherapy	Others	Phase 1/2
		HPP in pediatric patients aged 2 to < 12 years previously treated with asfotase alfa	Monotherapy; Active-controlled vs. Asfotase Alfa	U.S. and others	Phase 3
ALXN1850 . . .	Alexion Pharmaceuticals	HPP in treatment-naïve pediatric patients aged 2 to < 12 years	Monotherapy	U.S. and others	Phase 3
		HPP in treatment-naïve adolescent and adult patients aged ≥12 years	Monotherapy	U.S. and others	Phase 3

Source: ClinicalTrials; CDE; CIC; Company Information

Notes: 1. List only active pipeline of innovative drugs, not including those whose study status is"unknown"," completed", "terminated", "withdrawn" and "suspended"; 2. "Others" under Location represents multinational clinical studies conducted in countries and regions other than the U.S.; 3. Exclude symptomatic or supportive treatment pipeline

Global Competitive Landscape of HPP Treatment Drugs, as of the Latest Practicable Date

Generic/Trade Name	MoA	Company	Initial Approval Date	Detailed Indication	Key Safety Data	Dosing Regimen
Asfotase alfa (Strensiq®). . . .	Tissue-nonspecific alkaline phosphatase (TNSALP) enzyme replacement therapy; replacement of deficient TNSALP reduces inorganic pyrophosphate (PPi) accumulation and improves bone mineralization	Alexion Pharmaceuticals/ AstraZeneca	• JP: 2015–07 • EU: 2015–08 • U.S.: 2015–10	U.S.: Treatment of patients with perinatal/ infantile- and juvenile-onset HPP	Most common AEs: injection-site reactions (63%), lipodystrophy (28%), ectopic calcifications (14%), and hypersensitivity reactions (12%)	SC injection; 6 mg/kg/week: 2 mg/kg 3× weekly or 1 mg/kg 6 × weekly; for perinatal/ infantile-onset HPP, may increase to 9 mg/kg/week (3 mg/kg 3 × weekly) for lack of efficacy

Source: ClinicalTrials; CIC; Company Information

OVERVIEW OF THE MARKET FOR HPV TREATMENT DRUGS

Overview of HPV Infection

HPV is a non-enveloped, double-stranded DNA virus that is highly prevalent in humans. Infection is broadly classified into high-risk types associated with genital tract cancers and other malignant lesions, and low-risk types that primarily cause warts and benign epithelial proliferations. The virus invades basal keratinocytes through disrupted epithelium and establishes long-term latent infection; most infections clear spontaneously within 1–2 years, while a small proportion of persistent infections may progress to malignancy.

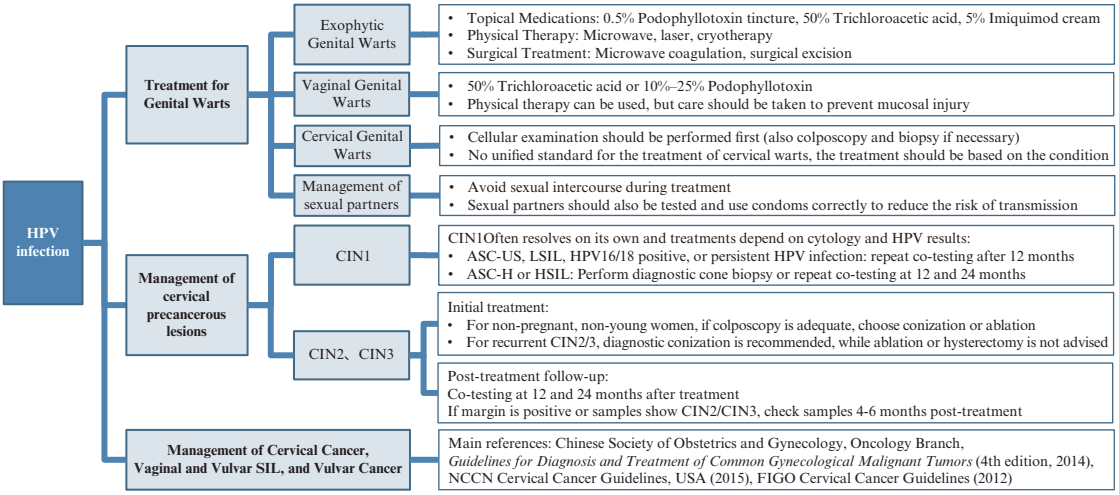
Epidemiology of HPV Infection

According to the Guideline for the Diagnosis and Treatment of Cutaneous Warts (2022) and largescale epidemiological data from China and the United States, the overall prevalence of viral warts in the general population is approximately 7%-12%, and 50%-80% of sexually active individuals may carry HPV; among Chinese women, approximately 120 million are infected with HPV (13.12% highrisk types and 4.58% lowrisk types), while in the United States, more than 42 million people are infected with types of HPV that are known to cause disease, with about 13 million new infections occurring annually.

Treatment Paradigms for HPV Infection

The following diagram illustrates the major treatment pathways for HPV-related diseases in China.

Overview of Treatment Paradigms of HPV



Source: Expert Consensus on the Diagnosis and Treatment of HPV Infection of the Female Lower Genital Tract; CIC

Condyloma Acuminatum and Cervical Intraepithelial Lesions

Condyloma acuminatum, also known as anogenital warts, is a sexually transmitted disease caused by HPV infection and characterized by verrucous proliferative lesions of the skin and mucosa. Approximately 90%-95% of condyloma acuminatum cases are caused by low-risk HPV types 6 and 11. Anogenital HPV infection is common; based on cervical cytology samples, the adjusted prevalence of HPV infection in the cytologically normal global population is estimated at 11.7%. Most infections present as subclinical or latent infections.

Cervical intraepithelial lesions include low-grade squamous intraepithelial lesions ("**LSIL**"), corresponding to CIN 1, and high-grade squamous intraepithelial lesions ("**HSIL**"), which include CIN 2 and CIN 3.

Competitive Landscape of Anti-HPV Drug Market

Global Pipeline of Anti-HPV Drugs, as of the Latest Practicable Date

Drug Name	Indication	Company	Region	Phase
DARE-HPV (Lopinavir/ Ritonavir)	Persistent high-risk HPV genital infection	Daré Bioscience	U.S.	Phase 2
Chloroquine Phosphate Gel	Women aged 18–50 years with high-risk HPV infection	Guangzhou Hybribio Biotech	China	Phase 2
ABI-2280	Female, diagnosed with persistent cervical hrHPV infection	Frantz Viral Therapeutics	Australia, New Zealand	Phase 1/2
Monoterpenoid zinc tetra-ascorbo- camphorate (C14)	Female, diagnosed with persistent cervical hrHPV infection, low-grade dysplastic lesions of the cervix	MGB Biopharma	Democratic Republic of the Congo	Phase 1/2

Source: ClinicalTrials; CDE; CIC

Notes: 1. List only active pipeline of novel drugs, not including those whose study status is "unknown", "completed", "terminated", "withdrawn" and "suspended"; 2. All candidates shown are originator drugs

Unmet Needs for Anti-HPV Drugs

(i) No therapy has been approved or has been definitively shown to "clear" or eradicate HPV infection. (ii) For non-high-risk HPV subtypes, effective preventive measures remain limited, and patient demand for achieving viral negativity is substantial. (iii) Current treatment approaches are unable to simultaneously achieve both viral clearance (HPV negativity) and repair of HPV-induced lesions, and recurrence remains common.

Future Trends and Growth Drivers of anti-HPV Drugs

(i) China's large high-risk population drives dual demand for prevention and treatment. (ii) Advances in diagnostic technologies improve screening and detection rates, supporting growth in the therapeutic market. (iii) Commercialization of innovative therapies addresses treatment gaps and improves overall treatment rates.

REPORT COMMISSIONED BY CHINA INSIGHTS INDUSTRY CONSULTANCY LIMITED

In connection with the [REDACTED], we have engaged China Insights Industry Consultancy Limited ("**CIC**") to conduct a detailed analysis and to prepare an industry report on the major markets for which our drugs candidates are positioned. CIC is an independent global market research and consulting company founded in 2014 and is based in China. We have agreed to pay CIC a total fee of approximately RMB1.0 million for the preparation of the CIC Report, and we believe that such fee is consistent with the market rate. The payment of such amount was not contingent upon our successful [REDACTED] or on the content of the CIC Report. Except for the CIC Report, we did not commission any other industry report in connection with the [REDACTED]. The market projections in the CIC Report were based on the following key assumptions: (i) the overall social, economic and political environment globally and in China is expected to remain stable during the forecast period; (ii) the economic and industrial development globally and in China is likely to maintain a steady growth trend over the next decade; (iii) related key industry drivers are likely to continue driving the growth of the market during the forecast period; and (iv) there is no extreme force majeure or industry regulation in which the market may be affected dramatically or fundamentally. The reliability of the CIC Report may be affected by the accuracy of the foregoing key assumptions, including those used to make future projections.

PRINCIPAL REGULATORY LAWS AND REGULATIONS

Laws and Regulations in Relation to the Pharmaceutical Industry

Research and Development of New Drugs

Pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) (the "**Drug Administration Law**") which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on September 20, 1984, last amended on August 26, 2019 and became effective on December 1, 2019, activities engaged in the development, production, operation and use of drugs shall comply with laws, regulations, rules, standards and norms, and ensure that information on the entire process is true, accurate, complete and traceable.

Pursuant to the Regulations of Implementation of the Drug Administration Laws of the PRC (《中華人民共和國藥品管理法實施條例》) (the "**Implementation Regulations**"), which was promulgated by the State Council on August 4, 2002, lastest amended on January 16, 2026 and took effect on March 15, 2026, respectively, clinical trials of drugs, the production of drugs and the import of drugs shall comply with the provisions of the Drug Administration Law and the Implementation Regulations, and shall be examined and approved by the pharmaceutical supervision and administration department of the State Council. The pharmaceutical supervisory and administrative department shall supervise and inspect the development, production, marketing and use of drugs according to law.

Non-Clinical Research

The non-clinical safety evaluation study for drugs for the purpose of applying for drug registration shall be conducted in accordance with the Good Laboratory Practice for Non-Clinical Laboratory Studies (《藥物非臨床研究質量管理規範》), which was promulgated in August 2003 and amended in July 2017 by the China Food and Drug Administration (國家食品藥品監督管理總局) (the "**CFDA**"). On April 16, 2007, the CFDA issued the Measures for Administration of Certification of the Good Laboratory Practice for Nonclinical Laboratory Studies (《藥物非臨床研究質量管理規範認證管理辦法》), last amended on January 19, 2023 and took effect on July 1, 2023, which set forth the requirements for an institution to apply for a Certification of Good Laboratory Practice ("**GLP**") to undertake non-clinical research on drugs.

Application for Clinical Trial

According to the Administrative Measures for Drug Registration (《藥品註冊管理辦法》) (the "**Registration Measures**") promulgated by the State Administration for Market Regulation (the "**SAMR**") on January 22, 2020 and coming into effect on July 1, 2020, drug clinical trials are divided into phase 1 clinical trial, phase 2 clinical trial, phase 3 clinical trial, phase 4 clinical trial and bioequivalence test. Drug clinical trials shall be subject to review and approval by the Ethics Committee. A corresponding trial protocol shall be formulated for any approved drug clinical trial, and the trial may be carried out after review and approval by the Ethics Committee.

According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and became effective on May 1, 2017, the decision on the approval of clinical trials of drugs shall be made by the Center for Drug Evaluation (國家藥品監督管理局藥品審評中心) (the "**CDE**") from May 1, 2017. The CFDA issued the Announcement on Certain Policies Pertaining to the Review and Approval of Drug Registration (《關於藥品註冊審評審批若干政策的公告》) on November 11, 2015, according to which, the drug approval process was further simplified by implementing a one-time approval for INDs of new drugs, and eliminating declarations, reviews or approvals at different phases. In accordance with the Registration Measures and the Announcement on Adjusting Evaluation and Approval Procedures for Clinical Trials for Drugs (《關於調整藥物臨床試驗審評審批程序的公告》) issued on July 24, 2018, if a clinical trial applicant does not receive any

negative or questioning opinions from the CDE within 60 days after the date when the trial application is accepted and the fees are paid, the applicant can proceed with the clinical trial in accordance with the trial protocol submitted to the CDE.

After obtaining the approval of clinical trial from the NMPA, the applicant must complete the clinical trial registration at the Drug Clinical Trial Information Platform for public disclosure in accordance with the Circular on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), which came into effect on September 6, 2013.

Conduct of Clinical Trial

According to the provisions of the Drug Administration Law, drug clinical trials shall be conducted in clinical trial institutions that meet corresponding conditions, and drug clinical trial institutions shall be subject to record-keeping management. The conduct of drug clinical trials shall comply with ethical principles, with a clinical trial protocol developed, and be subject to review and approval by the Ethics Committee. The Ethics Committee shall establish an ethics review system to ensure that the ethics review process is independent, objective, and fair, and supervise the standard conduct of drug clinical trials. Before a clinical trial is conducted, details such as the clinical trial objectives and risks shall be truthfully stated and explained to the trial subjects or their guardians, and an informed consent letter signed voluntarily by the trial subject or their guardian shall be obtained, and effective measures shall be taken to protect the lawful rights and interests of the trial subjects. Where safety issues or other risks are discovered during a drug clinical trial, the clinical trial sponsor shall promptly adjust the clinical trial protocol, suspend or terminate the clinical trial, and report to the drug regulatory departments under the State Council. If necessary, the drug regulatory departments under the State Council may order the sponsor to adjust the clinical trial protocol or suspend or end the clinical trial.

The Good Clinical Practice (《藥物臨床試驗質量管理規範》), which was revised by the National Medical Products Administration (國家藥品監督管理局) (the "**NMPA**") and the National Health and Family Commission (國家衛生健康委員會) (the "**NHC**") on April 23, 2020 and came into effect on July 1, 2020, specifies the quality standards for the whole process of drug clinical trials, including protocol design, organization, implementation, monitoring, auditing, recording, analysis, summarization and reporting.

International Multi-Center Clinical Trials

According to the International Multi-Center Clinical Trial Guidelines (Trial) (《國際多中心藥物臨床試驗指南(試行)》), which was issued by the CFDA on January 30, 2015 and became effective on March 1, 2015, the sponsor may conduct clinical trials simultaneously at multiple centers in multiple regions in accordance with the same clinical trial protocol, and may also conduct regional clinical trials simultaneously at multiple centers in different countries within a region in accordance with the same clinical trial protocol. If the applicants plan to use the data derived from international multi-center clinical trials for approval of drug registration in China, such international multi-center clinical trials shall comply with the provisions concerning clinical trials in the Registration Measures. When planning and implementing international multi-centre clinical trials in China, the sponsor shall comply with the Drug Administration Law, the Implementation Regulations, the Registration Measures and other related laws and regulations, implement the Good Clinical Practice in China, make reference to Good Clinical Practice (臨床試驗質量管理規範) provided by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (人用藥品註冊技術要求國際協調會), and meet the legal and regulatory requirements of the corresponding countries.

The NMPA issued the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) on July 6, 2018, according to which, for drugs applied for registration within the PRC, overseas clinical trial data submitted by the applicant may be accepted as the information for clinical evaluation.

Administration of Drug Registration

Pursuant to the Registration Measures, upon completion of clinical trials, determination of quality standards, completion of validation of commercial-scale production processes and completion of other related preparation work, the applicant may apply with the NMPA for the marketing authorization. The NMPA then determines whether to approve the application according to applicable laws and regulations.

Marketing Authorization Holder Mechanism

Pursuant to the Drug Administration Law, China implements the marketing authorization holder mechanism for management of the drug industry. The drug marketing authorization holder refers to an enterprise or a drug research and development institution that has obtained the drug registration certificate. The drug marketing authorization holder shall be responsible for non-clinical research, clinical trials, production and operation, post-marketing research, adverse reaction monitoring, reporting and processing of drugs in accordance with the provisions of the law.

The marketing authorization holders may manufacture drugs by themselves or entrust a pharmaceutical manufacturing enterprise to manufacture drugs. Likewise, they may sell drugs by themselves or entrust a pharmaceutical distribution enterprise to sell drugs. However, marketing authorization holders may not entrust a pharmaceutical manufacturing enterprise to produce blood products, narcotic drugs, psychotropic drugs, medical-use toxic drugs or pharmaceutical precursor chemicals, except as otherwise stipulated by the drug regulatory department under the State Council.

The drug marketing authorization holder shall establish a drug quality assurance system and be equipped with special personnel to take charge of quality management on drugs independently. The drug marketing authorization holder shall regularly review the quality management system of the drug manufacturer and the drug distributor, and supervise its continuous quality assurance and control capabilities.

Gathering, Collection and Filing of Human Genetic Resources

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the "**Biosecurity Law**"), which was promulgated by SCNPC on October 17, 2020 and last amended on April 26, 2024, establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants, research, development, and application of biology technology, biosecurity management of pathogenic microbial laboratories, security management of human genetic resources and biological resources, countermeasures for microbial resistance, and prevention of bioterrorism and defending threats of biological weapons.

Pursuant to the Regulations on the Management of Human Genetic Resources of the PRC (《中華人民共和國人類遺傳資源管理條例》), last amended by the State Council on March 10, 2024 and came into effect on May 1, 2024, the State supports the rational use of human genetic resources for scientific research, development of the biomedical industry, improvement of diagnosis and treatment technology, improvement of China's ability to guarantee biosafety and improvement of the level of people's health. The Implementing Rules of the Regulation on the Administration of Human Genetic Resources (《人類遺傳資源管理條例實施細則》), which was promulgated by the Ministry of Science and Technology (the "**MOST**") on May 26, 2023 and became effective on July 1, 2023, further provides specific requirements on the collection, preservation, utilization and external provision of China's human genetic resources.

Drug Distribution and Two-Invoice System

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

basis. Wholly-owned or holding commerce companies (there shall be only one commerce company throughout the country) and domestic general agents of overseas drugs (there shall be only one domestic general agent throughout the country) that are established by drug manufacturers or group enterprises integrating scientific research, manufacture, and trade to sell the drugs of these enterprise (groups) can be regarded as manufacturers. Within an enterprise that is a drug circulation group, the allocation of drugs between the group and wholly-owned (holding) subsidiaries or between wholly-owned (holding) subsidiaries should not be regarded as invoicing, but invoicing is allowed once at most.

According to the Several Opinions of the General Office of the State Council on Further Reform and Improvement in Policies of Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》), which was issued on January 24, 2017, on a priority basis, the Two-Invoice System would be promoted in pilot provinces (autonomous regions and municipalities directly under the Central Government) and pilot cities for public hospital reform, with the goal of having it implemented nationwide by 2018. Pharmaceutical companies must comply with the Two-Invoice System in order to engage in procurement processes with public hospitals.

Laws and Regulations on the Manufacturing of Drugs

Drug Manufacturing License

Pursuant to the Drug Administration Law and the Implementation Regulations, drug manufacturing activities are subject to the approval of drug regulatory departments of local people's governments of provinces, autonomous regions or municipalities directly under the central government and a drug manufacturing license shall be obtained. No drugs shall be manufactured without a drug manufacturing license. The drug manufacturing license shall indicate the period of validity and the scope of manufacturing. The license shall have a validity period of five years. If it is necessary to renew the license after the expiration thereof, the license-holding enterprise shall, within six months before the license expires, apply for a new license in accordance with the provisions of the drug regulatory departments under the State Council.

Good Manufacturing Practice

The drug manufacturer must conduct the manufacturing process in accordance with the Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) issued by the MOH on January 17, 2011, which sets forth a set of detailed standard guidelines governing the manufacture of drugs including institution and staff qualifications, production premises and facilities, equipment, hygiene conditions, production management, quality controls, product operation, raw material management, maintenance of sales records and management of customer complaints and adverse event reports.

Prior to December 1, 2019, pursuant to the Certification Measures for Good Manufacturing Practice for Drugs (《藥品生產質量管理規範認證管理辦法》) issued by the CFDA in August 2011, when establishing a pharmaceutical manufacturer or a new factory or expanding the production scope, the drug manufacturer is required to submit an application for a good manufacturing practice certificate (the "**GMP certificate**") with the drug regulatory authority. If the Good Manufacturing Practices (the "**GMP**") are satisfied, a GMP certificate will be issued. On December 30, 2015, the CFDA issued the Notice on Matters concerning the Implementation of Good Manufacturing Practice (《關於切實做好實施藥品生產質量管理規範有關工作的通知》), which provided that drug manufacturers failing to obtain the GMP certificates would not be issued with the drug manufacturing license.

Pursuant to the Circular on the Relevant Issues Concerning the Implementation of the Drug Administration Law of the PRC (《關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》), promulgated by the NMPA on November 29, 2019, and the Drug Administration Law, since December 1, 2019, the GMP and Good Supply Practice (the "**GSP**") certifications have been

canceled, applications for GMP and GSP certifications are no longer accepted, and GMP and GSP certificates are no longer issued. The legal representative of and principal person in charge of a drug manufacturer are fully responsible for the drug manufacturing activities of the enterprise.

The Administrative Measures for the Inspection of Pharmaceuticals (Trial) (《藥品檢查管理辦法(試行)》) was promulgated by the NMPA on May 24, 2021 and amended on July 19, 2023, and the Certification Measures for Good Manufacturing Practice for Drugs was repealed simultaneously. The Administrative Measures for the Inspection of Pharmaceuticals (Trial) stipulated that if a drug manufacturer applies for a drug manufacturing license for the first time, it will be subject to on-site inspection under relevant contents of the GMP. If a drug manufacturer applies for re-issuance of drug manufacturing license, relevant authorities shall conduct examination pursuant to risk management principle, taking into account the enterprise's compliance with pharmaceutical administration laws and regulations, operation status of GMP and quality system, and may conduct GMP compliance inspection where necessary.

Entrusted Manufacturing of Drugs

Pursuant to the Drug Administration Law and the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委托生產監督管理規定》) promulgated by the former CFDA on August 14, 2014 and taking effect on October 1, 2014, in the event a drug manufacturer that has obtained a drug marketing license is temporarily unqualified for manufacturing as a result of technology upgrade or is under capacity and is therefore unable to ensure market supply, it can entrust the manufacturing of that drug to another drug manufacturer. The NMPA shall be responsible for guiding, supervising and inspecting the review, approval, supervision and administration of the contract manufacturing of drugs nationwide. The local branches of NMPA of all provinces, autonomous regions and municipalities directly under the central government shall be responsible for the review, approval, supervision and administration of contract manufacturing of drugs.

The Administrative Measures for Supervision of Drug Production (《藥品生產監督管理辦法》) (the "**Revised Administrative Measures for Drug Production**") promulgated by the SAMR on January 22, 2020 and became effective on July 1, 2020, further implementing the marketing authorization holder system for drugs as required by the Drug Administration Law. A drug marketing authorization holder who entrusts others to produce pharmaceutical preparations shall sign an entrustment agreement and a quality agreement with a qualified drug manufacturer, and apply for the drug production license by submitting the relevant agreements together with the application materials of the actual production site to the regulatory departments of drugs. Announcement of the NMPA on Strengthening the Supervision and Administration of Entrusted Production of Drug Marketing Authorization Holders (《國家藥監局關於加強藥品上市許可持有人委托生產監督管理工作的公告》), issued by the NMPA on October 17, 2023 and became effective on October 17, 2023, further implemented the main responsibility for the quality and safety of drug production entrusted by the drug marketing authorization holders, and ensured the quality and safety of the drug safety production cycle.

Drug Operation Permit

According to the Drug Administration Law, a drug operation permit shall be obtained for drug wholesale activities upon approval by the drug regulatory departments of the local people's governments of the provinces, autonomous regions or municipalities directly under the central government, and a drug operation permit shall be obtained for drug retailing activities upon approval by the drug regulatory departments of the local people's governments above the county level. The Measures for the Quality Supervision and Administration of the Operation and Use of Medical Products (《藥品經營和使用質量監督管理辦法》) promulgated by the SAMR on September 27, 2023 came into effect on January 1, 2024. The Measures for the Quality Supervision and Administration of the Operation and Use of Medical Products stipulates the conditions, procedures, changes and supervision and administration of the drug operation permit.

Laws and Regulations on Labor, Social Insurance and Housing Provident Funds

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which came into effect on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC in June 2007 and amended in December 2012 and came into effect in July 2013, and the Implementing Regulations of the Labor Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect in September 2008, labor contracts in written form shall be executed to establish labor relationships between employers and employees. The employers must establish a system for labor safety and sanitation, strictly comply with national rules and standards, provide education regarding labor safety and sanitation to their employees, provide employees with labor safety and sanitation conditions and necessary protection materials in compliance with national rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), which was revised on December 29, 2018, the Regulations on Management of Housing Provision Funds (《住房公積金管理條例》), which was revised by the State Council and took effect on March 24, 2019, employers and employees shall pay housing, pension insurance, Medical Insurance, unemployment insurance, maternity insurance, and other social insurances according to the statutory payment basis and proportions.

Laws and Regulations on Intellectual Properties

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) amended by the SCNPC on April 23, 2019 and taking effect on November 1, 2019, and the Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) amended on April 29, 2014 and taking effect on May 1, 2014 provide for the registration application, examination and approval, renewal, alteration, transfer, use and invalidation of trademarks, and protect the exclusive right of a trademark registrant to the relevant trademark. According to the above laws and regulations, the validity period of a registered trademark shall be ten years from the date the registration is approved. Any trademark registrant may, by signing a trademark license contract, authorize other persons to use his/her registered trademark.

Patent

Under the Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**"), a patentable invention or utility model must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, nuclear transformation methods and substances obtained through methods of nuclear transformation, or designs that are used principally to identify the pattern, color, or a combination thereof, on printed materials. The Patent Law was amended on October 17, 2020, effective as of June 1, 2021, pursuant to which an invention patent is valid for 20 years, a utility model is valid for 10 years, and a design patent is valid for 15 years, starting from the application date.

Trade Secret

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC in September 1993, most recently amended on June 27, 2025, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility, may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Under the PRC Anti-Unfair Competition Law, businesses are prohibited from infringing others' trade secrets by: (1) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (2) disclosing, using, or

allowing another person to use a trade secret acquired from the right holder by any means as specified in item (1) above; (3) disclosing, using, or allowing another person to use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (4) abetting a person, or tempting another person into or inducing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation of the requirements of the right holder for keeping the trade secret confidential.

Pursuant to the provisions of the Criminal Law of the PRC (《中華人民共和國刑法》), which was amended by the SCNPC on December 29, 2023 and came into effect on March 1, 2024, for obtaining business secrets from a business secret owner or the user authorized by a business secret owner ("**obligee**") by stealing, bribery, fraud, coercion, electronic intrusion or other illegitimate means; disclosing, using, or allowing others to use the business secrets obtained from the obligee by means mentioned in the preceding paragraph; in violation of the confidentiality obligation or against the oblige's requirements for keeping business secrets, disclosing, using, or allowing another person to use the business secrets he has, whoever commits any of the above-mentioned acts of infringing on business secrets and the consequences are serious shall be sentenced to fixed-term imprisonment of not more than three years and shall also, or shall only, be fined; if the consequences are especially serious, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than ten years and shall also be fined.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and became effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013. These laws and regulations provide provisions on the classification of works and the obtaining and protection of copyright.

Domain Names

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) which was issued by the Ministry of Industry and Information Technology Industry on August 24, 2017, domain name registration services shall, in principle, be subject to the principle of "first apply, first register". A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

Laws and Regulations on Environmental Protection

Environment Protection

The Ecological and Environmental Code of the PRC (《中華人民共和國生態環境法典》), which was promulgated by the NPC on March 12, 2026 and came into effect on August 15, 2026, establishes the principal legal framework for ecological and environmental protection in the PRC. The Ministry of Ecology and Environment is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environmental protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both national and local standards.

Environmental Impact Appraisal

According to The Ecological and Environmental Code of the PRC, the Management Regulations for the Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) amended by the State Council on July 16, 2017 and coming into effect on October 1, 2017 and

the Interim Measures for Acceptance Inspections for Environmental Protection Purposes over Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated by the former Ministry of Environmental Protection on November 20, 2017 and taking effect on the same day, enterprises planning construction projects shall provide environmental impact reports, environmental impact statements and environmental impact registration forms related to such projects.

Laws and Regulations on Hazardous Chemicals

The Hazardous Chemicals Safety Law of the PRC (《中華人民共和國危險化學品安全法》), which was promulgated on December 27, 2025 and came into effect on May 1, 2026, regulates the production, storage, use, business operation and transportation of hazardous chemicals.

The Regulation on Safety Administration of Hazardous Chemicals (《危險化學品安全管理條例》) (the "**Hazardous Chemicals Regulation**") was promulgated by the State Council on January 26, 2002 and newly revised on December 7, 2013. The Hazardous Chemicals Regulation provides regulatory requirements on the safe production, storage, use, operation and transportation of hazardous chemicals.

According to the Regulation on the Administration of Precursor Chemicals (《易製毒化學品管理條例》) promulgated by the State Council on August 26, 2005, effective on November 1, 2005, and Lastest amended on Spetember 18, 2018, the State regulates the production, operation, purchase, transportation, import and export of precursor chemicals.

Laws and Regulations on Foreign Investment

On March 15, 2019, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") was promulgated by the NPC. The Foreign Investment Law took effect on January 1, 2020, and the Sino-Foreign Equity Joint Ventures Law of the PRC (《中華人民共和國中外合資經營企業法》), the Wholly Foreign-Owned Enterprises Law of the PRC (《中華人民共和國外資企業法》) and the Sino-Foreign Cooperative Joint Ventures Law of the PRC (《中華人民共和國合作經營企業法》) were abolished at the same time. Since then, the Foreign Investment Law has become the basic law regulating foreign-invested enterprises wholly or partially invested by foreign investors, while the organization form, institutional framework and standard of conduct of foreign-invested enterprises shall be subject to the provisions of the Company Law of the PRC (《中華人民共和國公司法》) and other laws.

The Catalogue of Industries Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) issued by the National Development and Reform Commission ("**NDRC**") and the Ministry of Commerce of the PRC ("**MOFCOM**") on December 15, 2025 (effective on February 1, 2026), and the Special Administrative Measures for Foreign Investment Entry (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by the NDRC and the MOFCOM on September 6, 2024 (the "**Negative List**"), which became effective on November 1, 2024) together constitute the catalogue of industries encouraging foreign investment and the special administrative measures for foreign investment access to industries restricted or prohibited for foreign investment, of which the Negative List has uniformly listed the special administrative measures in respect of foreign investment access, such as shareholding requirements and senior management requirements. Fields outside the Negative List are managed in accordance with the principle of consistency between domestic and foreign investments. Domestic enterprises engaging in businesses in the areas of investment prohibited by the Negative List that issue shares abroad and list them for trading shall be subject to the examination and consent of the relevant competent state authorities. Foreign investors shall not participate in the operation and management of the enterprise, and the proportion of their shareholding shall be implemented with reference to the relevant provisions on the management of domestic securities investment by foreign investors. Our principal business is the research, development and manufacturing of pharmaceutical products,

which does not fall within the prohibited or restricted sectors under the Negative List, and shall therefore be administered in accordance with the principle of equal treatment for domestic and foreign investment.

The foreign investment information reporting shall be subject to the Foreign Investment Information Reporting Method (《外商投資信息報告辦法》) jointly developed by the MOFCOM and the SAMR, which came into effect on January 1, 2020. According to the Foreign Investment Information Reporting Method, foreign investors who directly or indirectly carry out investment activities in China shall submit investment information to the competent commercial department through the enterprise registration system and the National Enterprise Credit Information Publicity System, and the reporting methods include initial reports, change reports, cancelation reports, and annual reports.

Laws and Regulations on Foreign Exchange and Taxation

Foreign Exchange

On 29 January 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which came into effect on 1 April 1996 and was amended on 14 January 1997 and 5 August 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

According to the Notice on Issues Concerning the Management of Funds for Domestic Enterprises' Overseas Listing (《關於境內企業境外上市資金管理有關問題的通知》) issued by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025, when a domestic enterprise conducts overseas listing, it should apply for the registration of overseas listing at a bank within the provincial or plan-single-listed city region where it is registered, either on the first trading day of the overseas listing or within 30 working days after the completion of the over-allotment option.

Taxation

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**"), promulgated by the NPC on March 16, 2007 and lastest amended on December 29, 2018, as well as the Implementation Rules of the EIT Law (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Rules**"), promulgated by the State Council on December 6, 2007 and last amended on December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its Implementation Rules, enterprises are classified into resident enterprises and non-resident enterprises. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income are obtained outside the PRC but have an actual connection with the set-up institutions or sites. Non-resident enterprises that have not set up institutions or sites in the PRC, or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC.

Value-Added Tax

The major PRC law and regulation governing value-added tax are the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) issued on December 25, 2024 by the SCNPC, came into effect on January 1, 2026. Any entities and individuals sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. Depending on the taxable acts of the general taxpayers, the applicable VAT rates are 13%, 9%, 6% and 0%, respectively.

Laws and Regulations on Information Security and Data Privacy

Data Security and Data Export

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

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Cyber Review Measures**"), which came into effect on February 15, 2022. The Cyber Review Measures stipulate that, among others, (i) when the purchase of network products and services by a critical information infrastructures operator (the "**CIIO**") (關鍵信息基礎設施運營者) or the data processing activities conducted by a network platform operator (網絡平台運營者) affect or may affect national security, a cybersecurity review shall be conducted pursuant to the Cyber Review Measures; (ii) an application for cybersecurity review shall be made by an issuer who is a network platform operator holding personal information of more than one million users before such issuer applies to list its securities abroad; and (iii) the relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

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

Personal Information Protection

According to the Civil Code of the PRC (《中華人民共和國民法典》), personal information of natural persons is protected by law. If any organization or individual needs to obtain other people's personal information, they should obtain it in accordance with the law, ensure the security of the information, and must not illegally collect, use, process, or transmit other people's personal information or illegally buy, sell, provide, or disclose the information. The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021 further emphasizes the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by the SCNPC on November 7, most recently amended on October 28, 2025, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected.

Laws and Regulations on Overseas Securities Offering and Listing by Domestic Companies

CSRC Filing Requirements for Overseas Offering and Listing

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") issued the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures for Administration**") and the 5 ancillary guidelines, which have come into effect since March 31, 2023. The Trial Measures for Administration comprehensively improve and reform the current regulatory system for overseas offering and listing of securities by domestic enterprises, and regulate the direct and indirect offering and listing of securities overseas by domestic enterprises through the adoption of a regulatory system based on filing.

Overseas Listing Confidentiality and Archives Administration

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing by Domestic Enterprises (《關於加强境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Confidentiality Provisions**"), which became effective from March 31, 2023. Pursuant to Confidentiality Provisions, a domestic enterprise must obtain approval from the competent departments with the authority to examine and approve, in accordance with the laws, and file a record with the administrative department for the same level, when providing or publicly disclosing, or providing or public disclosing through its overseas listed entities, documents and information involving secrets of the State and work secrets of the organizations of the State to relevant securities companies, securities service institutions, overseas regulatory authorities, and other entities and individuals.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

The history of our Group can be traced back to 2018 when Dr. Yang and Dr. Hao founded Hangzhou Zhengxiang, being our Company's predecessor, and started carrying out R&D of therapeutics addressing viral infectious diseases, oncology and inflammatory disorders. The Company has become our holding company since 2020.

Over the past years, we have become a commercial stage biopharmaceutical company dedicated to discovering, developing and commercializing innovative therapeutics that address medical needs with limited therapies across viral infectious diseases, oncology, and inflammatory disorders. We have successfully developed our Core Product, sebaloxavir marboxil tablets, an advanced oral anti-influenza drug approved by NMPA. We are actively broadening the reach of sebaloxavir marboxil through a suspension formulation tailored for the pediatric population and indication expansion into post-exposure prophylaxis.

For the relevant industry experience of Dr. Yang and Dr. Hao, see "Directors and Senior Management."

KEY MILESTONES

The following table summarizes key corporate and business development milestones.

Year	Milestone
2018	Hangzhou Zhengxiang, our predecessor, was established to carry out R&D of therapeutics addressing viral infectious diseases, oncology and inflammatory disorders in June.
2019	We initiated the R&D of sebaloxavir marboxil tablets in February.
2020	Our Company was established in May.
2021	We received NMPA approval for the phase 1 clinical trial of sebaloxavir marboxil tablets in September.
2022	We initiated the phase 2 clinical trial of sebaloxavir marboxil tablets in adults with influenza in July.
2023	We entered into an exclusive sales and promotion agreement with Jumpcan Pharmaceutical for sebaloxavir marboxil oral formulations in August.
	We received NMPA approval for the phase 3 clinical trial of sebaloxavir marboxil tablets in adolescents (aged 12 to 17) with influenza in August.
	We completed the phase 3 clinical trial of sebaloxavir marboxil tablets in adults with influenza in October.
2024	The NMPA accepted our NDA for sebaloxavir marboxil tablets in adults with influenza in February.
	We received NMPA approval for the phase 1 clinical trial of ZX-8177, a major drug candidate, in June.

Year	Milestone
2025	We received NMPA approval for the phase 3 clinical trial of sebaloxavir marboxil for suspension in children (aged two and older) with influenza in January.
	The NMPA accepted our NDA for sebaloxavir marboxil tablets in adolescents with influenza in April.
	We received approval from NMPA for the phase 3 clinical trial of sebaloxavir marboxil tablets for post-exposure prophylaxis in patients (aged five and older) in April.
	The NMPA approved sebaloxavir marboxil tablets for the treatment of uncomplicated influenza in adults in July.
	We entered into a license and distribution agreement with Cigalah Medpharm, a leading pharmaceutical distributor in the MENA region, in relation to sebaloxavir marboxil oral formulations in July.
2026	We received approval from NMPA for the amendment on phase 3 clinical trial of sebaloxavir marboxil formulations (tablets and suspension) for post-exposure prophylaxis in patients (aged two and older) in May.
	The NMPA approved sebaloxavir marboxil tablets for the treatment of uncomplicated influenza in adolescents in June.
	The NMPA accepted our NDA for sebaloxavir marboxil for suspension in children (aged two and older) with influenza in July.
	We received the approval from EDE in UAE for the manufacturing registration in August.

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had following four wholly-owned subsidiaries:

Name	Date of establishment	Place of incorporation	Registered capital	Equity interest attributable to our Company	Principal business activities
Zenshine CA . .	July 17, 2019	U.S.	US$500,000	100%	Research and development of pharmaceutical products
Zenshine Yangzhou . .	January 21, 2025	PRC	RMB120,000,000	100%	Research and development and manufacturing of pharmaceutical products
Zenshine Hangzhou . .	January 22, 2025	PRC	RMB100,000,000	100%	Research and development and manufacturing of pharmaceutical products
Zenshine Changchun .	September 17, 2025	PRC	RMB55,000,000	100%	Research and development and manufacturing of pharmaceutical products

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Predecessor of Our Company

In June 2018, Dr. Yang, Hangzhou Cike Pharmaceutical Technology Co., Ltd. (杭州慈科醫藥科技有限公司) ("**Hangzhou Cike**") (a company wholly owned by Dr. Hao), Ennovation Raylight (a pre-[REDACTED] Investor), and Jieyuan Growth (a pre-[REDACTED] Investor), jointly set up

Hangzhou Zhengxiang in the PRC. Upon its establishment, Hangzhou Zhengxiang was owned by Dr. Yang, Hangzhou Cike (a company wholly owned by Dr. Hao), Ennovation Raylight and Jieyuan Growth as to approximately 35.29%, 35.29%, 17.65% and 11.77%, respectively.

In June 2019, after Hangzhou Zhengxiang had achieved the first R&D milestone under its development plan, Ennovation Raylight further subscribed for the increased registered capital of Hangzhou Zhengxiang. Following the completion of such capital increase, Hangzhou Zhengxiang was owned by Dr. Yang, Hangzhou Cike (a company wholly owned by Dr. Hao), Ennovation Raylight and Jieyuan Growth as to 30%, 30%, 30% and 10%, respectively. In May 2020, our Company was established, and Hangzhou Zhengxiang became its wholly-owned subsidiary. Hangzhou Zhengxiang was deregistered in October 2022.

For principal terms of the Pre-[REDACTED] Investments by Ennovation Raylight and Jieyuan Growth, see "— Pre-[REDACTED] Investments" below.

Establishment of Our Company

From April to June 2020, Dr. Yang, Hangzhou Cike (a company wholly owned by Dr. Hao), Ennovation Raylight and Jieyuan Growth implemented a share swap arrangement and established our Company in the PRC, under which they contributed their respective equity interests in Hangzhou Zhengxiang to our Company in exchange for equity interests in our Company. Upon completion of the share swap, Hangzhou Zhengxiang became a subsidiary of our Company, and the shareholding structure of our Company mirrored that of Hangzhou Zhengxiang immediately prior to the share swap.

Major Equity Financing and Equity Transfer

Since the establishment our Company, a number of investors have invested in our Company through capital injection or acquisition of equity capital from the then existing Shareholders. For details, see "— Pre-[REDACTED] Investments" below.

Conversion into a Joint Stock Company

Pursuant to the promoters' agreement dated November 28, 2025 entered into by all the then Shareholders and the Shareholders' resolutions of the same date, all promoters (being all the then Shareholders) agreed to convert our Company from a limited liability company into a joint stock limited company.

Upon completion of the conversion, the share capital of our Company was RMB16,959,201, divided into 16,959,201 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. Our Company obtained a new business license on December 31, 2025, with the name changed from "Nanjing Zenshine Pharmaceutical Company Limited (南京征祥醫藥有限公司)" to "Zenshine Pharmaceuticals (Nanjing) Group Co., Ltd. (征祥醫藥(南京)集團股份有限公司)."

Share Subdivision

In January 2026 and June 2026, our Shareholders passed a resolution, pursuant to which each of our Share with a nominal value of RMB1.00 will be subdivided into ten Shares with a nominal value of RMB0.10 each immediately prior to the [REDACTED].

EMPLOYEE INCENTIVE PLATFORM

To recognize contributions of our employees and to incentivize them to further support our growth, Dr. Yang and Dr. Hao established Zhengxiang Jiwan in the PRC on November 13, 2020 as the Employee Incentive Platform. The Employee Incentive Scheme was subsequently adopted on

January 5, 2026. As of the Latest Practicable Date, Zhengxiang Jiwan held 651,650 Shares to satisfy grants under the Employee Incentive Scheme. Dr. Yang served as the sole general partner of Zhengxiang Jiwan with a 2.13% partnership interest.

All 651,650 Shares (being 6,516,500 Shares upon completion of the Share Subdivision) held by Zhengxiang Jiwan have been granted in the form of restricted share units ("**RSUs**") to the participants, who hold beneficial interests in the Shares through Zhengxiang Jiwan. Adjusted to give effect to the Share Subdivision, the RSU holdings comprise (i) 735,400 RSUs by Dr. Yang, (ii) 81,600 RSUs by Dr. Hao, (iii) 555,000 RSUs by Mr. Xu Ming, (iv) 570,000 RSUs by Dr. Sun Min, (v) 520,000 RSUs by Mr. Gui Yaokui, (vi) 515,000 RSUs by Ms. Wang Xiaoyan, and (vii) 3,539,500 RSUs by other 65 employees, who are not Directors, senior management or connected person of our Company. For principal terms of our Employee Incentive Scheme, see "Appendix IV — Statutory and General Information — Employee Incentive Scheme."

ACTING IN CONCERT

On October 21, 2020, Dr. Yang, Dr. Hao and Hangzhou Cike (a company wholly owned by Dr. Hao) entered into a concert party agreement, under which they began acting in concert with respect to our Company from the same date. On November 28, 2022, Dr. Yang and Zhengxiang Jiwan entered into a similar concert party agreement, under which Zhengxiang Jiwan joined their acting-in-concert arrangement from that date. Pursuant to the Concert Party Agreements, the parties agreed to act in concert regarding our Company's operations and material decisions, including the exercise of voting rights attached to their Shares, until 36 months after the [REDACTED]. In the event parties fail to reach a consensus, Dr. Yang is entitled to direct the voting of the relevant Shares. Since joining the acting in concert arrangement, each party has acted in concert and exercised their voting rights consistently at every Shareholders' meeting at which they were entitled to vote.

In July 2024, Hangzhou Cike (a company wholly owned by Dr. Hao) transferred all its Shares to Dr. Hao to simplify his shareholding structure. Following this transfer, Dr. Yang and Dr. Hao entered into a renewal agreement on April 25, 2025, to continue the acting in concert arrangement between themselves. Hangzhou Cike was subsequently deregistered in June 2025.

As of the date of this document, Dr. Yang, Dr. Hao and Zhengxiang Jiwan are parties acting in concert. Dr. Yang and Dr. Hao directly hold approximately 10.05% and 8.38% of our total share capital, respectively. Additionally, Dr. Yang is the sole general partner of Zhengxiang Jiwan, which holds 3.71% of our share capital. Accordingly, Dr. Yang, Dr. Hao and Zhengxiang Jiwan collectively control approximately 22.14% of the voting rights in our Company.

ACQUISITIONS, MERGERS AND DISPOSALS

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers or disposals.

PRC LEGAL ADVISORS' CONFIRMATION

As advised by our PRC Legal Advisors, our Company and its subsidiaries have made all necessary filings and have complied with applicable PRC laws and regulations in relation to the changes of shareholdings.

PRE-[REDACTED] INVESTMENTS

Principal Terms of the Pre-[REDACTED] Investments

Our Company concluded several rounds of investments with the Pre-[REDACTED] Investors. The basis of determination for the consideration of the Pre-[REDACTED] Investments were from arm's length negotiations after taking into consideration the timing of the investments and the status

of our business operation and product development between (i) our Company and the Pre-[REDACTED] Investors in respect of the equity financings; and (ii) the relevant transferors and transferees in respect of the equity transfers.

The following tables summarize the key terms of the Pre-[REDACTED] Investments in our Company made by the Pre-[REDACTED] Investors:

Equity Financing

Round	Date(s) of agreement	Date of settlement of full consideration	Investor(s)	Amount of Share subscribed[3]	Total proceeds raised[1]	Post-money valuation of our Company[2]	Cost per Share[3]	Discount to the [REDACTED][4]
Angel[5]	June 5, 2018 and June 25, 2019	September 12, 2019	Ennovation Raylight	17,673,000	RMB32 million	RMB80 million	RMB1.36	[REDACTED]%
			Jieyuan Growth	5,891,000				
Series A	December 7, 2020	December 31, 2020	Zijin Advanced Manufacture	11,782,000	RMB100 million	RMB350 million	RMB4.24	[REDACTED]%
			Qirui Youkang	5,891,000				
			Chuangyi Yingdi	1,767,300				
			Jiuyou Herong	1,767,300				
			Jiangsu Dingzhu	942,560				
			Chuangyi Future	942,560				
			Nanjing Jiakang	471,280				
Series A+	May 12, 2021	October 19, 2021	FIIF II	24,742,200	RMB200 million	RMB700 million	RMB6.06	[REDACTED]%
			MPC HK	4,948,440				
			LYZZ Fund	3,298,960				
Series B	January 6, 2023	March 15, 2023	KangJoin	10,503,050	RMB145 million	RMB995 million	RMB7.14	[REDACTED]%
			Saizhi Chuangyun VI	2,800,810				
			Enjie Venture	2,800,810				
			Jiangbei Gaoxin	1,400,410				
			Yangtze River Chenxing	1,400,410				
			MPC HK	1,400,410				
Series C	September 15, 2023	October 13, 2023	Jumpcan Pharmaceutical	5,066,930	RMB112 million	RMB1,762 million	RMB11.84	[REDACTED]%
			Zhonghui Shengping	1,914,170				
			Saizhi Chuangyun VII	1,351,180				
			Beijing Kunlun	1,125,980				
Series D	January 17, 2025	March 25, 2025	Hangzhou Chuanhua	7,439,940	RMB193 million	RMB1,993 million	RMB12.08	[REDACTED]%
			Hangzhou Taikun	1,239,990				
			Zhongbo Shouzhong	1,339,190				
			Shenyang Yueyin	3,719,970				
			Suzhou Proxima	1,115,990				
			Chongqing Proxima	1,115,990				
Series D+	August 25, 2025	September 19, 2025	Nanjing Runxin	1,377,770	RMB70 million	RMB2,462 million	RMB14.52	[REDACTED]%
			Changchun Runxin	3,444,410				
Series D++	January 5, 2026	January 19, 2026	Changchun Changxing	1,377,770	RMB20 million	RMB2,482 million	RMB14.52	[REDACTED]%
Series D+++	May 7, 2026	May 29, 2026	Ennovation Chengfeng	2,066,650	RMB70 million	RMB2,552 million	RMB14.52	[REDACTED]%
			Saizhi Saidao II	2,066,650				
			Zhonghui Baohua	688,880				

Notes:

(1) We utilize the proceeds to (i) finance our R&D activities; and (ii) fund our daily operations. As of the Latest Practicable Date, approximately 94.30% of the net proceeds from the angel round equity financing to series D+++ round equity financing had been utilized for the aforementioned purposes. We expect to utilize the remaining proceeds for R&D activities.

(2) The primary reasons for the increase in the valuation of our Company are set forth below:

(i) The increase in valuation between the angel financing and the series A financing reflected our Company's establishment of its R&D capabilities and the entry of sebaloxavir marboxil tablets into the pre-clinical development stage.

(ii) The increase in valuation between series A financing and the series A+ financing reflected the progression of our pipeline, marked by pre-IND filing for the phase 1 clinical trial of sebaloxavir marboxil tablets.

(iii) The increase in valuation between the series A+ financing and series B financing reflected our clinical operational progress, specifically the completion of patient enrollment for the phase 2 clinical trial of sebaloxavir marboxil tablets.

(iv) The increase in valuation between the series B financing and series C financing reflected the attainment of positive phase 2 clinical data, which validated the safety and efficacy profile of sebaloxavir marboxil tablets.

(v) The increase in valuation between the series C financing and series D financing reflected our Company's transition to a pre-commercialization stage, highlighted by the completion of the phase 3 clinical trial and the subsequent NDA acceptance by the NMPA for sebaloxavir marboxil tablets, IND approval by the NMPA for ZX-8177, and the initiation of pre-clinical study of ZX-12042B for HPV infections.

(vi) The increase in valuation between the series D financing and series D+ financing and series D++ financing and series D+++ reflected the NMPA approval for sebaloxavir marboxil tablets in adults (which cleared the path for commercial launch), the NDA acceptance by the NMPA for sebaloxavir marboxil tablets in adolescents, and the initiation of phase 3 clinical trial of sebaloxavir marboxil for suspension in children (aged two to 11).

(vii) The increase in valuation between the series D+++ financing and [REDACTED] primarily reflected our Company's transition from a clinical-stage to a commercial-stage biopharmaceutical company, the continuous expansion of indications for our products and the achievement, or expected near-term achievement, of a series of key clinical, regulatory and business milestones as described below, the scarcity of anti-viral infection targets in the market, and the liquidity premium as a result of the increased liquidity of the Shares subsequent to the [REDACTED].

The principal milestones contributing to the valuation uplift are: (1) at the time of the Series D+++ Financing, sebaloxavir marboxil tablets had been approved only for the treatment of influenza in adults, while the supplemental NDA for the adolescent indication remained under regulatory review. In June 2026, the NMPA approved the adolescent indication, thereby expanding the approved patient population of our Core Product to include adolescents aged 12 to 17 and converting a pending regulatory application into an approved indication; (2) for sebaloxavir marboxil for suspension for the treatment of influenza in children aged two to 11, following the completion of subject enrollment and dosing in its phase 3 pivotal clinical trial and the pre-NDA meeting with the NMPA in May 2026, we submitted the NDA to the NMPA in June 2026. The program had therefore advanced from pivotal clinical development to the NDA review stage since the Series D+++ Financing; and (3) the phase 1 monotherapy dose-escalation trial of ZX-8177 for the treatment of advanced cancer had advanced from the first dose cohort at the time of the Series D+++ Financing to the third of five planned dose cohorts as of the Latest Practicable Date, demonstrating continued clinical progress of our other pipeline.

(3) The amount of Shares subscribed and the cost per Share are presented herein on an as-adjusted basis to reflect our Company's conversion into a joint stock company and assume the completion of the Share Subdivision.

(4) The discount to the [REDACTED] is calculated based on the [REDACTED] is HK$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range).

(5) The angel round equity financing was completed at Hangzhou Zhengxiang, our predecessor, and was subsequently transferred to our Company through an equity swap arrangement. For details of the equity swap arrangement, see " — Corporate Development and Major Shareholding Changes of Our Company — Establishment of Our Company" above.

Equity Transfer

Date of agreement	Date of settlement of full consideration	Transferor	Transferee	Amount of Share transferred[1]	Total consideration	Cost per Share[1]	Discount to the [REDACTED][2]
September 15, 2023	October 7, 2023	Jieyuan Growth	Jiaxing Zhonghui	1,196,360	RMB11,333,333	RMB9.47	[REDACTED]%
September 15, 2023	October 13, 2023	FIIF II	Saizhi Chuangyun VII	844,490	RMB8,000,000	RMB9.47	[REDACTED]%
September 15, 2023	November 3, 2023	Jieyuan Growth	Beijing Kunlun	83,270	RMB788,873	RMB9.47	[REDACTED]%
September 15, 2023	November 3, 2023	Zijin Advanced Manufacture	Beijing Kunlun	460,680	RMB4,364,086	RMB9.47	[REDACTED]%
September 15, 2023	November 3, 2023	Chuangyi Future	Beijing Kunlun	36,860	RMB349,127	RMB9.47	[REDACTED]%
September 15, 2023	November 3, 2023	FIIF II	Beijing Kunlun	122,930	RMB1,164,581	RMB9.47	[REDACTED]%
September 17, 2024	N/A [3]	Jiangsu Dingzhu	City Football	942,560	RMB4,000,000	RMB4.24	[REDACTED]%
January 17, 2025	January 24, 2025	Jiuyou Herong	Zhongbo Shouzhong	183,440	RMB1,109,600	RMB6.05	[REDACTED]%
January 17, 2025	March 31, 2025	Jiuyou Herong	Shenyang Yueyin	826,580	RMB5,000,000	RMB6.05	[REDACTED]%
January 17, 2025	January 27, 2025	Jiuyou Herong	Suzhou Proxima	247,975	RMB1,500,000	RMB6.05	[REDACTED]%
January 17, 2025	January 27, 2025	Jiuyou Herong	Chongqing Proxima	247,975	RMB1,500,000	RMB6.05	[REDACTED]%
January 17, 2025	February 6, 2025	Chuangyi Yingdi	Hangzhou Chuanhua	1,653,170	RMB10,000,000	RMB6.05	[REDACTED]%
January 17, 2025	January 24, 2025	Chuangyi Yingdi	Zhongbo Shouzhong	114,130	RMB690,400	RMB6.05	[REDACTED]%
January 16, 2026	N/A[4]	MPC HK	MPC VI	5,728,570	US$5,520,305.69	RMB6.75	[REDACTED]%
			MPC VI-A	620,280	US$597,732.32	RMB6.75	[REDACTED]%

Notes:

(1) The amount of Share transferred and the cost per Share are presented herein on an as-adjusted basis to reflect our Company's conversion into a joint stock company and assume the completion of the Share Subdivision. The cost per Share at each time of the Share transfer from 2023 to 2026 fluctuated as (i) independent negotiations between the relevant transferors and transferees based on commercial considerations; (ii) the varying entry costs of transferors in previous rounds of Pre-[REDACTED] Investment; and (iii) internal restructurings of shareholding platforms under the common control.

(2) The discount to the [REDACTED] is calculated based on the [REDACTED] is HK$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range).

(3) The transfers between Jiangsu Dingzhu and City Football were effected for internal restructuring purposes between entities under common control. Accordingly, the consideration for these transactions was determined based on the original investment cost rather than the prevailing fair market value of the Shares at the time of transfer. Each of Jiangsu Dingzhu and City Football was controlled by Mr. Zhao Zhigang (趙志剛) at the time of transfer.

(4) The transfers between MPC HK and MPC VI/MPC VI-A were effected for internal restructuring purposes between entities under common control. Accordingly, the consideration for these transactions was determined based on the original investment cost rather than the prevailing fair market value of the Shares at the time of transfer. Each of MPC HK, MPC VI and MPC VI-A is ultimately controlled by David Su.

Lock-up Period and Strategic benefits of Pre-[REDACTED] Investments

Pursuant to the applicable PRC laws, within the 12 months following the [REDACTED], all existing Shareholders (including the Pre-[REDACTED] Investors) of our Company could not dispose of any of the Shares held by them.

At the time of the Pre-[REDACTED] Investments, our Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors and their knowledge and experience; and (ii) the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors' confidence in the operation and development of our Group. Leveraging the resources provided by the Pre-[REDACTED] Investors, we are able to bring in new business opportunities.

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted certain special rights, including, amongst others, (i) the pre-emptive right, (ii) the right of first refusal, (iii) the co-sale right, (iv) the liquidation preferences, (v) the redemption right (comprising (a) a redemption right granted by our Company and (b) a redemption right granted by the Single Largest Group of Shareholders, in respect of which

our Company assumed joint and several liability together with the Single Largest Group of Shareholders for the performance of the redemption obligations thereunder) and (vi) anti-dilution right.

Based on the Shareholders agreement dated October 27, 2025 entered into by our Company and the Shareholders, (i) the redemption right granted by our Company, together with the joint and several liability of our Company in respect of the redemption obligations undertaken by the Single Largest Group of Shareholders, were permanently and irrevocably terminated and shall be *void ab initio*, and (ii) the redemption right granted by the Single Largest Group of Shareholders shall terminate with effect from one day prior to the date of our first submission of an application for the [REDACTED] subject to reinstatement if (a) the [REDACTED] is withdrawn or lapses without resubmission within six months; (b) the [REDACTED] is rejected or terminated; or (c) the [REDACTED] is not completed by [REDACTED]. All other special rights granted to the Pre-[REDACTED] Investors shall automatically terminate upon [REDACTED]. Following the first submission of our [REDACTED] and in connection with the series D+++ financing, on May 7, 2026, our Company and the then Shareholders entered into a Shareholders' agreement, pursuant to which the parties further acknowledged and confirmed the foregoing arrangements.

During the period from January 1, 2024 to October 27, 2025, the redemption rights remained in effect, pursuant to which our Company was (i) directly liable for the redemption obligations under the redemption right granted by our Company, and (ii) jointly and severally liable, together with the Single Largest Group of Shareholders, for the performance of the redemption obligations under the redemption right granted by the Single Largest Group of Shareholders. Accordingly, our Company recognized the full amount of redemption liabilities arising from such special rights granted to the Pre-[REDACTED] Investors in accordance with IAS 32 during the Track Record Period.

Notwithstanding the foregoing termination of the redemption right granted by our Company, the liquidation preference rights originally granted to the Pre-[REDACTED] Investors, which will terminate upon [REDACTED], continue to give rise, during the Track Record Period, to an obligation on the part of our Company to repurchase its equity instruments for cash. As such, the redemption liabilities recognized in full and disclosed in Note 25 to the Accountants' Report set out in Appendix I to this document have not been derecognized. For further details regarding the redemption liabilities recognized in respect of the redemption rights described above, please refer to Note 25 to the Accountants' Report set out in Appendix I to this document.

Our Directors have confirmed that, save for the joint and several liability of our Company in respect of the redemption obligations undertaken by the Single Largest Group of Shareholders that subsisted during the period from January 1, 2024 to October 27, 2025 and has since been terminated as described above, our Company has not assumed any other obligation in respect of such redemption obligations, and no side agreement exists between our Company and any other party in relation to the redemption arrangements.

Compliance with the Listing Guide

On the bases that (i) the consideration for the last Pre-[REDACTED] Investments was irrevocably settled at least 120 clear days before the [REDACTED]; and (ii) the special rights of the Pre-[REDACTED] Investors have been or will be terminated before the [REDACTED] as described in "— Special Rights of the Pre-[REDACTED] Investors" above, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Listing Guide.

Information about Our Pre-[REDACTED] Investors

Our Pre-[REDACTED] Investors include two Sophisticated Investors, namely Ennovation Ventures (a dedicated healthcare fund) and FIIF II (a fund with a division that specializes in investments in the biopharmaceutical sector). Ennovation Ventures and FIIF II have made meaningful investment in our Company at least six months before the [REDACTED] and will hold approximately [REDACTED]% and [REDACTED]%, respectively, of the total issued Shares immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Our Pre-[REDACTED] Investors became acquainted with our Group through (i) direct

approaches by investment teams covering the biopharmaceutical sector; (ii) introductions from existing Shareholders or Pre-[REDACTED] Investors; (iii) referrals from financial advisors in the healthcare industry; or (iv) investment attraction activities conducted by local governments of provinces or cities where our Group maintains operations.

To the best of our Company's knowledge, information and belief, and having made all reasonable enquiries, save for Ennovation Ventures and FIIF II, all the other Pre-[REDACTED] Investors and their respective ultimate beneficial owners are Independent Third Parties.

The background information of our Pre-[REDACTED] Investors is set out below:

Ennovation Raylight, Qirui Youkang, Jieyuan Growth, Enjie Venture, Ennovation Chengfeng and Nanjing Jiakang — Sophisticated Investors

Ennovation Raylight, a PRC limited partnership established on August 16, 2017, is managed by its general partner Nanjing Ennovation Raylight Investment Management (Limited Partnership) (南京恩然瑞光投資管理中心(有限合夥)) ("**Nanjing Ennovation Management**"). Except for Ms. Sun Qinghua (孫青華), no other limited partner of Ennovation Raylight holds 30% or more interest. Nanjing Ennovation Management is managed by its general partner, Dr. Chen Renhai (a non-executive Director). Except for Shanghai Ennovation Entrepreneurship Investment Management Center (Limited Partnership) (上海恩然創業投資管理中心(有限合夥)) ("**Shanghai Ennovation**"), no other limited partner of Nanjing Ennovation Management holds 30% or more interest. Shanghai Ennovation is managed by its general partner, Dr. Chen Renhai (a non-executive Director). Except for Shanghai Ennovation Technology Investment Co., Ltd. (上海恩然科技投資有限公司) ("**Shanghai Ennovation Technology**"), no other limited partner of Shanghai Ennovation holds 30% or more interest. Shanghai Ennovation Technology is controlled by Mr. Zhou Minghua (周明華).

Qirui Youkang, a PRC limited partnership established on September 17, 2018, is managed by its general partner Nanjing Jiakang Venture Capital Partnership Enterprise (Limited Partnership) (南京佳康創業投資合夥企業(有限合夥)) ("**Nanjing Jiakang**"). Except for Nanjing Gaoxin Venture Capital Co., Ltd. (南京高新創業投資有限公司) ("**Nanjing Gaoxin VC**"), no other limited partner of Qirui Youkang holds 30% or more interest. Dr. Chen Renhai holds 100% of the voting rights at Nanjing Jiakang. Nanjing Gaoxin VC is wholly owned by Nanjing Jiangbei New Area Technology Investment Group Co., Ltd. (南京江北新區科技投資集團有限公司), which is controlled by the Administrative Committee of Nanjing Jiangbei New Area (南京市江北新區管理委員會).

Jieyuan Growth, a PRC limited partnership established on August 20, 2015, is managed by its general partner Nanjing Jieyuan Investment Management Partnership (Limited Partnership) (南京捷源投資管理合夥企業(有限合夥)) ("**Nanjing Jieyuan Investment**"). No limited partner of Jieyuan Growth holds 30% or more interest. Nanjing Jieyuan Investment is managed by its general partner, Dr. Chen Renhai. Except for Mr. Liu Yihao (劉毅浩), no other limited partner of Nanjing Jieyuan Investment holds 30% or more interest.

Enjie Venture, a PRC limited partnership established on April 20, 2021, is managed by its general partner Nanjing Jiakang. Except for Mr. Liang Jie (梁傑), no other limited partner of Enjie Venture holds 30% or more interest. Dr. Chen Renhai holds 100% of the voting rights at Nanjing Jiakang.

Ennovation Chengfeng, a PRC limited partnership established on February 18, 2022, is managed by its general partner Shanghai Ennovation. Shanghai Ennovation is managed by its general partner, Dr. Chen Renhai. Except for Shanghai Ennovation Technology, no other limited partner of Shanghai Ennovation holds 30% or more interest. Shanghai Ennovation Technology is controlled by Mr. Zhou Minghua. Nanjing Ennovation Yuehong Venture Capital Partnership Enterprise (Limited Partnership) (南京恩然悦鴻創業投資合夥企業(有限合夥)) ("**Ennovation Yuehong**") is the sole limited partner of Ennovation Chengfeng that holds 30% or more interest. Ennovation Yuehong is managed by its general partner Nanjing Ennovation Management. Nanjing

Ennovation Management is managed by its general partner Dr. Chen Renhai. Shanghai Ennovation is the sole limited partner of Nanjing Ennovation Management that holds 30% or more interest.

Nanjing Jiakang, a PRC limited partnership established on December 29, 2015, is owned as to 55% by its general partner, Dr. Chen Renhai, and as to 45% by its limited partner, Liu Yihao. Dr. Chen Renhai holds 100% voting rights at Nanjing Jiakang.

Each of Ennovation Raylight, Qirui Youkang, Jieyuan Growth, Enjie Venture, Ennovation Chengfeng and Nanjing Jiakang is an investment arm of Ennovation Ventures. As of the Latest Practicable Date, Ennovation Ventures had total assets under management of approximately RMB4.2 billion. Founded in 2015, Ennovation Ventures makes strategic investments in revolutionary new technologies and new products across the global biopharmaceutical and healthcare industry and is committed to becoming a leading specialist investor in the biomedicine and healthcare sectors. Ennovation Ventures is a Sophisticated Investor of our Company. Ennovation Ventures' investment portfolio includes Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司) (SEHK: 9887), Proviva Therapeutics (Shanghai) Co., Ltd. (博致生物科技(上海)有限公司), Jiaxing Accunome Biotechnology Co., Ltd. (嘉興市艾科諾生物科技有限公司), Nanjing Hippocrates Health Technology Co., Ltd. (南京辛格迪健康科技有限公司), Dinfectome Medical Science and Technology (Nanjing) Co., Ltd. (迪飛醫學科技(南京)有限公司), InxMed Limited and Nanjing Shineking Biotech Co., Ltd. (南京軒凱生物科技股份有限公司).

FIIF II — Sophisticated Investor

FIIF II, a PRC limited partnership established on June 18, 2019, is managed by its general partner CS Capital Co., Ltd. (國投招商投資管理有限公司) ("**CS CAPITAL**"). CS CAPITAL has ten shareholders, of which the two largest shareholders, each holding 21.05% equity interest in CS CAPITAL, are (i) China SDIC Gaoxin Industrial Investment Corp., Ltd. (中國國投高新產業投資有限公司) ("**SDIC Gaoxin**"); and (ii) China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司) ("**CMC**"). SDIC Gaoxin is controlled by the State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會). CMC is indirectly owned as to 50% by China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司), which is controlled by the State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會). No limited partner of FIIF II holds 30% or more interest.

FIIF II is an investment arm of CS CAPITAL and a Sophisticated Investor of our Company. CS CAPITAL management team manage nearly RMB100 billion of capital from diversified investors, including financial institutions, insurance companies, private enterprises and state-owned enterprises. CS CAPITAL focuses on four investment sectors — life sciences, intelligent NEV, smart manufacturing as well as information and communication technology. CS CAPITAL's investment portfolio targets innovative medicines and medical devices in the life sciences sector and includes investments in a number of listed companies, including TransThera Sciences (Nanjing), Inc. (藥捷安康(南京)科技股份有限公司) (SEHK: 2617), Xuanzhu Biopharmaceutical Co., Ltd. (軒竹生物科技股份有限公司) (SEHK: 2575), Laekna, Inc. (來凱醫藥) (SEHK: 2105), Adlai Nortye Ltd. (阿諾醫藥集團有限公司) (NASDAQ: ANL) and Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd (四川科倫博泰生物醫藥股份有限公司) (SEHK: 6990).

Zijin Advanced Manufacture and Chuangyi Future

Zijin Advanced Manufacture, a PRC limited partnership established on December 26, 2018, is managed by its general partner Nanjing Summit Equity Fund Management Co., Ltd. (南京峰嶺股權投資基金管理有限公司) ("**Nanjing Summit**"). Except for Future Industry Investment Fund (Limited

Partnership) (先進製造產業投資基金(有限合夥)) ("**FIIF**"), no other limited partner of Zijin Advanced Manufacture holds 30% or more interest. Nanjing Summit has three shareholders, of which Zijin Technology Venture Capital Co., Ltd. (南京紫金科技創業投資有限公司) ("**Zijin Technology**") and SDIC Fund Management Co., Ltd. (國投創新投資管理有限公司) ("**SDICFUND**") each holds 30% or more equity interest. Zijin Technology is controlled by Nanjing State-owned Assets Supervision and Administration Commission (南京市人民政府國有資產監督管理委員會). SDICFUND is controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). FIIF is controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) as well.

Chuangyi Future, a PRC limited partnership established on July 6, 2020, is managed by its general partner Nanjing Summit. Except for Nanjing Xinghe Intelligent Technology Entrepreneurship and Development Center (Limited Partnership) (南京星合智能科技創業發展中心(有限合夥)) ("**Nanjing Xinghe**") and Nanjing Industry Development Fund Co., Ltd. (南京市產業發展基金有限公司) ("**Nanjing Industry Development**"), no other limited partner of Chuangyi Future holds 30% or more interest. For the background information of Nanjing Summit, see the paragraph above. Nanjing Xinghe is managed by its general partner Nanjing Xinghe Precision Intelligent Manufacturing Research Institute Co., Ltd. (南京星合精密智能製造研究院有限公司) ("**Xinghe Precision Intelligent**"). Except for Nanjing Tongteng Innovation Technology Group Co., Ltd. (南京同騰創新科技集團有限公司) ("**Nanjing Tongteng**") and Guangxi Guangying No.1 Investment Management Partnership (Limited Partnership) (廣西光迎一號投資管理合夥企業(有限合夥)) ("**Guangxi Guangying**"), no other limited partner of Nanjing Xinghe holds 30% or more interest. Xinghe Precision Intelligent is controlled by Mr. Sheng Yi (盛一). Nanjing Tongteng is controlled by Mr. Liu Huining (劉惠寧). Guangxi Guangying is controlled by Mr. Yang Dong (楊棟). Nanjing Industry Development is wholly owned by Nanjing Innovation Investment Group Co. Ltd. (南京市創新投資集團有限責任公司), which is controlled by Nanjing State-owned Assets Supervision and Administration Commission (南京市人民政府國有資產監督管理委員會).

Zijin Advanced Manufacture and Chuangyi Future are investment arms of Nanjing Summit. Founded in 2017, Nanjing Summit specializes in equity investment and management, with a primary strategic focus on the healthcare and life sciences, technological innovation, new materials, advanced manufacturing, and other policy-backed emerging sectors. Each of Zijin Advanced Manufacture, Chuangyi Future and their respective ultimate beneficial owners is an Independent Third Party.

KangJoin

KangJoin, a Hong Kong company incorporated on October 15, 2020, is a special investment vehicle engaged in equity investment. KangJoin is controlled by Hankang Biotech Fund III, L.P., which is controlled by Ms. Zhang Meichai (張媚釵). Each of KangJoin and its ultimate beneficial owners is Independent Third Party.

KangJoin is an investment arm which operated under Hankang Capital (漢康資本). Hankang Capital is a venture capital fund committed to the pharmaceutical and biotechnology industry with the mission to empower biomedical innovation and safeguard life wellness. Hankang Capital has established strong partnership with pioneering scientists and top-notch entrepreneurs to develop breakthrough new drugs for treatment of major diseases with great unmet clinical needs. Many of Hankang Capital's portfolio companies have become industry-leading enterprises, such as Akeso, Inc. (康方生物科技(開曼)有限公司) (SEHK: 9926), InnoCare Pharma Limited (諾誠健華醫藥有限公司) (SSE: 688428, SEHK: 9969), Keymed Biosciences Inc. (康諾亞生物醫藥科技有限公司) (SEHK: 2162), Abbisko Cayman Limited (和譽開曼有限責任公司) (SEHK: 2256), Duality Biotherapeutics, Inc. (映恩生物) (SEHK: 9606), Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司) (SEHK: 9887), Shenzhen Chipscreen Biosciences Co., Ltd. (深圳微芯生物科技股份有限公司) (SSE: 688321) and Shanghai Opm Biosciences Co., Ltd. (上海奧浦邁生物科技股份有限公司) (SSE: 688293).

Hangzhou Chuanhua

Hangzhou Chuanhua, a PRC limited partnership established on November 25, 2022, is managed by its general partner Shanghai Jingjie Investment Management Co., Ltd. (上海境界投資管理有限公司) ("**Jingjie Management**"). No limited partner of Hangzhou Chuanhua holds 30% or more interest. Jingjie Management is controlled by Mr. Xu Guanju (徐冠巨).

Hangzhou Chuanhua is an investment arm of Transfer Group (傳化集團). Hangzhou Chuanhua specializes in equity investment with a strategic focus on advanced manufacturing, healthcare and pharmaceuticals, high-tech new materials, and frontier technology. Each of Hangzhou Chuanhua and its ultimate beneficial owners is an Independent Third Party.

MPC VI and MPC VI-A

MPC VI is a Cayman Islands limited partnership established on April 8, 2020. The general partner of MPC VI is MPC Management VI L.P., whose general partner is MPC GPGP VI Ltd. No limited partner of MPC VI holds 30% or more interest. David Su (徐傳陞) is the controlling shareholder of MPC GPGP VI Ltd.

MPC VI-A is a Cayman Islands limited partnership established on April 8, 2020. The general partner of MPC VI-A is MPC Management VI L.P., whose general partner is MPC GPGP VI Ltd. No limited partner of MPC VI-A holds 30% or more interest. David Su (徐傳陞) is the controlling shareholder of MPC GPGP VI Ltd.

MPC VI and MPC VI-A are investment arms of MPC (經緯創投). MPC (經緯創投) is a venture capital firm with a long-term focus on early-stage and growth-stage investments. Its investments focus on areas such as new economy, deep technology, industrial digitalization, healthcare, frontier technology and new consumption sectors. Each of MPC VI, MPC VI-A and David Su is an Independent Third Party.

Jumpcan Pharmaceutical

Jumpcan Pharmaceutical, a PRC company established in the PRC on May 3, 1994, is a subsidiary of Hubei Jumpcan Pharmaceutical Co., Ltd. (湖北濟川藥業股份有限公司) ("**Hubei Jumpcan**") (SSE: 600566). Hubei Jumpcan principally engages in the research, development, manufacturing and distribution of pharmaceutical products, specializing in modern Traditional Chinese Medicines and Western medicines for pediatrics, respiratory and digestive system disorders. Each of Jumpcan Pharmaceutical and its ultimate beneficial owners is an Independent Third Party.

Saizhi Chuangyun VI, Saizhi Chuangyun VII and Saizhi Saidao II

Saizhi Chuangyun VI, a PRC limited partnership established on August 22, 2022, is managed by its general partner Zhejiang Saizhibole Equity Investment Management Co., Ltd. (浙江賽智伯樂股權投資管理有限公司) ("**Saizhi Bole**"). Except for Hangzhou Xingyao Equity Investment Co., Ltd. (杭州興耀股權投資有限公司) ("**Hangzhou Xingyao**"), no other limited partner of Saizhi Chuangyun VI holds 30% or more interest. Saizhi Bole is controlled by Mr. Chen Bin (陳斌). Hangzhou Xingyao is owned as to 45% by Mr. Huang Dongliang (黃東良) and 35% by Ms. Huang Yuejun (黃月君).

Saizhi Chuangyun VII, a PRC limited partnership established on May 24, 2023, is managed by its general partner Saizhi Bole. Except for Mr. Chen Qian (陳潛), no other limited partner of Saizhi Chuangyun VII holds 30% or more interest. For the background information of Saizhi Bole, see the paragraph above.

Saizhi Saidao II, a PRC limited partnership established on November 13, 2025, is managed by Saizhi Bole. Hangzhou Wangcheng Real Estate Co., Ltd. (杭州望誠房地產有限公司) ("**Hangzhou Wangcheng**") is the sole limited partner of Saizhi Saidao II. Hangzhou Wangcheng is controlled by Mr. Ni Liangzheng (倪良正). For the background information of Saizhi Bole, see the paragraph above.

Saizhi Chuangyun VI, Saizhi Chuangyun VII and Saizhi Saidao II are investment arms of Saizhi Bole Investment (賽智伯樂投資). Saizhi Bole Investment is a venture capital fund management firm dedicated to serving early-to-mid-stage technological and business model innovations. Each of Saizhi Chuangyun VI, Saizhi Chuangyun VII and their respective ultimate beneficial owners is an Independent Third Party.

Shenyang Yueyin

Shenyang Yueyin, a PRC limited partnership established on October 14, 2019, is managed by its general partner Yueyin Datong (Beijing) Venture Capital Co., Ltd. (約印大通(北京)創業投資有限公司) ("**Yueyin Datong**"). Except for Ningbo Meishan Bonded Port Area Yueyin Deyu Equity Investment Partnership Enterprise (Limited Partnership) (寧波梅山保税港區約印德裕股權投資合夥企業(有限合夥)) ("**Ningbo Meishan**"), no other limited partner of Shenyang Yueyin holds 30% or more interest. Yueyin Datong is controlled by Ms. Zheng Yufen (鄭玉芬). Ningbo Meishan is controlled by Ms. Zheng Yufen as well.

Shenyang Yueyin is an investment arm of IN CAPITAL (約印醫療基金). IN CAPITAL is a professional healthcare investment institution making strategic investments across medical services, devices, biotechnology and smart healthcare with a patient-centric approach. Each of Shenyang Yueyin and its ultimate beneficial owners is an Independent Third Party.

Changchun Runxin and Nanjing Runxin

Changchun Runxin, a PRC limited partnership established on January 24, 2025, is managed by its general partners China Capital Management Co., Ltd. (中信建投資本管理有限公司) ("**China Capital Management**") and Changchun Changfa Private Equity Fund Management Co., Ltd. (長春長發私募基金管理有限公司) ("**Changchun Changfa**"). Except for Changchun High-Tech Industry (Group) Co., Ltd. (長春高新技術產業(集團)股份有限公司) (SZSE: 000661) and Changchun Equity Investment Fund Management Co., Ltd. (長春市股權投資基金管理有限公司) ("**Changchun Equity Investment**"), no other limited partner of Changchun Runxin holds 30% or more interest. China Capital Management is a wholly owned subsidiary of China Securities Co., Ltd. (中信建投證券股份有限公司) (SEHK: 6066; SSE: 601066). Changchun Changfa is wholly owned by Changchun Urban Development Investment Holdings (Group) Co., Ltd. (長春市城市發展投資控股(集團)有限公司), which is controlled by Changchun State-owned Assets Supervision and Administration Commission (長春市人民政府國有資產監督管理委員會). Changchun Equity Investment is wholly owned by Changchun Municipal Finance Bureau (長春市財政局).

Nanjing Runxin, a PRC limited partnership established on April 22, 2021, is managed by its general partner China Capital Management. No limited partner of Nanjing Runxin holds 30% or more interest. For the background information of China Capital Management, see the paragraph above.

Changchun Runxin and Nanjing Runxin are investment arms of China Capital Management (中信建投資本). China Capital Management is a professional private equity fund management institution specializing in direct equity and fund-of-funds investments that target high-growth enterprises across sectors such as technology, healthcare, new energy and advanced manufacturing. Each of Changchun Runxin, Nanjing Runxin and their respective ultimate beneficial owners is an Independent Third Party.

LYZZ Fund

LYZZ Fund, a PRC limited partnership established on December 13, 2017, is managed by its general partner LYZZ Capital Advisors (Jiangsu) Co., Ltd. (江蘇醴澤投資管理有限公司) ("**LYZZ Capital**"). No limited partner of LYZZ Fund holds 30% or more interest. LYZZ Capital is wholly owned by Mr. Zhu Yong (朱勇).

LYZZ Fund is an investment arm of LYZZ Capital (醴澤資本). LYZZ Capital is a private equity firm focused on the healthcare industry. Each of LYZZ Fund and its ultimate beneficial owners is an Independent Third Party.

Zhonghui Shengping and Zhonghui Baohua

Zhonghui Shengping, a PRC limited partnership established on March 23, 2021, is managed by its general partner Shenzhen Co-way Capital Services Co., Ltd. (深圳眾匯投資管理有限公司) ("**Co-way Capital**"). No limited partner of Zhonghui Shengping holds 30% or more interest. Co-way capital is wholly owned by Mr. Fan Miaojiang (樊苗江).

Zhonghui Baohua, a PRC limited partnership established on January 26, 2025, is managed by its general partner Co-way Capital. Except for Mr. Fan Miaojiang, no other limited partner of Zhonghui Baohua holds 30% or more interest. For the background of Co-way Capital, see the paragraph above.

Zhonghui Shengping and Zhonghui Baohua are investment arms of Co-way Capital (眾匯投資). Co-way Capital is a private equity firm focused on the healthcare industry. Each of Zhonghui Shengping, Zhonghui Baohua and their respective ultimate beneficial owners is an Independent Third Party.

Jiangbei Gaoxin and Yangtze River Chenxing

Jiangbei Gaoxin, a PRC limited partnership established on April 19, 2017, is managed by its general partner Nanjing Yangtze River Investment Fund Management Co., Ltd. (南京揚子江投資基金管理有限公司) ("**Nanjing Yangtze River**"). Except for Nanjing Yangtze River Innovation and Entrepreneurship Investment Fund (Limited Partnership) (南京揚子江創新創業投資基金(有限合夥)) ("**Yangtze River Innovation**") and Nanjing Yangzi State-owned Investment Group Co., Ltd. (南京揚子國資投資集團有限責任公司) ("**Yangzi Investment**"), no other limited partner holds 30% or more interest. Each of Nanjing Yangtze River, Yangtze River Innovation and Yangzi Investment is controlled by Management Committee of Nanjing Jiangbei New Area (南京江北新區管理委員會).

Yangtze River Chenxing, a PRC limited partnership established on October 20, 2022, is managed by its general partner Nanjing Yangtze River Xinghui Enterprise Management Center (Limited Partnership) (南京揚子江興薈企業管理中心(有限合夥)) ("**Yangtze River Xinghui**"). Yangtze River Innovation and Jiangsu Wancheng Enterprise Management Co., Ltd. (江蘇萬勝企業管理有限公司) ("**Jiangsu Wansheng**") are limited partners of Yangtze River Chenxing. Yangtze River Xinghui is owned as to 50% by Dinghui Enterprise Management (Nanjing) Co., Ltd. (鼎薈企業管理(南京)有限公司) (an enterprise owned as to 50% by Mr. Ye Fei (葉菲) and as to 49.5% by Mr. Fu Qiang (傅強)) and as to 50% by Nanjing Yangtze River Juxing Enterprise Management Center (Limited Partnership) (南京揚子江俱興企業管理中心(有限合夥)) ("**Nanjing Juxing**") (an enterprise controlled by Ms. Zhai Linfei (翟林菲)). Jiangsu Wansheng is controlled by Mr. Fu Qiang. For the background information of Yangtze River Innovation, see the paragraph above.

Jiangbei Gaoxin and Yangtze River Chenxing are investment arms of Nanjing Yangtze River Investment (揚子江投資). Nanjing Yangtze River Investment's investment focus covers integrated circuits, biomedicine, new materials, intelligent manufacturing and the digital economy. Each of Jiangbei Gaoxin, Yangtze River Chenxing and their respective ultimate beneficial owners is an Independent Third Party.

Suzhou Proxima and Chongqing Proxima

Suzhou Proxima, a PRC limited partnership established on December 22, 2021, is managed by Suzhou Proxima Entrepreneurship Investment Management Partnership Enterprise (Limited Partnership) (蘇州比鄰星創業投資管理合夥企業(有限合夥)) ("**Proxima Investment**"). Except for Suzhou Angel Investment Guidance Fund (Limited Partnership) (蘇州天使投資引導基金(有限合夥)) ("**Suzhou Angel Investment**"), no other limited partner of Suzhou Proxima holds 30% or more interest. Mr. Sun Xiaolu (孫曉路) holds 100% of the voting rights at Proxima Investment. Suzhou Angel Investment is controlled by Suzhou Municipal Finance Bureau (蘇州市財政局).

Chongqing Proxima, a PRC limited partnership established on December 7, 2021, is managed by Hangzhou Proxima Innovation Investment Management Partnership Enterprise (Limited Partnership) (杭州市比鄰星創新投資管理合夥企業(有限合夥)) ("**Proxima Innovation**"). No limited partner of Chongqing Proxima holds 30% or more interest. Mr. Sun Xiaolu holds 100% voting rights at Proxima Innovation.

Suzhou Proxima and Chongqing Proxima are investment arms of Proxima Capital (比鄰星投資). Proxima Capital is dedicated to building, investing in and growing the next generation of healthcare companies. Each of Suzhou Proxima, Chongqing Proxima and their respective ultimate beneficial owners is an Independent Third Party.

Beijing Kunlun

Beijing Kunlun, a PRC limited partnership established on May 8, 2020, is managed by its general partner Beijing Kunlun Ridge Investment Management Partnership Enterprise (Limited Partnership) (北京昆侖屋脊投資管理合夥企業(有限合夥)) ("**Beijing Kunlun Management**"). Except for Beijing Huayu Tianhong Entrepreneurship Investment Management Co., Ltd. (北京華宇天宏創業投資管理有限公司) ("**Huayu Tianhong**") and Beijing Kunnuo Yingzhan Information Consulting Co., Ltd. (北京昆諾贏展信息諮詢有限責任公司) ("**Kunnuo Yingzhan**"), no other limited partner of Beijing Kunlun holds 30% or more interest. Beijing Kunlun Management is wholly owned by Kunlun Tech Co., Ltd. (昆侖萬維科技股份有限公司) (SZSE: 300418). Huayu Tianhong is owned as to 53.09% by Beijing Yida Hairun Commercial Management Co., Ltd. (北京億達海潤商業管理有限公司) (an enterprise controlled by Mr. Li Xiegang (李勰剛)) and as to 30.65% by Beijing Derui Hongtai Investment Co., Ltd. (北京德瑞宏泰投資有限公司) (an enterprise controlled by Dongguantou Community of Fengtai District in Beijing (北京市豐台區東管頭社區)). Kunnuo Yingzhan is a subsidiary of Kunlun Tech Co., Ltd. (昆侖萬維科技股份有限公司) (SZSE: 300418).

Each of Beijing Kunlun and its ultimate beneficial owners is an Independent Third Party.

Zhongbo Shouzhong

Zhongbo Shouzhong a PRC limited partnership established on June 14, 2022, is managed by its general partner Zhongbo Juli (Beijing) Investment Management Co., Ltd. (中博聚力(北京)投資管理有限公司) ("**Zhongbo Juli**"). No limited partner of Zhongbo Shouzhong holds 30% or more interest. Zhongbo Juli is controlled by Ms. Kang Yaoyun (康耀匀).

Zhongbo Shouzhong is an investment arm of ZBJL Capital (中博聚力資本). ZBJL Capital's investment focus covers advanced cutting-edge technology and biomedicine. Each of Zhongbo Shouzhong and its ultimate beneficial owners is an Independent Third Party.

Changchun Changxing

Changchun Changxing, a PRC limited partnership established on December 29, 2023, is managed by its general partner Changchun Equity Investment Fund Management Co., Ltd. (長春市股權投資基金管理有限公司) ("**Chuangchun Fund Management**"). Chuangchun Rongxing Economic Development Co., Ltd. (長春市融興經濟發展有限公司) ("**Changchun Rongxing**") is the sole limited partner of Changchun Changxing. Both Changchun Fund Management and Changchun Rongxing are wholly owned by Chuangchun Financial Holding Group Co., Ltd. (長春市金融控股集團有限公司) ("**CCFH**"), which is wholly owned by Changchun Municipal Finance Bureau (長春市財政局).

Changchun Changxing is an investment arm of CCFH. CCFH is a municipally owned financial holding platform that provides government-backed financing guarantee and credit enhancement, equity investment and fund management, and platform-based financial services.

Hangzhou Taikun

Hangzhou Taikun, a PRC limited partnership established on August 10, 2021, is managed by Hangzhou Tailong Venture Capital Partnership Enterprise (Limited Partnership) (杭州泰瓏創業投資合夥企業(有限合夥)) ("**Hangzhou Tailong**"). Except for Hangzhou Taige Equity Investment Partnership Enterprise (Limited Partnership) (杭州泰格股權投資合夥企業(有限合夥)) ("**Taige Investment**"), no other limited partner of Hangzhou Taikun holds 30% or more interest. Hangzhou Tailong is managed by its general partner Zhaotai (Zibo) Venture Investment Management Partnership Enterprise (Limited Partnership) (昭泰(淄博)創業投資管理合夥企業(有限合夥)) (an enterprise controlled by Mr. Liu Chunguan (劉春光)). Hangzhou Tailong is owned as to 99% by its sole limited partner Taige Investment. Taige Investment is wholly owned by Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (SEHK: 3347; SZSE: 300347).

Hangzhou Taikun is an investment arm of Tailong Capital (泰瓏投資), an investment department of Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司). Tailong Capital is a professional equity investment management firm specializing in biopharmaceuticals, medical devices and the healthcare sector. Each of Hangzhou Taikun and its ultimate beneficial owners is an Independent Third Party.

City Football

City Football, a PRC company established on November 1, 2017, is controlled by Mr. Cao Yanning (曹炎寧).

City Football focuses its core operations on the management and promotion of football. Its primary activities include organizing sports competitions (such as China League One), event planning, sports training and the retail of sporting goods. The investment in our Company is the sole investment made by City Football in the biopharmaceutical sector. Each of City Football and its ultimate beneficial owner is an Independent Third Party.

Jiuyou Herong

Jiuyou Herong, a PRC limited partnership established on June 21, 2017, is managed by its general partner Ningbo Jiuyou Tongxin Investment Management Co., Ltd. (寧波久友同心投資管理有限公司) ("**Jiuyou Tongxin Management**"). No limited partner of Jiuyou Herong holds 30% or more interest. Jiuyou Tongxin Management is controlled by Mr. Li Yang (李陽).

Jiuyou Herong is an investment arm of Jiuyo Capital (久友資本). Jiuyo Capital focuses its core investments on life sciences and innovative technology. Each of Jiuyou Herong and its ultimate beneficial owners is an Independent Third Party.

[REDACTED]

[REDACTED]

OUR CAPITALIZATION

The below table is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares.

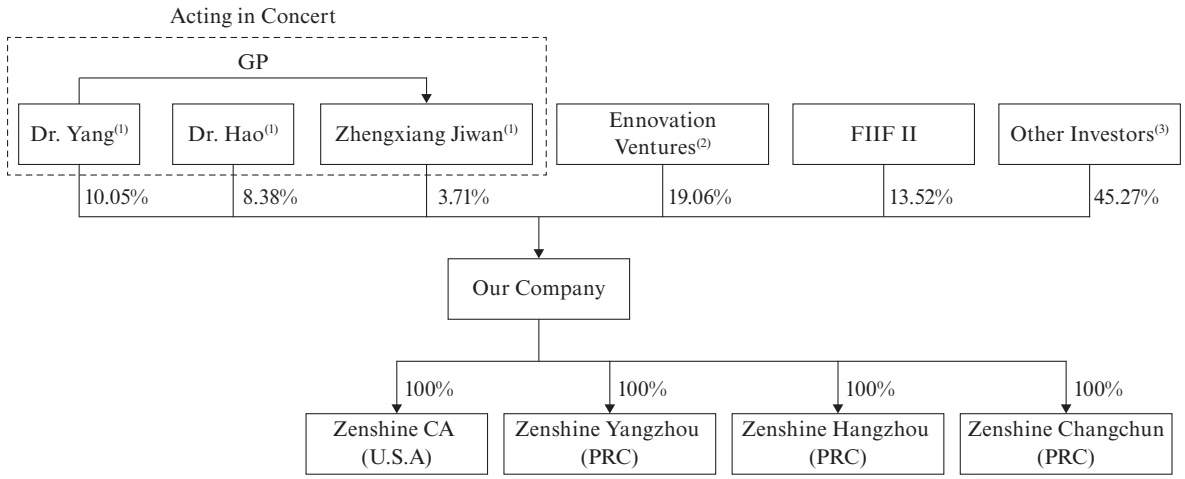
	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) and the Conversion of Unlisted Shares to H Shares		
Name of Shareholder	**Number of Shares**	**% as to the total issued share capital of our Company**	**Number of Unlisted Shares**	**Number of H Shares**	**% as to the total issued share capital of our Company**
Single Largest Group of Shareholders					
— Dr. Yang	1,767,300	10.05%	—	17,673,000	[REDACTED]%
— Dr. Hao	1,472,750	8.38%	—	14,727,500	[REDACTED]%
— Zhengxiang Jiwan	651,650	3.71%	—	6,516,500	[REDACTED]%
Sub-total	**3,891,700**	**22.14%**	**—**	**38,917,000**	**[REDACTED]%**
Sophisticated Investors					
— Ennovation Raylight	1,767,300	10.05%	—	17,673,000	[REDACTED]%
— Qirui Youkang	589,100	3.35%	—	5,891,000	[REDACTED]%
— Jieyuan Growth	461,137	2.62%	—	4,611,370	[REDACTED]%
— Enjie Venture	280,081	1.59%	—	2,800,810	[REDACTED]%
— Ennovation Chengfeng	206,665	1.18%	1,033,325	1,033,325	[REDACTED]%
— Nanjing Jiakang	47,128	0.27%	—	471,280	[REDACTED]%
— FIIF II	2,377,478	13.52%	—	23,774,780	[REDACTED]%
Sub-total	**5,728,889**	**32.59%**	**1,033,325**	**56,255,565**	**[REDACTED]%**
Other Pre-[REDACTED] Investors					
— Zijin Advanced Manufacture	1,132,132	6.44%	—	11,321,320	[REDACTED]%
— Chuangyi Future	90,570	0.52%	—	905,700	[REDACTED]%
— KangJoin	1,050,305	5.97%	—	10,503,050	[REDACTED]%
— Hangzhou Chuanhua	909,311	5.17%	—	9,093,110	[REDACTED]%
— MPC VI	572,857	3.26%	—	5,728,570	[REDACTED]%
— MPC VI-A	62,028	0.35%	—	620,280	[REDACTED]%
— Jumpcan Pharmaceutical	506,693	2.88%	—	5,066,930	[REDACTED]%
— Saizhi Chuangyun VI	280,081	1.59%	—	2,800,810	[REDACTED]%
— Saizhi Chuangyun VII	219,567	1.25%	—	2,195,670	[REDACTED]%
— Saizhi Saidao II	206,665	1.18%	—	2,066,650	[REDACTED]%

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) and the Conversion of Unlisted Shares to H Shares		
Name of Shareholder	**Number of Shares**	**% as to the total issued share capital of our Company**	**Number of Unlisted Shares**	**Number of H Shares**	**% as to the total issued share capital of our Company**
— Shenyang Yueyin	454,655	2.59%	—	4,546,550	[REDACTED]%
— Changchun Runxin	344,441	1.96%	—	3,444,410	[REDACTED]%
— Nanjing Runxin	137,777	0.78%	—	1,377,770	[REDACTED]%
— LYZZ Fund	329,896	1.88%	—	3,298,960	[REDACTED]%
— Zhonghui Shengping	311,053	1.77%	—	3,110,530	[REDACTED]%
— Zhonghui Baohua	68,888	0.39%	—	688,880	[REDACTED]%
— Jiangbei Gaoxin	140,041	0.80%	—	1,400,410	[REDACTED]%
— Yangtze River Chenxing	140,041	0.80%	—	1,400,410	[REDACTED]%
— Suzhou Proxima	136,397	0.78%	—	1,363,965	[REDACTED]%
— Chongqing Proxima	136,397	0.78%	—	1,363,965	[REDACTED]%
— Beijing Kunlun	182,972	1.04%	—	1,829,720	[REDACTED]%
— Zhongbo Shouzhong	163,676	0.93%	—	1,636,760	[REDACTED]%
— Changchun Changxing	137,777	0.78%	—	1,377,770	[REDACTED]%
— Hangzhou Taikun	123,999	0.71%	—	1,239,990	[REDACTED]%
— City Football	94,256	0.54%	—	942,560	[REDACTED]%
— Jiuyou Herong	26,133	0.15%	—	261,330	[REDACTED]%
Sub-total	**7,958,607**	**45.27%**	**—**	**79,586,070**	**[REDACTED]%**
Investors from the [REDACTED]	**—**	**—**	**—**	**[REDACTED]**	**[REDACTED]%**
Total	**17,579,196**	**100.00%**	**1,033,325**	**[REDACTED]**	**100.00%**

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Immediately prior to the [REDACTED]

The chart below sets out the shareholding and corporate structure of our Company immediately prior to the [REDACTED]:



Notes:

(1) Immediately prior to the [REDACTED], Dr. Yang, Dr. Hao and Zhengxiang Jiwan are parties acting in concert. For details, see" — Acting in Concert" above.

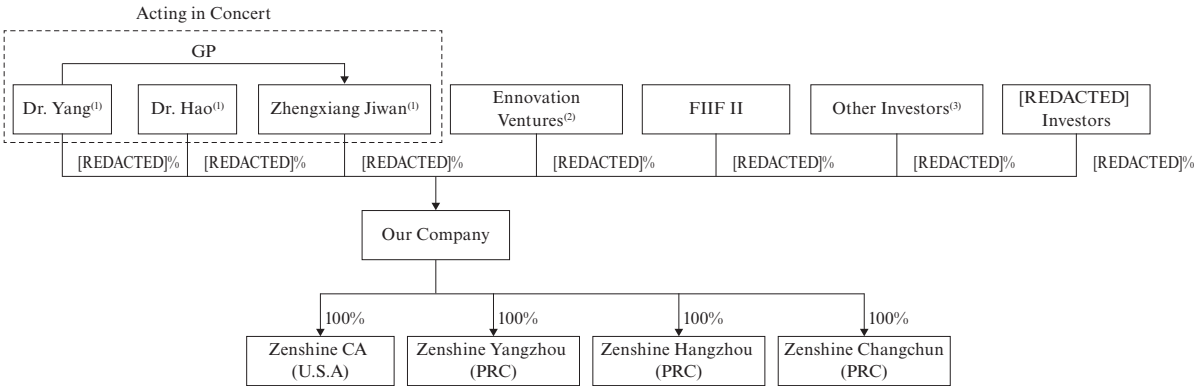
(2) Ennovation Ventures refers to Ennovation Raylight, Qirui Youkang, Jieyuan Growth, Enjie Venture, Ennovation Chengfeng and Nanjing Jiakang.

(3) As of the Latest Practicable Date, other investors included 26 existing minority Shareholders, and each of whom held less than 10.00% of the issued share capital of our Company. For details, see "— Our Capitalization" above.

HISTORY AND CORPORATE STRUCTURE

Immediately upon Completion of the [REDACTED]

The chart below sets out the shareholding and corporate structure of our Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes: See notes (1) to (3) to the chart in "— Immediately prior to the [REDACTED]" above.

BUSINESS

OVERVIEW

Who We Are

We are a commercial stage biopharmaceutical company dedicated to discovering, developing and commercializing innovative therapeutics that address medical needs with limited available therapies across viral infectious diseases, oncology and inflammatory disorders. With a history that can be traced back from 2018, we are founded by a leadership team with deep expertise in biopharmaceutical R&D and successfully developed our Core Product, sebaloxavir marboxil tablets, an oral anti-influenza drug, which has been approved by NMPA. We are actively broadening the reach of sebaloxavir marboxil through a suspension formulation tailored for the pediatric population and indication expansion into post-exposure prophylaxis.

Our Drug Portfolio

As of the Latest Practicable Date, we have a portfolio of six small molecule products, led by two different formulations of sebaloxavir marboxil, namely sebaloxavir marboxil tablets, our Core Product, and sebaloxavir marboxil for suspension. Beyond sebaloxavir marboxil, we are advancing a balanced pipeline of differentiated drug candidates, including ZX-8177, a clinical-stage ectonucleotide pyrophosphatase/phosphodiesterase 1 ("**ENPP1**") inhibitor for oncology applications, with an IND application submitted to the NMPA in August 2026, subsequent to the Latest Practicable Date, for the treatment of hypophosphatasia ("**HPP**"), and ZX-12042B, a preclinical-stage therapeutic targeting human papillomavirus ("**HPV**") infections. The following chart illustrates our pipeline and development stage as of the Latest Practicable Date.

Category	Pipeline	Target	Indication	Commercial Rights	Preclinical	Phase 1	Phase 2	Phase 3	NDA	Commercialization	Competent Authority	Source	Next milestone	Target Jurisdiction
Viral Infectious Disease	★ Sebaloxavir marboxil tablets	Viral PA protein	Uncomplicated type A and B influenza treatment in adults[1]	(7)							NMPA	Internally developed		China and Middle East and North Africa
			Uncomplicated type A and B influenza treatment in adolescents[2]								NMPA	Internally developed		
			Uncomplicated type A and B influenza post-exposure prophylaxis[3][4]								NMPA	Internally developed	Phase 3 completion in 2028	
	Sebaloxavir marboxil for suspension	Viral PA protein	Uncomplicated type A and B influenza treatment for children[5]								NMPA	Internally developed	NDA approval in 2027	
			Uncomplicated type A and B influenza post-exposure prophylaxis for children[5][6]										Phase 3 completion in 2028	
	ZX-12042B	DNA polymerase	HPV infection								NMPA	Internally developed	IND submission in 2027	China
	ZX-15002	Helicase-primase	HSV infection								NMPA	Internally developed	IND submission in 2027	China
Oncology	ZX-8177	ENPP1	Advanced cancer in solid tumor[8]								NMPA	Internally developed	Phase 1 dose escalation part completion in 2026	China
			HPP								NMPA	Internally developed	IND approval	China
Inflammatory Disorders	ZX-14000	STAT6	Autoimmune diseases								NMPA	Internally developed	IND submission in 2027	China

★ Core product

Notes:

(1) Sebaloxavir marboxil tablets were approved by the NMPA in July 2025.

(2) Based on communications with Center for Drug Evaluation ("**CDE**"), we did not conduct phase 1 and phase 2 clinical trials. For details, see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets — Formulations — Sebaloxavir Marboxil Tablets — Our Core Product — Material Communications with Competent Authority." We have completed a phase 3 clinical trial and submitted the NDA to expand the target patient age of sebaloxavir marboxil tablets to adolescents, which was accepted by the NMPA in April 2025. The NDA was approved in June 2026.

(3) Influenza post-exposure prophylaxis refers to the preventive administration of influenza antiviral medications to individuals who have been exposed to confirmed or suspected influenza cases but have not yet developed symptoms.

(4) We have obtained an IND approval from CDE to initiate phase 3 clinical trial for influenza post-exposure prophylaxis with sebaloxavir marboxil tablets in April 2025. The target age group for this IND comprises adults, adolescents, and children aged 5 years and older. Considering the difficulty that younger pediatric patients have with swallowing solid oral dosage forms and the need for weight-based dosing flexibility in children, we are developing sebaloxavir marboxil for suspension specifically for pediatric patients, and we obtained an IND from the NMPA in May 2026. We plan to initiate this phase 3 clinical trial in 2026. For details, see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets — Formulations — Sebaloxavir Marboxil Tablets — Our Core Product — Material Communications with Competent Authority."

(5) Following a series of regulatory communications with the NMPA, we completed (i) a phase 1 bridging pharmacokinetics study with sebaloxavir marboxil for suspension in adults; and (ii) a clinical study of sebaloxavir marboxil tablets in patients aged 5 to 11 years, for the development of sebaloxavir marboxil for suspension. In July 2025, the NMPA confirmed that they had no objections for us to proceed with a phase 3 pivotal clinical trial with sebaloxavir marboxil for suspension in pediatric patients. For details, see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets — Formulations — Sebaloxavir Marboxil for Suspension — Development Strategy and Communications with Competent Authority." We have completed this clinical trial and submitted the NDA application to the NMPA in June 2026, which was accepted by the NMPA in July 2026 and is currently under review.

(6) We plan to expand the indication of sebaloxavir marboxil for suspension to post-exposure prophylaxis in children and to initiate its phase 3 clinical trial in 2026, without conducting phase 1 and phase 2 clinical trials, taking into account (i) CDE did not require us to conduct separate phase 1 and phase 2 clinical trials for the indication expansion to post-exposure prophylaxis for sebaloxavir marboxil tablets; and (ii) we have completed the phase 3 clinical trial for sebaloxavir marboxil for suspension for influenza treatment in children in China and submitted the NDA application to the NMPA prior to the planned phase 3 clinical trial for post-exposure prophylaxis in children. In May 2026, we obtained the IND approval for sebaloxavir marboxil tablets and sebaloxavir marboxil for suspension for a combined phase 3 clinical trial for patients aged 2 years and older.

(7) As of the Latest Practicable Date, we hold the commercial rights to our Core Product in China. In August 2023, we entered into an exclusive sales and promotion agreement with Jumpcan Pharmaceutical for sebaloxavir marboxil oral formulations in China. In July 2025, we entered into a license and distribution agreement with Cigalah Medpharm Trading LLC in relation to the distribution of sebaloxavir marboxil oral formulations, with Saudi Arabia and the UAE being our immediate target markets. In particular, our immediate commercialization focus is primarily concentrated on Saudi Arabia and the United Arab Emirates (UAE). These two markets represent our strategic priorities due to their favorable business environments, robust healthcare infrastructure, and strong patient affordability. For details, please see "Business — China Market — Relationship with CSO — China Sales and Promotion Agreement" and "— Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations."

(8) Advanced cancer refers to malignant tumors that have progressed (including local progression and distant metastasis) following standard treatments recommended by The Chinese Society of Clinical Oncology ("**CSCO**") guidelines, are unresectable, or for which there are currently no standard treatments available or the patient is intolerant to standard therapies.

Our Market Opportunities

We are primarily targeting disease areas with medical needs that are not fully addressed. Our Core Product, sebaloxavir marboxil tablets, are an influenza polymerase acidic protein ("**PA**") inhibitor targeting the vast influenza antiviral drug market. Influenza represents a persistent global public health threat, with approximately one billion annual infections and up to 650,000 deaths worldwide, driving a global treatment and prophylaxis market exceeding US$10 billion. China bears a significant portion of this burden, recording an estimated 181 million influenza-like illness cases in 2025, with the domestic antiviral market reaching RMB13.7 billion. However, current therapies remain dominated by neuraminidase inhibitors such as oseltamivir, which present significant limitations including inconvenient multi-day dosing regimens, gastrointestinal side effects, slower viral clearance and emerging resistance profiles. While the advanced anti-influenza drug, PA polymerase inhibitor baloxavir marboxil, offers superior efficacy, limited supply during peak flu seasons has constrained its penetration, particularly in primary care settings. These gaps are further compounded by structural healthcare challenges in China: vaccination coverage remains at approximately 5%, antiviral stockpile rates at secondary hospitals and below hover under 50%, and rural areas lack adequate diagnostic infrastructure for timely treatment initiation. As reimbursement reforms enhance affordability and accessibility, the market opportunity is poised for substantial growth, with China's influenza antiviral market projected to reach RMB14.2 billion by 2035 — and PA inhibitors are expected to capture the dominant share at RMB13.6 billion, displacing neuraminidase inhibitors ("**NAIs**") as the standard of care.

In addition, we are also developing ZX-8177, an ENPP1 inhibitor for oncology and HPP indications, and ZX-12042B, an antiviral drug designed to treat HPV infection. ENPP1 has emerged as a promising immuno-oncology target due to its dual role in degrading the immune-activating molecule 2',3'-cyclic GMP-AMP (cGAMP) and generating immunosuppressive adenosine within the tumor microenvironment, effectively enabling tumor immune evasion. Despite this compelling therapeutic rationale, no ENPP1 inhibitors have yet been approved, with five candidates currently in clinical development for cancer globally, presenting an early market entry opportunity for differentiated inhibitors that can overcome existing challenges in selectivity, safety and tumor-targeted delivery. Oral ENPP1 inhibition is also an attractive therapeutic approach for HPP, a rare, genetically heterogeneous mineralization disorder caused by loss-of-function variants in ALPL. HPV infections are among the most prevalent sexually transmitted diseases globally, yet no approved antiviral therapies specifically targeting HPV currently exist, leaving medical needs that are not fully addressed among individuals already infected or vulnerable to non-vaccine strains. A broad-spectrum, convenient therapeutic solution addressing HPV infectious diseases across all subtypes and disease manifestations would represent a transformative blockbuster opportunity serving the entire population across all life stages.

Our Prospects and Future

With our Core Product sebaloxavir marboxil tablets now commercially launched and sebaloxavir marboxil for suspension under late-stage development, we are well-positioned to capture significant market share in China's rapidly expanding anti-influenza therapeutics market. As the first step, we have started to lay out our commercialization foundation through strategic partnerships with leading contract sales organizations ("**CSO**"), including a nationwide CSO partner in China and a regional leader in Middle East and North Africa ("**MENA**"), to accelerate market penetration and maximize the commercial potential of sebaloxavir marboxil. We intend to further strengthen our commercial foundation by advancing formulation and indication expansions for sebaloxavir marboxil while progressing our diversified pipeline, including ZX-8177 for oncology and HPP indications and ZX-12042B for HPV infections, toward key clinical and regulatory milestones. Leveraging our integrated R&D capabilities and proven track record in bringing innovative therapies from discovery to approval, we aim to build a sustainable, multi-product portfolio addressing medical needs with limited available therapies across viral infectious diseases, oncology and inflammatory disorders.

COMPETITIVE STRENGTHS

Sebaloxavir Marboxil (ZX-7101A): Anti-Influenza Therapy with Dual Formulations Addressing Critical Unmet Medical and Social Needs

Influenza represents a persistent global public health threat, with approximately over one billion annual infections, resulting in up to 650,000 deaths annually, driving a global influenza treatment and prophylaxis market of over US$10 billion, according to CIC. Despite this substantial market, existing therapies dominated by oseltamivir and zanamivir exhibit significant limitations in efficacy, resistance profiles and accessibility, prompting WHO to call for advanced broad-spectrum anti-influenza drugs suitable for diverse patient populations to address potential pandemic threats.

China represents a substantial and rapidly growing market for anti-influenza therapeutics. As a high-incidence country for influenza, China records tens of millions of infections annually, with children, elderly patients, overweight patients, pregnant and lactating women along with individuals with chronic conditions comprising high-risk groups for severe diseases. Oseltamivir remains the dominant antiviral therapy in China; however, it presents practical limitations including inconvenient twice-daily dosing over five days, gastrointestinal side effects and variable efficacy depending on treatment timing and viral strain. While baloxavir marboxil has been approved, its limited supply during peak flu seasons has restricted penetration in primary care settings. Healthcare infrastructure gaps compound these challenges: rural and remote areas lack adequate diagnostic capabilities, resulting in delayed diagnosis and treatment initiation, while secondary hospitals and below maintain antiviral drug stockpile rates below 50%. Public health strategies on influenza in China are largely dependent on vaccination, however, vaccine coverage remains at approximately 5% — substantially below the 30–50% rates in developed countries — and vaccine effectiveness is frequently compromised by viral mutations.

Sebaloxavir marboxil tablets, our Core Product, is an advanced PA endonuclease inhibitor. In addition, we are developing a suspension formulation of sebaloxavir marboxil to better address the pediatric influenza patient market. We believe sebaloxavir marboxil has the following advantages.

- **Broad-Spectrum Activity**. Sebaloxavir marboxil specifically inhibits the replication process of influenza virus by blocking a key enzyme required for the virus to reproduce its genetic material, thereby exerting potent and sustained antiviral activity. The compound has demonstrated antiviral efficacy against a broad range of influenza virus strains, including influenza A and B as well as highly pathogenic avian influenza viruses, while contributing to a reduced risk of viral resistance development. This broad-spectrum profile positions sebaloxavir marboxil not only as a therapeutic option for seasonal influenza but also as a strategic reserve against potential influenza pandemic threats from novel or mutated viral strains, addressing the limitations in the current antiviral drug market.

- **Superior Pharmacokinetic Profile Enabling Single-Dose Treatment**. Our proprietary selenium-containing molecular architecture represents an innovation that can deliver superior drug-like properties. The strategic incorporation of selenium optimizes potency and selectivity through modulation of intermolecular interactions, while enhancing metabolic stability and extending pharmacokinetic half-life. In pre-clinical studies, sebaloxavir marboxil demonstrated oral bioavailability of 30.5% in non-fasted rats and 53.3% in non-fasted cynomolgus monkeys, significantly out-performing baloxavir marboxil as reported in its FDA NDA materials. Ferret influenza infection models confirmed superior clinical benefit, with sebaloxavir marboxil showing greater improvement in infection-related symptoms versus baloxavir marboxil. Its phase 1 clinical data in healthy humans validated these preclinical findings, with sebaloxavir marboxil tablets achieving 34–45% longer half-life and over 14% higher systemic exposure compared to baloxavir marboxil at equivalent dosages. These enhanced

pharmacokinetic properties support a convenient one-dose-per-treatment regimen, potentially improving patient compliance and clinical outcomes compared to multi-day dosing schedules.

- **Efficacy Profile**. In phase 3 clinical trial in adults with uncomplicated influenza, sebaloxavir marboxil tablets demonstrated statistically significant efficacy versus placebo. For the primary endpoint of median time to symptom alleviation, the 80 mg dose group achieved in a median of 39.4 hours, compared to 62.9 hours for the placebo group ($P < 0.001$). Subgroup analysis showed no significant difference in symptom resolution between patients weighing ≥80 kg and < 80 kg, eliminating the need for weight-based dose adjustments, thereby improving treatment convenience and compliance. As a secondary endpoint, robust antiviral activity was confirmed with median time to viral RNA clearance of 41.4 hours versus 90.7 hours for placebo. The proportion of patients with detectable viral RNA or titers at 24, 48 and 96 hours post-treatment was significantly lower in the treatment group compared to the placebo group ($P < 0.001$). In a separate phase 3 clinical trial evaluating adolescent patients with uncomplicated influenza, the 40mg dose sebaloxavir marboxil tablets treatment group demonstrated a median time to alleviation of influenza symptoms of 52.1 hours compared to 81.7 hours for the placebo group, representing a statistically significant reduction ($P = 0.0003$). Secondary efficacy endpoint also showed significant improvements, with the 40mg dose group achieving median times to viral RNA clearance of 48.5 hours versus 110.9 hours ($P < 0.0001$) and viral titer clearance of 22.1 hours versus 45.0 hours for placebo group ($P < 0.0001$).

- **Safety Profile**. In its phase 3 clinical trial, sebaloxavir marboxil tablets also demonstrated a favorable safety profile, with incidences of adverse events ("**AEs**") comparable to those in the placebo group. Notably, the incidence of gastrointestinal adverse drug reactions ("**ADRs**") was only 0.3% in adult subjects and none in adolescent subjects, effectively addressing the clinical challenge of nausea, vomiting and diarrhea commonly associated with traditional anti-influenza drugs. Furthermore, as it is not metabolized via CYP450 enzymes, sebaloxavir marboxil carries a low risk of drug-drug interaction ("**DDI**"), making it a safer therapeutic option for patients with comorbidities requiring multiple concomitant medications.

In July 2025, sebaloxavir marboxil tablets were approved by NMPA for the treatment of influenza in adults and commercially launched in October 2025. The NDA for sebaloxavir marboxil tablets for the treatment of influenza in adolescent patients was approved by the NMPA in June 2026. To address the pediatric market and maximize commercial value, we have developed a suspension formulation of sebaloxavir marboxil specifically designed to enhance patient compliance in children, for which we completed the phase 3 clinical trial for the treatment of influenza in children aged 2 to 11 in June 2026 and submitted the NDA application to the NMPA in the same month, which was accepted by the NMPA in July 2026. Additionally, we plan to further expand its indication to post-exposure prophylaxis with both tablet and suspension formulations. We obtained the IND approval from the NMPA in May 2026 for a combined phase 3 clinical trial evaluating both the tablets and suspension formulations of sebaloxavir marboxil for post-exposure prophylaxis. Through this dual-formulation strategy targeting adult, adolescent and pediatric populations across treatment and prophylaxis indications, we believe sebaloxavir marboxil can fully realize its commercial potential and establish a comprehensive portfolio for influenza management.

The sales of sebaloxavir marboxil tablets are subject to seasonality, with peak demand occurring during the winter-spring flu seasons in China and MENA region (typically November through March), when influenza activity reaches its highest levels. Conversely, during periods of low influenza activity, particularly summer months (June through August), demand for sebaloxavir marboxil tablets may decline. For details, please see "Risk Factors — Risks Relating to The Development Of Our Drug Candidates — Our sales may be subject to seasonality, which could cause

our results of operations to fluctuate" and "Industry Overview — Overview of the Market for Influenza Treatment and Prevention Drugs — Treatment Paradigms for Prevention and Treatment of Influenza."

The successful development of sebaloxavir marboxil represents a milestone in China's innovation in anti-influenza therapeutics, marking development reflecting progress in China's drug discovery capabilities and development in the viral infectious disease space. The viral infectious disease paradigm inherently intersects with national welfare and security concerns. In recent years, China has implemented policies to promote the establishment of domestic R&D, manufacturing capabilities for viral infectious diseases. For example, China's "Healthy China 2030" strategic framework explicitly prioritizes strengthening prevention and control of major infectious diseases and achieving breakthroughs in innovative drugs, vaccines and other core technologies. As a domestically developed innovative therapy addressing substantial medical needs with limited available therapies while advancing national strategic priorities, sebaloxavir marboxil is well-positioned to become the standard-of-care anti-influenza therapeutic in China and capture significant market opportunity.

Balanced and Diverse Pipeline Combining Innovation with Manageable Development Risks to Build Our Unique Competitive Edges

We adhere to a product-oriented R&D philosophy that integrates clinical needs with market potential to build a pipeline combining drug development supported by solid scientific data. Our strategic approach involves selecting biologically validated targets within market driven and unmet need therapeutic areas, identifying underserved market segments with needs that are not fully addressed based on deep industry insights, and leveraging our proprietary technical platforms and expertise to initiate pipeline development at appropriate timepoints in a de-risk manner. Through strategic target selection and differentiated clinical development approaches, we have successfully built competitive moats in multiple high-value therapeutic areas. Beyond sebaloxavir marboxil, our major drug candidate assets include ZX-8177, an ENPP1 inhibitor for solid tumor and HPP indications; and ZX-12042B for the treatment of HPV infections.

ZX-8177 — Potent and Selective ENPP1 Inhibitor

ZX-8177 is our in-house-developed highly selective and potent oral ENPP1 inhibitor. We are currently conducting a phase 1 clinical trial for solid tumors in China and are also developing ZX-8177 for HPP, for which we submitted an IND application to the NMPA in August 2026 subsequent to the Latest Practicable Date.

ENPP1 is an extracellular enzyme widely expressed across human tissues that plays critical roles in nucleotide metabolism, immune regulation, skeletal health and tumor microenvironment remodeling. In the tumor microenvironment, ENPP1 hydrolyzes cGAMP, a second messenger generated upon activation of the cGAS-STING pathway, which normally diffuses from tumor cells to antigen-presenting cells such as dendritic cells to initiate anti-tumor immune responses. By degrading cGAMP, ENPP1 effectively blocks this critical immune signaling cascade, enabling tumors to evade immune surveillance. Additionally, the hydrolysis product adenosine acts as a potent immunosuppressive molecule that accumulates in the tumor microenvironment, suppressing T cell and natural killer cell ("**NK cell**") activities while promoting regulatory T cell (Treg) function, thereby creating a permissive environment for tumor growth.

Despite its significant therapeutic potential, as of the Latest Practicable Date none of the ENPP1 inhibitors had been approved. Five ENPP1 inhibitors were currently under clinical development for cancer globally. Development has been hindered by several technical challenges, including achieving selective inhibition without affecting structurally similar enzymes, managing the complex multi-substrate nature of ENPP1 that impacts multiple physiological pathways simultaneously, and addressing potential systemic toxicities given ENPP1's broad tissue

distribution and its roles in calcium-phosphate homeostasis and insulin signaling. For immuno-oncology applications, effectively delivering inhibitors to the tumor microenvironment at therapeutic concentrations while minimizing systemic exposure remains a critical challenge.

ZX-8177 is a weakly membrane-permeable yet potent ENPP1 inhibitor. Its limited cell penetration allows it to efficiently increase extracellular cGAMP, thereby activating immune cells while avoiding the potential safety concerns associated with highly permeable inhibitors that cause cytokine storms or organ damage. Furthermore, through structure optimization avoiding sulfonamide moieties, ZX-8177 maintains robust ENPP1 inhibitory activity under physiological pH and acidic tumor microenvironment conditions.

ZX-8177 monotherapy effectively inhibits tumor growth. In the CT-26 syngeneic mouse tumor model, treatment with ZX-8177 at 2 mg/kg twice a day ("**BID**") through subcutaneous injection for 14 days achieved substantial tumor growth inhibition ("**TGI**"). After ZX-8177 treatment, the number of cells exerting antitumor immune effects in CT26 tumor tissues significantly increased, such as M1 macrophages, NK cells and $CD8^+$ T cells. Consequently, ZX-8177 exhibits synergistic antitumor effects when combined with immune checkpoint inhibitors. In the MC38 colon carcinoma syngenetic tumor model, the combination of ZX-8177 with an anti-PD-L1 antibody resulted in a 23 percentage point increase in TGI compared to anti-PD-L1 monotherapy (75% vs 52%), demonstrating the potential of ZX-8177 to overcome resistance to existing immunotherapies.

ZX-8177 demonstrates synergistic antitumor efficacy when combined with DNA-damaging therapeutic modalities by enhancing stimulator of interferon genes ("**STING**") pathway activation and potentiating subsequent innate and adaptive anti-tumor immunity. DNA damage induced by radiotherapy, chemotherapeutic agents such as cisplatin, or poly (ADP-ribose) polymerization ("**PARP**") inhibitors promotes elevation of cGAMP levels, an effect that is amplified by ZX-8177 through its inhibition of ENPP1. In preclinical models, ZX-8177 combined with radiotherapy achieved 100% tumor growth inhibition in the Pan02 pancreatic cancer syngenetic tumor model, compared to 78.5% with radiotherapy alone. Furthermore, the combination of ZX-8177 and cisplatin resulted in significant anti-tumor efficacy in both Pan02 pancreatic cancer syngenetic tumor model and 4T1 breast cancer syngenetic tumor model. Similarly, in humanized mice with a human peripheral blood mononuclear cell ("**PBMC**") immune system using the HS746T gastric cancer model and the SK-MEL-28 melanoma model, the combination of ZX-8177 and the PARP inhibitor olaparib demonstrated much improved anti-tumor efficacy in comparison to olaparib treatment alone.

We obtained the IND approval for ZX-8177 from NMPA in 2024 and we are conducting a phase 1 dose-escalation clinical trial of ZX-8177 monotherapy across advanced solid tumors with biomarker exploration including ENPP1 expression and DNA damage response deficiency-related mutations, with the first patient enrolled in December 2025. According to CIC, ZX-8177 was the only clinical stage ENPP1 oncology program in China, and one of the five active clinical-stage ENPP1 inhibitors globally as of the Latest Practicable Date. ZX-8177's differentiated profile — combining extracellular targeting, pH-independent activity and strong preclinical synergy with established modalities — provides a unique competitive moat. It addresses a clear path to overcome resistance to existing immunotherapies and expand the reach of DNA-damaging treatments.

In addition to its development for oncology indications, we are also developing ZX-8177 for the treatment of HPP. HPP is caused by mutations in the ALPL gene, leading to functional deficiency of tissue-nonspecific alkaline phosphatase ("**TNAP**"). This results in ineffective degradation and consequent accumulation of extracellular inorganic pyrophosphate ("**PPi**"). Elevated PPi impairs bone and tooth mineralization, resulting in typical clinical manifestations such as rickets, osteomalacia, fractures and dental developmental abnormalities. ENPP1 is a key therapeutic target for HPP. ENPP1 antagonists inhibit the enzymatic activity of ENPP1 in hydrolyzing ATP, thereby reducing PPi production for the treatment of HPP. ZX-8177 exhibits potent inhibition of ENPP1, efficiently suppressing ATP hydrolysis and reducing PPi accumulation,

with an IC_{50} of 2.94 nM. Subsequent to the Latest Practicable Date, we submitted an IND application for the HPP indication to the NMPA in August 2026 and plan to initiate a phase 1 clinical trial of ZX-8177 for the treatment of HPP in the fourth quarter of 2026.

ZX-12042B — IND-Enabling Stage Anti-HPV Drug

ZX-12042B is a nucleotide analog prodrug whose intracellular metabolite, PMEG, is further phosphorylated to form PMEG-DP, a DNA polymerase inhibitor that targets both viral and host cell DNA polymerases. ZX-12042B addresses HPV infections through a differentiated host-targeted mechanism that inhibits viral DNA replication while promoting clearance of infected cells. By inhibiting host cell DNA polymerase, ZX-12042B blocks HPV viral DNA replication and simultaneously induces apoptosis of infected cells, releasing virus particles that are exposed to and cleared by the host immune system while causing HPV-induced hyperkeratotic lesions to shed and resolve. This host-targeted approach provides ZX-12042B with potential advantages over existing interventions: current HPV vaccines cover only a limited number of HPV types and provide no therapeutic benefit against established infections, while existing physical, chemical and pharmacological treatments cannot cure HPV infections and are associated with high recurrence rates; by targeting host cell DNA polymerase rather than viral proteins, ZX-12042B potentially offers broad-spectrum anti-HPV activity and curative potential across multiple HPV genotypes.

HPV infections are one of the most common sexually transmitted infections worldwide. Current vaccines typically protect against only the most common high-risk HPV strains, while there are over 200 HPV strains, most of which are not covered by vaccines. HPV-vaccinated population remains to be vulnerable to non-vaccine strains, which can cause condyloma acuminatum (genital warts), skin wart, recurrent respiratory papillomatosis and cervical intraepithelial neoplasia, and impose significant psychological burden and healthcare costs due to disease persistence, recurrence and progression across multiple HPV subtypes. In addition, there is a massive global population already infected with HPV before they were vaccinated. As such, a broad-spectrum, convenient therapeutic solution addressing HPV infectious diseases would represent a transformative therapy serving the entire population across all life stages and disease manifestations. As of the Latest Practicable Date, there were no approved antiviral drugs specifically targeting HPV globally.

We believe ZX-12042B may have the opportunity to enter this large, underserved market with substantial medical needs at an early stage. In head-to-head preclinical studies comparing ZX-12042B to a clinical-stage anti-HPV drug, ZX-12042B demonstrated superior *in vitro* biological activity across multiple parameters, including inhibition of host cell DNA replication, suppression of host cell proliferation, induction of apoptosis and inhibition of DNA virus replication. *In vivo* pharmacology studies further demonstrated these advantages, with ZX-12042B demonstrating significantly greater inhibition of rat vaginal epithelial cell proliferation compared to the clinical-stage competitor. ZX-12042B's host-targeted mechanism potentially enables broad coverage across multiple HPV genotypes and intervention across a spectrum of disease stages, including early infections, thereby expanding addressable patient populations and market potential beyond genotype-specific or late-stage treatment options.

ZX-12042B is being developed primarily for various indications caused by HPV infection, including improvement of cervical intraepithelial neoplasia grade 2/3 (CIN2/3) associated with high-risk HPV ("**hrHPV**") infection, genital warts and viral clearance in HPV-positive female patients. We plan to submit the IND application for ZX-12042B in the treatment of CIN2/3 associated with high-risk hrHPV infection to NMPA in the second half of 2027.

Integrated Small Molecule Drug R&D Platform Enabling Sustained Innovation Across Viral Infectious Diseases, Oncology and Inflammatory Disorders

We have built an integrated small molecule drug R&D platform, encompassing strategic target selection, rational drug design and clinical development. Although we have not yet obtained patents in relation to our platforms, we have developed multiple drug candidates with global proprietary intellectual property rights, addressing medical needs with limited available therapies.

- ***Selenium-Substitution Platform***. This platform leverages synthetic chemistry methodologies, enabling replacing sulfur atom with selenium atom in drug molecules, creating proprietary technology advantages and enabling differentiated drug design strategies through three interconnected mechanisms. First, the C-Se bond (~1.98 Å) is longer than the C-S bond (~1.82 Å), potentially enabling more precise complementarity with target protein binding pockets to enhance selectivity and affinity. Selenium's larger size and unique electrical properties allow it to 'stick' to target proteins more effectively than sulfur, resulting in drugs that bind more strongly and stay attached longer to their intended targets in the body. Additionally, selenium substitution for sulfur typically increases molecular lipophilicity, facilitating improved membrane permeability including blood-brain barrier penetration and enhancing oral bioavailability. Second, selenium-based drugs resist breakdown by the liver better than sulfur-based drugs. This allows the medication to last longer in the body, potentially reducing how often patients need to take their medicine while keeping drug levels stable throughout the day. By blocking sites susceptible to rapid metabolism, selenium substitution redirects drug metabolism through more controlled pathways, improving bioavailability. Our selenium-substitution platform was directly applied to the design of sebaloxavir marboxil, including our Core Product, its tablet formulation, leading to its extended half-life and enhanced exposure. We are currently leveraging this platform to develop two additional preclinical molecules.

- ***Humanized Immune Modeling Platform***. Our humanized immune system platform serves as a translational engine that de-risks our immuno-oncology pipeline. It bridges the critical gap between traditional murine models — which lack a functional human immune system — and human clinical trials. This platform mimics *in vivo* human tumor-immune interactions and is vital for the preclinical evaluation of differentiated immunotherapies. By recapitulating the human anti-tumor immune response, the model yields indispensable pharmacodynamic data for validating drug mechanisms, exploring biomarkers and resistance, assessing efficacy and safety and investigating combination strategies. We have developed a proprietary humanized mouse tumor model platform based on PBMC engraftment platform that addresses critical limitations of conventional humanized models for evaluating immuno-oncology therapeutics in preclinical development.

  Drug developers commonly use laboratory mice implanted with human immune cells to evaluate how drug candidates interact with the human immune system. Traditional methods for creating these humanized mouse models face three significant limitations: inconsistent survival rates of human immune cells in the mice, a narrow testing window of approximately 11 to 15 days before the mice develop adverse immune reactions, and poor reproducibility of results across experiments. Our proprietary immune system reconstruction technology addresses these limitations. We achieve an approximately 95% success rate in generating humanized mice, with stable and predictable human immune cell levels at treatment initiation. Our technology extends the usable testing window to 21 days, during which human immune cell levels increase steadily. Results remain consistent across replicate experiments using the same donor and the same batch of PBMC, providing the reproducibility required for reliable preclinical drug evaluation.

This platform provides critical capabilities for evaluating combination therapy strategies that require both functional human immune systems and specific tumor genetic backgrounds. For example, in assessing ZX-8177 combined with PARP inhibitors, our models incorporate both humanized immunity and homologous recombination repair ("**HRR**") gene mutation. This model enables the evaluation of combination efficacy that competitor models cannot adequately assess due to lack of either functional immune systems or relevant genetic mutations, thereby positioning our platform as one of the few platforms domestically and internationally capable of generating reliable preclinical data for such combination strategies. This platform enables us to systematically generate high-value, clinically-relevant data that underpin our current pipeline and will fuel the discovery and development of future breakthrough therapies.

- ***Small Molecule Drug Evaluation and Translational Platform***. We have established a systematic screening framework based on disease pathway analysis and clinical translatability assessment. This allows us to identify innovative targets with critical roles in disease regulatory networks, high druggability and first-mover market potential. Our integrated drug evaluation platform combines internal and external resources. It utilizes *in vitro* and *in vivo* PK/PD modeling, early safety prediction systems, disease animal model validation, pharmacodynamic biomarker analysis and clinical feasibility assessment. This enables systematic evaluation of candidate molecules' pharmacological activity, selectivity, pharmacokinetic properties and safety profiles, significantly enhancing efficiency and success rates from lead compound discovery to preclinical candidate selection. This platform is also supported by our experienced clinical operation team, comprising experienced medical, clinical operations, pharmacovigilance and quality control professionals. This team is capable of managing critical aspects of clinical trials and efficiently advancing early-stage research through clinical translation. Our Core Product, sebaloxavir marboxil tablets, progressed from project initiation to NDA approval in only six years, exemplifying our exceptional translation capabilities.

A Flexible Commercialization Strategy to Maximize Our Drug Assets' Commercial Value

Our first drug asset, sebaloxavir marboxil tablets were approved for the treatment of influenza in adult patients in July 2025. Since then, we have rapidly advanced its commercialization activities. Currently, anti-influenza medicines are marketed through multiple channels, including hospitals, medical institutions and online and retail pharmacies. We have adopted a flexible commercialization strategy to maximize its commercial value in China. We plan to gradually expand our in-house sales and marketing team responsible for our commercialization activities. In addition, we also engaged an A-Share listed nationwide pharmaceutical distribution company, namely Jumpcan Pharmaceutical Group Co., Ltd. (濟川藥業集團有限公司) ("**Jumpcan Pharmaceutical**"), to promote sebaloxavir marboxil in China. Leveraging Jumpcan Pharmaceutical's established sales network, we believe this can enable faster market access and higher uptake than an in-house sales team. To complement the offline sales of sebaloxavir marboxil in China, we have officially launched sebaloxavir marboxil tablets on various major online pharmacies, such as JD and Meituan, further broadening our market reach.

Capitalizing on the clinical advantages of sebaloxavir marboxil, we believe it also presents commercial potential in targeted markets. As a first step, we primarily prioritize regions that are highly dependent on imported medicines and have limited pharmaceutical R&D capabilities and we prioritize engaging a local CSO partner to better address local needs and accelerate access for patients. In July 2025, we entered collaboration with Cigalah Medpharm Trading LLC ("**Cigalah Medpharm**"), for the distribution of sebaloxavir marboxil in 11 countries in the MENA region, including the United Arab Emirates ("**UAE**") and Saudi Arabia. As a leading healthcare distribution and service provider in the UAE with a large, deeply integrated distribution network spanning the MENA region, Cigalah Medpharm's broad network and consumer base make it a trusted partner for market access and distribution across the MENA region, where influenza remains a common health threat with limited treatment options. As such, we believe sebaloxavir marboxil would provide local

patients in the MENA region a leading-edge therapeutic option. Meanwhile, we are actively exploring commercialization opportunities in other regions to expand its global footprint and diversify revenue streams.

Leadership Team with Diverse Background, Supported by a Strategic Investors Base

We have assembled a leadership team with deep and complementary experience and capabilities in drug discovery, preclinical and clinical development, manufacturing, commercialization and capital markets. Our founders have led us in comprehensive growth and development.

- **Dr. Yang Jinfu**. Dr. Yang brings over 20 years of drug discovery and development expertise, at U.S. biotech companies including Cytokinetics, Proteolix and Calithera. He has led or co-led programs advancing multiple candidates to clinical stages and was involved in the development of carfilzomib, a blockbuster oncology drug. Dr. Yang holds a PhD from the Changchun Institute of Applied Chemistry, Chinese Academy of Sciences, and completed postdoctoral research at the University of Dortmund under a Humboldt Fellowship and at Southern Illinois University at Carbondale.

- **Dr. Hao Xiaolin**. Dr. Hao is a nationally recognized expert in China with extensive drug discovery leadership experience at Amgen and Tularik, where he involved a broad portfolio of oncology, autoimmune, and metabolic assets into clinical development. He previously served as a principal scientist at Amgen before founding AIM Biosciences in 2015 as CEO until 2020. Dr. Hao holds a PhD in Organic Chemistry from the University of Illinois at Chicago.

Our leadership team possesses extensive cross-functional expertise spanning development, manufacturing, commercialization and finance. Dr. Sun Min, Senior Vice President of chemistry, manufacturing and control ("**CMC**"), has 14 years of expertise in innovative drug development, manufacturing technology and quality management. Mr. Gui Yaokui, Senior Vice President of commercialization, contributes over two decades of pharmaceutical commercialization experience from GSK, Fosun Pharma, Sunshine Lake Pharma and other leading pharmaceutical companies. Mr. Xu Ming, Chief Operation Officer and Board Secretary, has over 30 years of experience in investment, financing, business development and commercialization in pharmaceutical and biotech industry. Ms. Wang Xiaoyan, financial vice president, brings over 20 years of finance expertise in the pharmaceutical sector from Bayer, Sanofi, Innovent Biologics and Ascletis Pharma Inc.

Our strategic investors form a robust foundation, combining leading strategic backers with specialist health care funds. This enables us to refine development plans, capture market opportunities, and advance from early research to preclinical work and cross-value-chain capabilities. For details on the background of our Pre-[REDACTED] Investors, see "History and Corporate Structure — Pre [REDACTED] Investments."

BUSINESS STRATEGIES

Advance clinical development and regulatory approval of sebaloxavir marboxil across multiple formulations

We are prioritizing the clinical advancement and indication expansion of sebaloxavir marboxil across key patient populations and formulations to maximize its therapeutic and commercial value.

- **Sebaloxavir marboxil tablets, our Core Product:** We are evaluating opportunities to expand the indication of sebaloxavir marboxil tablets to post-exposure prophylaxis in adults. This indication expansion will broaden the therapeutic utility of our approved tablet formulation beyond acute treatment, addressing a critical unmet need in influenza prevention and enhancing our commercial opportunity in the adult market.

- **Sebaloxavir marboxil for suspension:** We have completed the phase 3 clinical trial in children aged 2 to 11 years for influenza treatment and submitted the NDA application to the NMPA in June 2026, which was accepted by the NMPA in July 2026. We plan to expand the indication of sebaloxavir marboxil for suspension to post-exposure prophylaxis in the pediatric population.

  For the indication expansion to post-exposure prophylaxis, we obtained the IND approval from the NMPA in May 2026 for a combined phase 3 clinical trial evaluating both the tablets and suspension formulations of sebaloxavir marboxil for post-exposure prophylaxis. We are currently preparing for subject enrollment for the combined phase 3 clinical trial, with subject enrollment expected to commence in the fourth quarter of 2026.

Continue to advance our pipeline products to diversify our product portfolio

We will systematically and strategically advance the development of other pipeline products, including ZX-8177 and ZX-12042B.

- ***ZX-8177***. We have initiated a phase 1 trial in advanced cancer patients in December 2025. The initial phase of the study is a monotherapy dose escalation trial, followed by a combination therapy dose escalation and expansion phase 1b study. Based on the phase 1 results and referencing clinical data of other drugs targeting the same pathway, we will select appropriate solid tumor indications and consider suitable combination regimens. For the HPP indication, we are advancing ZX-8177 toward clinical development. We submitted an IND application to the NMPA in August 2026 and plan to initiate a phase 1 clinical trial in the fourth quarter of 2026.

- ***ZX-12042B***. ZX-12042B is currently undergoing IND-enabling studies and we plan to submit the IND application for ZX-12042B in the treatment of CIN2/3 associated with hrHPV infection to NMPA in the second half of 2027.

Maximize commercial value through flexible partnership and commercialization models

We are pursuing adaptable commercialization strategies tailored to regional market characteristics and product profiles to optimize value realization.

With our Core Product, sebaloxavir marboxil tablets, considering the acute, seasonal nature of influenza and the importance of broad accessibility for effective epidemic control, we are actively pursuing opportunities presented by the NRDL, to capture a significant market share in China. In particular, we intend to participate in the 2026 NRDL negotiations, aiming for the inclusion of sebaloxavir marboxil tablets starting January 1, 2027. We believe that we are on track in that regard, and we have submitted the application material for the inclusion of our Core Product in the NRDL to the NHSA in June 2026, which is currently under review. Our pricing strategy for NRDL negotiations balances affordability with sustainable margins, recognizing that broad formulary access and high utilization rates during flu seasons can offset lower unit pricing through volume expansion.

For overseas markets, we plan to seek collaboration with suitable local partners in selected advanced and emerging market countries to maximize sebaloxavir marboxil's commercial value while minimizing capital requirements and operational complexity. These partnerships will leverage local partners' established distribution networks, regulatory expertise and relationships with key opinion leaders and healthcare institutions to accelerate market penetration. Priority markets will be selected based on high influenza disease burden, limited availability of novel antiviral agents, favorable regulatory pathways for imported pharmaceutics and the presence of capable commercial partners with proven track records in acute care therapeutics. To accelerate market penetration and maximize the commercial potential of sebaloxavir marboxil tablets in the MENA region, we have partnered with a CSO with established local expertise and distribution capabilities. In determining our pricing strategy for the region, we adopt a reference pricing approach, benchmarking against the

prices of comparable products across all markets where the product has been launched globally, including the country of origin. Our pricing is strategically positioned below that of baloxavir marboxil to ensure a competitive advantage.

For sebaloxavir marboxil for suspension, we tailor our commercialization strategy to the pediatric patient population. In particular, we plan to prioritize coverage of pediatric specialist hospitals and primary healthcare institutions, leveraging the formulation's dosing convenience and compliance advantages for children aged 2 to 11. We expect to deploy targeted academic promotion focusing on pediatricians and pediatric respiratory specialists to drive adoption, and seek inclusion of the suspension formulation in relevant clinical guidelines and hospital formularies for pediatric influenza treatment.

For other product candidates, including ZX-8177 for oncology and HPP indications and ZX-12042B for HPV-related conditions, we plan to implement differentiated market penetration strategies based on each product's therapeutic profile and target patient population. Each commercialization approach will be refined based on ongoing market research, regulatory outcomes and clinical data generation to ensure optimal alignment between product characteristics, patient access preferences and commercial infrastructure requirements.

Strengthen supply chain infrastructure and enhance R&D capabilities

We are building a resilient, scalable supply chain to support large-scale commercial production while simultaneously strengthening our R&D talent pool. Our operational priorities include selecting and qualifying high-quality suppliers to establish stable and long-term supply arrangements for our major supplies, including contract development and manufacturing organization ("**CDMO**") for active pharmaceutical ingredients ("**APIs**") and finished dosage. By doing so, we believe we can ensure uninterrupted supply capacity for commercial-scale production of sebaloxavir marboxil, with enhanced capacity to meet surge demand during seasonal influenza outbreaks when patient needs are most acute.

In parallel, we are implementing a comprehensive talent acquisition strategy focused on expanding our research and development capabilities across multiple disciplines. We are actively recruiting experienced scientists and medical experts with experience in biology, medicinal chemistry, pharmacology, translational science and clinical development to strengthen our pipeline advancement capabilities. By attracting top-tier talents from leading pharmaceutical companies and academic institutions, we aim to enhance our drug discovery productivity and maintain our competitive edge in identifying and validating therapeutic targets, accelerate our product candidates' progression through clinical development stages. Our growing R&D organization will enable us to proceed with multiple pipelines programs at the same time while maintaining scientific standards and efficient development timelines.

OUR DRUG PORTFOLIO

We are a commercial stage biopharmaceutical company dedicated to discovering and developing innovative therapeutics that address medical needs with limited available therapies across viral infectious diseases, oncology and inflammatory disorders. As of the Latest Practicable Date, we had a drug portfolio consisting of six drug assets.

Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product – Sebaloxavir Marboxil Tablets

Overview

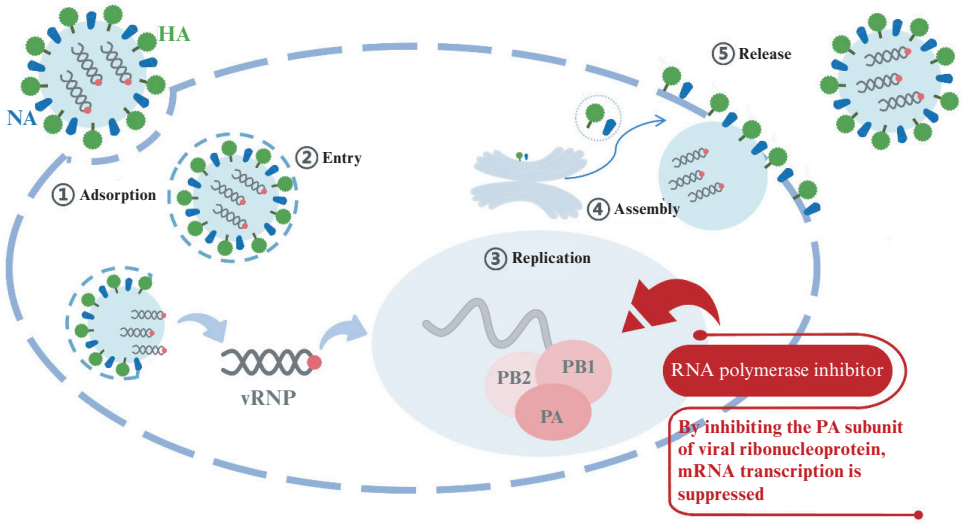
Sebaloxavir marboxil (ZX-7101A) is an in-house developed inhibitor targeting the influenza virus PA endonuclease. We are currently developing two different formulations of sebaloxavir marboxil, which are registered and regulated as two separate products by NMPA, namely our Core Product — the sebaloxavir marboxil tablets and sebaloxavir marboxil for suspension. The tablets formulation represents sebaloxavir marboxil's most advanced development program, for which we

have obtained its NDA approval from NMPA in July 2025 for the treatment of adult influenza. The NDA for sebaloxavir marboxil tablets for the treatment of influenza in adolescent patients was approved by the NMPA in June 2026. In addition, we are also developing a suspension formulation of sebaloxavir marboxil to offer more dosing convenience, primarily for pediatric patients. We completed its phase 3 clinical trial and submitted the NDA application to the NMPA in June 2026, which was accepted by the NMPA in July 2026. For both formulations, we submitted an IND application for a combined phase 3 clinical trial for influenza post-exposure prophylaxis in February 2026, which was approved by the NMPA in May 2026. We are currently preparing for subject enrollment for the combined phase 3 clinical trial, with subject enrollment expected to commence in the fourth quarter of 2026.

Mechanism of Action

Influenza viruses, belonging to the *Orthomyxoviridae* family, are negative-sense, single-stranded RNA viruses classified into types A, B, C and recently discovered type D based on nucleoprotein ("**NP**") and membrane protein ("**MP**") antigenic determinants. Type A and B influenza viruses contain 8 gene segments encoding 16 different proteins, while type C contains 7 gene segments. Since influenza viruses rely on host cell translation machinery for protein synthesis, their mRNA requires specific structures recognizable by the host system: a 5' cap structure and 3' poly(A) tail. The PA subunit of the influenza viral RNA polymerase complex utilizes its endonuclease activity to cleave and "snatch" the cap structure from host pre-mRNA 5' ends through a process called "cap-snatching," which is essential for initiating viral transcription. This cap-snatching mechanism is a critical step in the influenza viral replication cycle and has no similar mechanism or corresponding endonuclease in host cells. This unique viral feature makes PA subunit an attractive and potentially safe target for antiviral drug development.

Sebaloxavir marboxil is a prodrug that undergoes esterase-mediated hydrolysis *in vivo* to its active form Sebaloxavir. Sebaloxavir inhibits influenza RNA polymerase PA subunit, blocking viral gene transcription and subsequent viral replication. In preclinical *in vitro* studies, Sebaloxavir demonstrated significant inhibitory effects against 14 different strains of influenza virus (covering both type A and B), with excellent influenza virus specificity, favorable selectivity over normal cells and minimal cytotoxicity risk. The following image illustrates the mechanism of action of Sebaloxavir.



Source: Company information

Market Opportunity and Competition

Seasonal influenza exhibits distinct latitude- and climate-dependent patterns worldwide. In temperate regions of the Northern Hemisphere, influenza activity typically peaks from December to March of the following year. Globally, seasonal influenza displays a broad and recurring annual burden. Epidemiological studies consistently report that adults experience symptomatic influenza at an incidence of approximately 5%-10% per year, while children — who are the major drivers of transmission — show substantially higher rates of 20%-30%. According to the WHO, approximately one billion influenza infections occur worldwide each year, among which 3 to 5 million cases are severe and up to 650,000 result in death. China also bears a significant disease burden. In China, influenza prevalence shows marked seasonality and regional variation due to China's vast geographic span and diverse climates. It is estimated that in 2025, China had roughly 181 million individuals experiencing influenza-like illness.

The management and prevention of influenza are typically stratified based on disease severity and seasonal risk. Clinical guidelines emphasize that during influenza seasons, antiviral therapy should be initiated as early as possible for influenza-like illness patients with risk factors for severe or critical disease. The greatest clinical benefit is achieved when antiviral medications are administered within 48 hours of symptom onset. Although the current real-world treatment landscape has been largely dominated by neuraminidase inhibitors, NAIs inhibit neuraminidase activity to limit viral spread but have a relatively modest impact on the speed of viral clearance and there remains room for improvement in antiviral efficacy and safety. PA polymerase inhibitors represent a new class of influenza antivirals that target viral replication at an early stage of the viral life cycle. For example, in the CAPSTONE-1 trial, the median time to cessation of viral shedding was approximately 72 hours with NAIs, compared with approximately 24 hours with PA polymerase inhibitors, with symptom alleviation occurring correspondingly more slowly. The influenza antiviral drug market in China was RMB13.7 billion in 2025 , including RMB10.4 billion from NAIs and other antivirals and RMB3.3 billion from PA inhibitors. The market is expected to reach RMB14.2 billion by 2035, with PA inhibitors accounting for RMB13.6 billion and NAIs and other antivirals accounting for RMB0.6 billion.

Details of these approved originator influenza antiviral drugs were summarized in the table below.

Global Competitive Landscape of Influenza Antiviral Drugs, as of the Latest Practicable Date

Generic/Trade Name	MoA	Company	Initial Approval Date	Median Time to Symptom Alleviation	Elimination Half-life	China Indication	U.S. Treatment/ Prophylaxis	Treatment Cost in China (RMB)
Baloxavir marboxil/速福達/Xofluza. .	PA inhibitor	Roche	Tablets: CN 2021–04; US 2018–10; Suspension: CN 2023–12; US 2020–11	53.7 h vs. 80.2 h (33.0% reduction)	79.1 h	Tablets: Acute uncomplicated influenza A or B in patients aged ≥5 years Suspension: Uncomplicated influenza A or B in children aged 1 to <12 years, including otherwise healthy patients and those at high risk of influenza-related complications	Treatment: ≥5 years old Prophylaxis: ≥5 years old	Suspension 193; Tablets 222
Suraxavir marboxil/伊速達	PA inhibitor	QingFeng Pharmaceutical	CN: 2025–03	42.0 h vs. 63.0 h (33.3% reduction)	58.1–75.9 h	Uncomplicated influenza A/B in patients aged ≥12 years	Not approved	175
Sebaloxavir marboxil/濟可舒 .	PA inhibitor	Zenshine Pharmaceutical/Our Company	CN: 2025–07	39.4 h vs. 62.9 h (37.4% reduction)	83–126 h	Uncomplicated influenza A/B in patients aged ≥12 years	Not approved	222
Pixavir marboxil /壹立康	PA inhibitor	Joincare Pharmaceutical	CN: 2025–12	60.9 h vs. 87.9 h (30.7% reduction)	33.8–39.4 h	Uncomplicated influenza A/B in patients aged ≥12 years	Not approved	198
Favipiravir/海復康 .	PB1 inhibitor	Hisun Pharmaceutical	CN: 2020–02	84.2 h vs. 98.6 h (14.6% reduction)	2.5–5 h	Novel or re-emerging influenza in adults, for use when other anti-influenza antivirals are ineffective or insufficient	Not approved	N/A
Onradivir/安睿威 . .	PB2 inhibitor	Zhongsheng Pharmaceutical	CN: 2025–05	38.8 h vs. 63.4 h (38.8% reduction)	12–35 h	Uncomplicated influenza A in adults	Not approved	N/A

Generic/Trade Name	MoA	Company	Initial Approval Date	Median Time to Symptom Alleviation	Elimination Half-life	China Indication	U.S. Treatment/ Prophylaxis	Treatment Cost in China (RMB)
Oseltamivir phosphate/達菲/ Tamiflu	NAI	Roche	Capsule: CN 2001–01; US 1999–10; Suspension: US 2000–12	53.8 h vs. 80.2 h (32.9% reduction)	6–10 h	Treatment of influenza A/B in patients aged ≥1 year, initiate within 48 hours of symptom onset Prophylaxis of influenza A/B in patients aged ≥13 years	Treatment: ≥2 weeks Prophylaxis: ≥1 year old	Capsule 172
Zanamivir/依樂韋/ Relenza	NAI	GSK	CN: 2009–07; US: 1999–07	120 h vs. 144 h (16.7% reduction)	2.5–5.1 h	Treatment of influenza A/B in adults and children aged ≥7 years	Treatment: ≥7 years old Prophylaxis: ≥5 years old	N/A
Peramivir Rapivab/瑞貝塔/Rapiacta . .	NAI	BioCryst	US: 2014–12; not approved in mainland China	59.1 h (300 mg)/59.9 h (600 mg) vs. 81.8 h (27.8%/26.8% reduction)	20 h	Not approved in mainland China	Treatment of acute uncomplicated influenza in patients aged ≥6 months; prophylaxis not approved	N/A

Source: Public Information; Annual Reports; the Lancet; NEJM; CIC

Notes: 1. Only showing originator drugs; 2. Median time to symptom alleviation refers to the median time to symptom relief in the treatment group compared with that in the placebo group; 3.Treatment cost (excluding the suspension) is calculated based on an adult body weight of 75 kg, whereas the suspension treatment cost is calculated based on an average body weight of 28.75 kg for boys and girls aged 5–11 years, according to the 2014 National Physical Fitness Monitoring Bulletin; 4. N/A refers to not available

As a PA inhibitor, Sebaloxavir Marboxil demonstrates clear advantages over neuraminidase inhibitors (e.g., Oseltamivir) in terms of compliance, efficacy, and safety, among other aspects. The following table sets forth a summary of the competitive advantages of Sebaloxavir Marboxil compared to products targeting the same indication.

Comparative Analysis of Sebaloxavir Marboxil vs. Competing Antiviral Agents

	Summary of Sebaloxavir Marboxil's Advantages	Sebaloxavir Marboxil	Baloxavir Marboxil	Suraxavir Marboxil	Pixavir Marboxil	Oseltamivir
Mechanism of Action	Targets the PA subunit of viral RNA polymerase, inhibiting viral RNA transcription and replication	RNA polymerase PA subunit inhibitor	RNA polymerase PA subunit inhibitor	RNA polymerase PA subunit inhibitor	RNA polymerase PA subunit inhibitor	Neuraminidase inhibitor
Half-life[1]	Long duration of action, supporting a single-dose treatment regimen	83–126 h	79.1 h	58.1–75.9 h	33.8–39.4 h	6–10 h
Dosage and Administration . .	Single-dose regimen with no weight-based dose adjustment in adults, providing greater treatment convenience	Single dose: 80 mg (adults), 40 mg (adolescents)	Single dose: ≥20 kg and < 80 kg: 40 mg; ≥80 kg: 80 mg	Single dose: 40 mg	Single dose: < 80 kg: 40 mg; ≥80 kg: 80 mg	75 mg BID × 5 days
Median Time to Symptom Alleviation vs. Placebo[2]	Shortest median time to symptom alleviation and greatest percentage reduction versus placebo among the selected agents, based on their respective clinical trials	39.4 h vs. 62.9 h; reduced by 37.4%	53.7 h vs. 80.2 h; reduced by 33.0%	42.0 h vs. 63.0 h; reduced by 33.3%	60.9 h vs. 87.9 h; reduced by 30.7%	53.8 h vs. 80.2 h; reduced by 32.9%
Drug-Drug Interactions/ Metabolism	No CYP450 involvement in the metabolism of sebaloxavir marboxil or sebaloxavir, indicating relatively low potential for CYP-mediated drug- drug interactions	Hydrolyzed by carboxylesterases to active sebaloxavir, which can be further metabolized via UGT2B7; CYP450 enzymes are not involved in its metabolism	Primarily metabolized via UGT1A3, with minor contribution from CYP3A4	Active metabolite is primarily metabolized via CYP3A4; potential interactions with CYP3A4 inhibitors should be considered	UGT1A3-mediated glucuronidation and oxidative metabolism; no dedicated clinical DDI study has been publicly reported	Extensively converted by hepatic esterases to active oseltamivir carboxylate; low potential for CYP-mediated DDIs
Safety Profile	Low incidence of gastrointestinal adverse reactions reported in clinical studies	GI ADRs: 0.3% in adults	Diarrhea: 3%; Nausea: 2%	Diarrhea: 6.1%; Sinus arrhythmia: 4.8%; Sinus bradycardia: 2.5%	Overall AEs: 25.0%; Hyperuricemia: 2.0%; Sinus arrhythmia: 1.2%	Nausea: 10%; Vomiting: 8%; Headache: 2%

As of the same date, there were seven PA inhibitor influenza antiviral drugs under clinical trial stage in China, details of which are summarized as follows.

Pipeline of Influenza PA inhibitors in China, as of the Latest Practicable Date

Drug Name	Company	Dosage Form	Indication	Phase
Deunoxavir Marboxil (ADC189)	Jiaxing AnDiCon Biotech	Tablets	Patients aged ≥5 years with acute influenza A or B Adults and adolescents with uncomplicated influenza A or B	NDA
		Granules	Children aged ≥2 years and adults with uncomplicated influenza A or B Post-exposure prophylaxis against influenza A and B for individuals aged ≥2 years	Phase 3
Suraxavir marboxil (GP681).	Jiangxi Kerui Pharmaceutical	Suspension	Children aged 2 years to < 12 years with uncomplicated influenza A or B	
	Jiangxi Kerui Pharmaceutical	Tablets	Post-exposure prophylaxis of influenza in adults and adolescents aged 12 years and older Adults and adolescents aged 12 years and older with influenza who are at high risk for influenza-related complications	NDA
Seloxavir Marboxil (ZX-7101A)	Zenshine Pharmaceuticals	Suspension	Children aged 2–11 years with uncomplicated influenza	NDA
		Tablets/ Suspension	Post-exposure prophylaxis against influenza in household contacts aged ≥2 years	Phase 3
TG-1000/JKN2301	Joincare Haibin Pharmaceutical Joincare Pharmaceutical Group Industry	Suspension	Children aged 2 weeks to < 12 years with uncomplicated influenza A or B	Phase 3
102D-6	Cavendish (Taizhou) Pharmaceutical	Suspension	Patients aged ≥5 years with uncomplicated influenza A and B	Phase 2
SYH2085	CSPC Zhongqi Pharmaceutical Technology Shijiazhuang	Tablets	Patients aged ≥ 12 years with uncomplicated influenza A and B	Phase 1

Source: CDE; CIC

Formulations

Sebaloxavir Marboxil Tablets — Our Core Product

We are developing sebaloxavir marboxil tablets, primarily for adults and adolescents. The drug formulation is particularly well-suited for adults, who can reliably swallow solid tablet formulation and adhere to single-dose regimens without requiring taste-masking or alternative delivery methods. Adult clinical trials provide the foundational safety, tolerability, pharmacokinetics and efficacy data necessary to establish the drug's profile in a population with fully developed organ systems and metabolic pathways. Extrapolating dosing and safety parameters to younger populations without robust adult data would pose unacceptable risks, as children — particularly infants — exhibit distinct pharmacokinetic profiles due to developmental differences in drug metabolism, distribution, clearance and potential organ toxicity. By securing regulatory approval in adults first, we can leverage mature clinical data to inform appropriate dose selection, identify potential adverse events and determine whether pediatric-specific formulations are needed to optimize therapeutic outcomes while minimizing risks in younger populations.

We obtained the NDA approval for sebaloxavir marboxil tablets for the treatment of influenza in adults in July 2025. For adolescent patients, we obtained IND approval in August 2023 to conduct a phase 3 clinical trial of sebaloxavir marboxil tablets for the treatment of influenza in this patient group. We initiated the phase 3 clinical trial in November 2023 and completed it in February 2025. In March 2025, we submitted the NDA application to the NMPA, which was accepted in April 2025 and approved in June 2026. Additionally, in November 2024, we obtained the IND approval for sebaloxavir marboxil tablets in post-exposure prophylaxis in adults and adolescents aged 12 years old and above, with an update to include pediatric patients aged 5 years old and above in April 2025.

Summary of Major Clinical Trials

Set forth below are the major clinical trials we completed for sebaloxavir marboxil tablets. We were the sole sponsor of these clinical trials and we completed these clinical trials independently as we retain full control over study design, regulatory oversight, and data management, while engaging trial-leading hospitals to serve as clinical sites responsible for patient recruitment, direct medical care, and hands-on protocol execution in line with the industry norm.

Adults

Phase 2/3 Clinical Trial

- **Trial design**

  From July 2022 to May 2023, we conducted a multi-center, randomized, double-blind, placebo-controlled phase 2/3 clinical trial in China to evaluate sebaloxavir marboxil tablets in adult patients with influenza. We were the sole sponsor of this clinical trial. The phase 2/3 clinical trial constituted a phase 2 part and a phase 3 part, each of which was a separate clinical trial with distinct primary objectives and independent statistical analyses, although they were conducted utilizing an operationally seamless adaptive design that allowed for continuous patient enrollment under the same clinical protocol.

  The trial was led by Huashan Hospital, Fudan University with Dr. Zhang Wenhong (張文宏) and Dr. Zhang Jing (張菁) serving as the leading principal investigators ("**PIs**"). Dr. Zhang Wenhong is a nationally recognized expert in infectious diseases and a key opinion leader in China's clinical and public health community, while Dr. Zhang Jing is a senior clinical expert who plays a central role in major multicenter clinical research projects.

  The phase 2 is a dose-finding study. A total of 177 subjects were enrolled and randomized to either sebaloxavir marboxil tablets 40 mg, sebaloxavir marboxil tablets 80 mg or placebo. Randomization was stratified by body weight ($<$ 80 kg, $\geq$ 80 kg) and baseline total influenza symptom score ($<$ 12 points, $\geq$ 12 points). Subjects received a single oral

dose of study medication on Day 1 at the trial site and completed 14 days of protocol-specified follow-up, with daily temperature and clinical symptom assessments recorded throughout.

The phase 3 study enrolled 723 eligible subjects, who were randomized to sebaloxavir marboxil tablets 40 mg, sebaloxavir marboxil tablets 80 mg or placebo as the phase 2 trial. Dosing procedure, visit schedules and examination items in the phase 3 study were consistent with those in the phase 2 study.

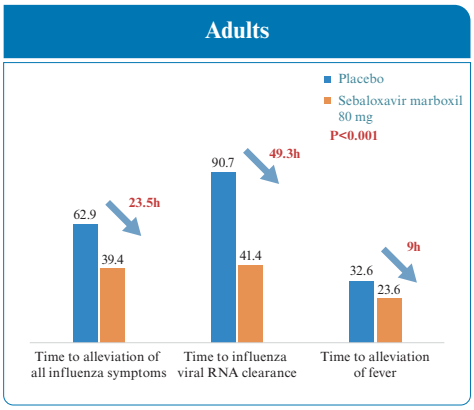
The primary objective of the phase 2 trial was to preliminarily evaluate the efficacy and safety of the tablets versus placebo in treating uncomplicated influenza, whereas the phase 3 trial was primarily designed to evaluate its efficacy. The primary endpoint is the time to alleviation of all influenza symptoms, defined as the duration from initiation of study treatment until all seven influenza symptoms (nasal congestion, sore throat, cough, muscle or joint pain, fatigue, headache and fever or chills/sweating) are consistently scored as 0 (no symptoms) or 1 (mild) for a continuous 21.5 hours period. The key secondary endpoints include (i) time to viral clearance, defined as the time from treatment initiation until influenza viral RNA and titer fall below the lower limit of quantification; (ii) changes from baseline in influenza viral RNA at each visit; (iii) time to alleviation of systemic symptoms (muscle or joint pain, fatigue, headache, fever or chills/sweating) and respiratory symptoms (nasal congestion, sore throat, cough) and (iv) time to fever resolution. The safety endpoints primarily include the incidences of AEs and serious adverse events ("**SAEs**").

- **Efficacy Results**

  In the phase 2 stage, sebaloxavir marboxil tablets demonstrated favorable efficacy in alleviating influenza symptoms and accelerating recovery compared to placebo. The median time to alleviation of all influenza symptoms was 34.7 hours for the 40 mg dose group, 45.8 hours for the 80 mg dose group and 63.6 hours for the placebo group, with both doses achieving statistically significant reductions versus placebo ($P = 0.005$ and $P = 0.020$, respectively). Both doses significantly shortened the time to resolution of systemic symptoms (muscle/joint pain, fatigue, headache, fever/chills) with median times of 17.2 hours (40 mg), 23.0 hours (80 mg), and 35.6 hours (placebo), as well as respiratory symptoms (nasal congestion, sore throat, cough). Time to fever resolution was further accelerated in both treatment groups (20.4 hours for 40 mg, 27.3 hours for 80 mg, versus 35.4 hours for placebo; $P < 0.001$ and $P = 0.003$, respectively). Regarding antiviral efficacy, sebaloxavir marboxil tablets significantly accelerated viral RNA clearance with median times of 51.2 hours (40 mg) and 66.8 hours (80 mg) compared to 105.2 hours for placebo ($P < 0.001$ and $P = 0.003$, respectively; hazard ratios of 2.468 and 1.871). Both doses showed progressive reductions in viral RNA load and viral titers post-administration. These results demonstrated a favorable efficacy profile for sebaloxavir marboxil tablets in uncomplicated influenza in adults, supporting advancement of both the 40 mg and 80 mg doses into phase 3.

  In the phase 3 stage, sebaloxavir marboxil tablets maintained robust and statistically significant efficacy across clinical and virological endpoints. With respect to the primary endpoint, the median time to alleviation of all influenza symptoms was 48.4 hours for the 40 mg group, 39.4 hours for the 80 mg group and 62.9 hours for the placebo group, with both dose groups showing statistically significant reductions versus placebo ($P = 0.003$ and $P < 0.001$, respectively; hazard ratios of 1.331 and 1.546). With respect to the secondary endpoints, sebaloxavir marboxil tablets significantly shortened time to resolution of respiratory symptoms (nasal congestion, sore throat, cough) with median times of 38.5 hours (40 mg) and 32.4 hours (80 mg) compared to 56.3 hours for placebo ($P = 0.023$ and $P < 0.001$, respectively), demonstrating particularly pronounced effects on cough, sore throat and headache. Time to fever resolution was similarly reduced in both treatment

groups (23.1 hours for 40 mg, 23.6 hours for 80 mg, versus 32.6 hours for placebo; both $P < 0.001$). Regarding antiviral efficacy, sebaloxavir marboxil tablets demonstrated marked superiority over placebo with median viral RNA clearance times of 43.2 hours (40 mg) and 41.4 hours (80 mg) compared to 90.7 hours for placebo (both $P < 0.001$; hazard ratios of 2.285 and 2.937) and viral titer clearance times of 23.1 hours (40 mg) and 22.7 hours (80 mg) compared to 24.9 hours for placebo (both $P < 0.001$). At 24 hours post-dose, viral RNA positivity rates decreased to 74.9% and 73.5% in the treatment groups versus 92.0% for placebo, while at 48 hours, viral RNA positivity was 32.6% and 26.5% in the treatment groups versus 72.5% for placebo.



Source: Company information

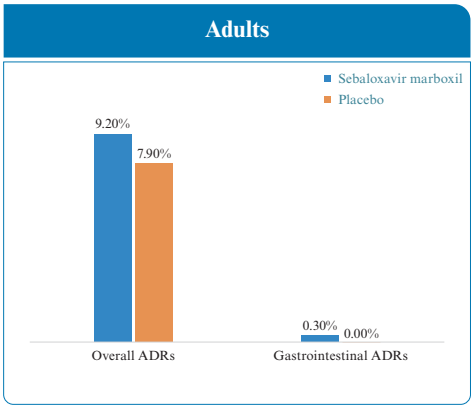
Overall, the phase 2/3 clinical trial demonstrated a favorable efficacy profile for sebaloxavir marboxil tablets in accelerating symptom relief, fever resolution and viral clearance in adults with uncomplicated influenza.

- **Safety Profile**

Sebaloxavir marboxil tablets exhibited a favorable safety and tolerability profile in adult patients with influenza. In the phase 2 stage, 17 subjects (9.7%) experienced 21 events of treatment-emergent adverse events ("**TEAEs**") related to study drug, with similar incidence rates between the 40 mg dose group (13.6%, 9 events in 8 subjects) and 80 mg dose group (10.5%, 8 events in 6 subjects), both slightly higher than placebo (5.0%, 4 events in 3 subjects). Drug-related TEAEs primarily included increased creatine phosphokinase, hypertriglyceridemia (3 subjects each) and decreased neutrophil count (2 subjects), with most events being grade 1 or 2.

In phase 3 stage, 58 subjects (8.1%) experienced 80 events of drug-related TEAEs with comparable incidence across groups (40 mg: 7.1%, 22 events; 80 mg: 9.2%, 28 events; placebo: 7.9%, 30 events). The most common drug-related TEAEs were decreased neutrophil count (25 subjects, 3.5%), decreased white blood cell count (8 subjects, 1.1%) and elevated liver enzymes, proteinuria, hyperuricemia, elevated creatine phosphokinase, hyperlipidemia and diarrhea (3 subjects each, 0.4%). All drug-related TEAEs in phase 3 were Grade 1 or 2. Approximately 65–75% of drug-related TEAEs occurred within 5 days post-dose in both phases. The safety findings across study phases demonstrated the favorable safety and tolerability profile of sebaloxavir marboxil tablets at both dose levels. Notably, gastrointestinal ADRs occurred in only 0.3% of adult subjects, effectively

addressing the clinical challenge of nausea, vomiting and diarrhea commonly associated with traditional anti-influenza drugs. The following images illustrate the TEAE incidence rates and gastrointestinal ADR rates in the phase 3 clinical study.



Source: Company information

Phase 1 Clinical Trial

- **Trial Design**

  From December 2021 to October 2022, we conducted a phase 1 clinical trial with sebaloxavir marboxil tablets in healthy Chinese adults. We were the sole sponsor of this clinical trial. The phase 1 clinical trial is a randomized, double-blind, placebo-controlled study designed to evaluate the safety, tolerability, and pharmacokinetic characteristics of sebaloxavir marboxil tablets in healthy Chinese subjects through single ascending dose administration and assessment of food effects. The primary endpoint is the safety and tolerability of sebaloxavir marboxil tablets, encompassing AEs, laboratory examinations (complete blood count, urinalysis, blood biochemistry, and coagulation function), physical examinations, vital signs monitoring and 12-lead electrocardiography. The trial was led by Huashan Hospital, Fudan University, with Dr. Zhang Wenhong (張文宏) and Dr. Zhang Jing (張菁) as the PIs. A total of 66 healthy adults were enrolled in the clinical trial.

- Part 1: Single Ascending Dose Fifty subjects were assigned to five dose levels ranging from 40 mg to 320 mg, with 10 subjects per cohort randomized to receive sebaloxavir marboxil tablets or placebo. Subjects were admitted to the clinical trial site one day before dosing after at least 10 hours of fasting and received a single dose under fasting conditions. After that, enrolled subjects will remain hospitalized until the fourth day for pharmacokinetics ("**PK**") blood sampling and safety assessment, then returned every two days for continued PK sampling and follow-up evaluations till the 15th day. Dose escalation proceeded from the lowest dose upward, with each subsequent cohort initiated only after at least 4 days of observation and confirmation of safety in the preceding cohort; the trial would terminate if stopping criteria were met regardless of reaching the maximum planned dose.

- Part 2: Food-Effect Assessment. This part aims to evaluate the food effect of sebaloxavir marboxil tablets. Based on the results from Part 1, the 80 mg dose was selected to evaluate the effect of food. This part employed a randomized, two-period, two-sequence crossover design enrolling 16 qualified subjects equally divided into Group A and Group B. During the first period, Group A received sebaloxavir marboxil tablets under fasting conditions while Group B received sebaloxavir marboxil tablets 30 minutes after starting a high-fat meal, with subjects following similar dosing and follow-up schedule as Part 1. After a

21-day washout period, the second period started, with Group A receiving sebaloxavir marboxil tablets after a high-fat meal and Group B receiving sebaloxavir marboxil tablets under fasting conditions, following identical procedures were consistent with Part 1.

- **Trial Results**

  Sebaloxavir marboxil tablets demonstrated favorable safety and tolerability in healthy Chinese adult subjects across both study parts. In the dose escalation part, 17 subjects (34.0%) experienced TEAEs, with 16 subjects (32.0%) experiencing adverse drug reactions; only 3 subjects (6.0%) had Grade 2 events of TEAEs and no SAEs, drug-related deaths, or permanent discontinuations were reported. The most common TEAEs included decreased fibrinogen, upper respiratory tract infection and vomiting (6.0% each). In the food effect part, 8 subjects (50.0%) experienced TEAEs, with 7 subjects (43.8%) having adverse drug reactions; only 1 subject (6.3%) had a Grade 2 event, with no SAEs or discontinuations.

  Pharmacokinetically, following single doses of 40 mg to 320 mg under fasting conditions, sebaloxavir marboxil tablets were rapidly metabolized with most concentration of parent drug below the lower limit of quantification (median T_{max} 5.00 h), while the active metabolite sebaloxavir reached median T_{max} at 3.00–4.00 h with a plasma half-life of 83.01–125.55 h; exposure parameters (C_{max}, AUC) increased with dose but slightly less than dose-proportionally. Under fed conditions with 80 mg dosing, sebaloxavir C_{max} decreased by approximately 43.35% and AUC decreased by 33.23–34.48% compared to fasting conditions, while T_{max} remained similar at 4.00 h for both conditions, indicating moderate negative food effects on drug exposure.

Adolescents

Phase 3 clinical trial in adolescents aged between 12 to 17

- **Trial Design**

  We obtained the IND approval to conduct a phase 3 clinical trial of sebaloxavir marboxil tablets for the treatment of uncomplicated influenza in adolescent patients (aged 12–17) in August 2023.

  Commenced in November 2023 and completed in February 2025, this clinical trial was a multicenter, randomized, double-blind, placebo-controlled phase 3 clinical trial was conducted in adolescent patients (aged 12–17 years) with uncomplicated influenza. We were the sole sponsor of this clinical trial. The study was led by Huashan Hospital, Fudan University and Zhejiang University Children's Hospital, with Dr. Zhang Wenhong (張文宏), Dr. Zhang Jing (張菁) and Dr. Chen Zhimin (陳志敏) serving as principal investigators.

  A total of 361 subjects were enrolled in the clinical trial, of whom 349 subjects completed the trial. The clinical trial enrolled adolescents aged ≥12 to < 18 years with uncomplicated influenza who exhibited typical systemic and/or respiratory influenza symptoms, within 48 hours between the onset of the first influenza symptom. Subjects were randomized in a 1:1 ratio to receive either a single 40 mg dose of sebaloxavir marboxil tablets or placebo. The study consisted of a screening/treatment period followed by a two-week follow-up.

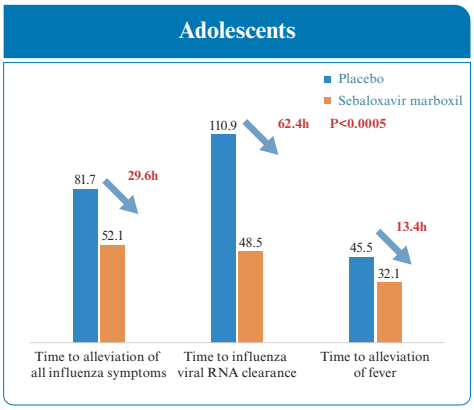
  The primary endpoint is the time to alleviation of all influenza symptoms. Key secondary endpoints include time to viral RNA negativity, time to viral titer negativity, change from baseline in influenza viral RNA and viral titer measured by RT-PCR at each visit.

- **Efficacy Results**

  Generally, sebaloxavir marboxil tablets demonstrated statistically significant superiority over placebo in reducing time to alleviation of all influenza symptoms. The median time to symptom resolution was 52.1 hours in the sebaloxavir marboxil tablets group compared to 81.7 hours in the placebo group ($p = 0.0003$). The hazard ratio from the stratified Cox proportional hazards model was 1.518, indicating that sebaloxavir marboxil tablets accelerated influenza symptom resolution.

  Sebaloxavir marboxil tablets also demonstrated antiviral activity across multiple virological parameters. The median time to viral RNA negativity was significantly shorter in the sebaloxavir marboxil tablets group at 48.5 hours, versus 110.9 hours in the placebo group. Similarly, viral titer negativity was achieved substantially faster with sebaloxavir marboxil tablets at a median time of 22.1 hours compared to 45.0 hours with placebo.

  Sebaloxavir marboxil tablets demonstrated comprehensive clinical benefits across multiple symptom domains. The proportion of subjects achieving complete symptom resolution was consistently higher in the sebaloxavir marboxil tablets group, with statistically significant differences observed from 36 to 240 hours post-dose based on diary card evaluation. For respiratory symptoms (nasal congestion, sore throat, cough), the median time to resolution was 48.0 hours with sebaloxavir marboxil tablets versus 75.6 hours with placebo, while systemic symptoms showed a trend toward faster resolution. Individual symptom analysis revealed significant shorter resolution times for cough and fever/chills in the sebaloxavir marboxil tablets group.

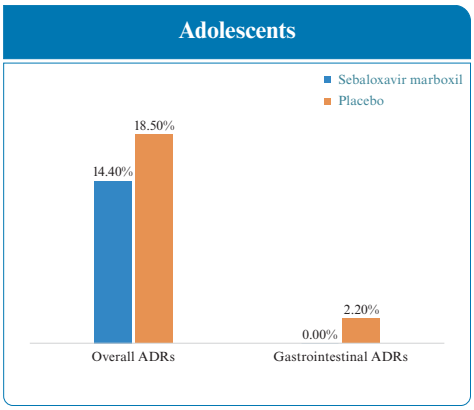


Source: Company information

- **Safety Results**

  Overall, sebaloxavir marboxil tablets demonstrated a favorable safety profile overall, comparable to that of placebo, with adverse events primarily mild to moderate in severity and good overall outcomes. During the study, 199 subjects (55.4%) experienced TEAEs, with 59 subjects (16.4%) experiencing study drug-related adverse events. The incidence of TEAEs was lower in the sebaloxavir marboxil tablets group (87 subjects, 48.1%; 194 events) compared to the placebo group (112 subjects, 62.9%; 219 events). Drug-related TEAEs occurred at similar frequencies between two groups, affecting 26 subjects (14.4%) in the sebaloxavir marboxil tablets group and 33 subjects (18.5%) in the placebo group.

The most commonly reported drug-related TEAEs included sinus arrhythmia, sinus bradycardia, hyperuricemia, decreased neutrophil count, decreased white blood cell count, elevated creatine phosphokinase, and diarrhea, with all other TEAEs occurring at rates below 1%.



Source: Company information

The severity of TEAEs was generally mild to moderate, with 28 subjects (7.8%) experiencing Grade 3 TEAEs. Notably, no SAEs or deaths occurred during the study. Among the 25 subjects (7.0%) who required pharmacological or non-pharmacological treatment for 27 events, none of these events were assessed as related to the study drug.

Other Phase 1 Clinical Trials

In addition to the aforementioned clinical trials, we also acted as the sole sponsor and completed the following phase 1 clinical trials with sebaloxavir marboxil tablets in Chinese adults. As the sole sponsor of these clinical trials, we completed these clinical trials independently as we retain full control over study design, regulatory oversight, and data management, while engaging trial-leading hospitals to serve as clinical sites responsible for patient recruitment, direct medical care, and hands-on protocol execution in line with the industry norm.

Study Design	Site	Number of Subjects Enrolled	Start Date	Completion Date	Key Results
A phase 1 study to evaluate the mass balance of sebaloxavir marboxil tablets in Chinese healthy male subjects	The First Affiliated Hospital of Soochow University	6	February 2023	March 2023	• **Pharmacokinetics and mass balance**. Following single oral administration of 80 mg sebaloxavir marboxil tablets in six healthy male subjects, total plasma radioactivity reached median T_{max} at 4.00 hours with mean $t_{1/2}$ of 82.5 h. • **Metabolism and disposition**. Sebaloxavir marboxil tablets were rapidly hydrolyzed to the active metabolite sebaloxavir (M531, 88.63% of plasma exposure and 84.49% of fecal excretion) with secondary glucuronidation to M707 (9.04% of plasma exposure) and demonstrated good safety and tolerability with no unexpected safety concerns.

Study Design	Site	Number of Subjects Enrolled	Start Date	Completion Date	Key Results
A phase 1 study to evaluate the PK characteristics, safety, and tolerability of single-dose oral sebaloxavir marboxil tablets in subjects with hepatic impairment (mild or moderate) and healthy subjects	Huashan Hospital, Fudan University	16	April 2023	February 2024	• **Safety and tolerability**. Both moderate hepatic impairment subjects and healthy subjects demonstrated good tolerability and safety following single-dose administration of 80 mg sebaloxavir marboxil tablets. • **Pharmacokinetic findings in moderate hepatic impairment**. Following single-dose administration of 80 mg sebaloxavir marboxil tablets, subjects with moderate hepatic impairment showed approximately 16% lower C_{max} and 38% lower $AUC_{0\text{-}inf}$ of sebaloxavir compared to healthy subjects, with slightly shorter T_{max} and $t_{1/2}$. • **Metabolic profile**. Sebaloxavir marboxil tablets were rapidly absorbed and metabolized to the active component sebaloxavir in both moderate hepatic impairment subjects and healthy subjects.
A phase 1 study to evaluate the PK profile of sebaloxavir marboxil tablets with itraconazole in healthy adult subjects in China	Huashan Hospital, Fudan University	16	July 2023	September 2023	• **Safety and Tolerability**. Single-dose sebaloxavir marboxil tablets with or without itraconazole demonstrated good safety and tolerability in healthy Chinese adults, with predominantly mild TEAEs that all resolved completely
A phase 1 clinical trial to evaluate the effect of single dose of sebaloxavir marboxil tablets on QTc interval in Chinese healthy adult subjects	Huashan Hospital, Fudan University	24	July 2023	August 2023	• **QTc interval assessment**. Based on the concentration-QTc (C-QTc) model analysis established from this study, sebaloxavir marboxil tablets at doses of 80 mg and below demonstrated no QT interval prolongation effect. • **PK profile**. Following single-dose administration of sebaloxavir marboxil tablets, the prodrug was rapidly metabolized to the active drug sebaloxavir with concentrations below the lower limit of quantification in most subjects at most timepoints.
A phase 1 clinical trial to evaluate the DDI effect between sebaloxavir marboxil tablets and oseltamivir phosphate in healthy Chinese adult subjects	Peking University Third Hospital	18	August 2023	December 2023	• **DDI**. Following single-dose administration of sebaloxavir marboxil tablets with oseltamivir phosphate, the active metabolite sebaloxavir showed no significant changes in PK parameters, oseltamivir carboxylate exposure remained unchanged, indicating no clinically meaningful drug-drug interaction.

In addition to the clinical trials listed above, we also conducted a clinical study of sebaloxavir marboxil tablets in children aged 5 to 11, which was conducted to support the development of sebaloxavir marboxil for suspension following recommendations from CDE. For details, see "— Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product — Sebaloxavir Marboxil Tablets — Sebaloxavir Marboxil for Suspension."

Indication Expansion — Post-exposure Prophylaxis

Post-exposure prophylaxis represents a critical and commercially significant indication in anti-influenza drug development, addressing the need with limited available therapies for preventing infection in individuals who have been exposed to confirmed or suspected influenza cases. Unlike seasonal vaccination, which requires weeks to develop immunity and must be administered before exposure, post-exposure prophylaxis provides immediate protection for vulnerable populations including household contacts of infected patients, healthcare workers, immunocompromised individuals, and those in institutional settings such as nursing homes and schools where influenza can spread rapidly. This indication is particularly valuable during influenza outbreaks when vaccine supply may be limited, vaccine-virus mismatch occurs, or in populations with suboptimal vaccine response.

Recognizing the commercial potential of post-exposure prophylaxis, we have initiated communications with CDE regarding the expansion of indication for sebaloxavir marboxil tablets in February 2024 and submitted our clinical trial protocol in September 2024. In November 2024, we obtained the IND approval for sebaloxavir marboxil tablets in post-exposure prophylaxis in adults and adolescents aged 12 and above, with an update to include pediatric patients aged 5 and above in April 2025.

In February 2026, we submitted an IND application for a combined phase 3 clinical trial to evaluate the efficacy and safety of the tablet and suspension formulations of sebaloxavir marboxil for post-exposure prophylaxis of influenza in patients aged 2 years and older, which was approved by the NMPA in May 2026. We are currently preparing for subject enrollment for the combined phase 3 clinical trial, with subject enrollment expected to commence in the fourth quarter of 2026. Under this unified trial design, adults and older children will be administered the tablet formulation, while younger children will receive the suspension formulation. This combined approach is strategically designed to accelerate patient enrollment and better mimic the real-world situation, as the primary real-world scenario for post-exposure prophylaxis involves household exposure — where one family member is infected and others require preventative treatment — a combined trial allows us to seamlessly enroll entire households across different age groups. We believe this combined clinical trial approach aligns with prior CDE guidance requiring post-exposure prophylaxis trials to be supported by existing therapeutic data. We have established such therapeutic data foundation, having obtained therapeutic approval for the tablet formulation in patients aged 12 and older and completed the phase 3 clinical trial for the suspension formulation in children aged 2 to 11.

Material Communications with Competent Authority

We submitted the IND for sebaloxavir marboxil tablets in the treatment of adult influenza in July 2021 and obtained the IND in September 2021. In April 2022, while we were in the process of finalizing the clinical trial report for phase 1 clinical trial study of sebaloxavir marboxil tablets, we have already obtained positive clinical trial data and reached primary endpoints from its phase 1 clinical trial we had communication with CDE with respect to the then-available phase 1 clinical trial results and the design of its phase 2/3 clinical trial protocol. In June 2022, CDE confirmed our clinical trial protocol for phase 2/3 clinical trial and they had no objections for us to proceed into such clinical trial.

The phase 2 and phase 3 clinical trials in adults constitute two separate trials with distinct primary objectives and independent statistical analyses, although they were conducted utilizing an operationally seamless adaptive design that allowed for continuous patient enrollment under the same clinical protocol. Specifically, the primary objective of the phase 2 trial was to preliminarily evaluate the efficacy and safety of the tablets versus placebo in treating uncomplicated influenza, whereas the phase 3 trial was primarily designed to evaluate its efficacy.

We initiated the phase 2/3 clinical trial in July 2022. As we proceeded with the phase 2/3 clinical trials, we had several communications with CDE, including (i) in January 2023, to revise the clinical strategy for handling intercurrent events not to uniformly adopt a hypothetical strategy, while maintaining the original sample size without adjustment, (ii) in January 2023, to reach alignment with CDE on the CMC changes in relation to optimizing the active pharmaceutical ingredient's synthesis route and starting materials, enhancing comprehensive impurity and polymorphism control strategies, and updating the drug product's formulation and manufacturing scale to support phase 3 clinical trials and NDA submission and (iii) in April 2023, to reach alignment with CDE on the statistical analysis method. In September 2023, we had a pre-NDA communication with CDE, and CDE confirmed that NDA could be proceeded based on the phase 2/3 clinical trial results. Accordingly, we submitted its NDA in February 2024, and obtained the NDA approval in July 2025.

As we advanced sebaloxavir marboxil tablets from preclinical studies, through clinical development, and to NDA approval regarding the treatment of adult influenza, we have developed a Core Product beyond the concept stage.

Following the completion of the phase 2/3 clinical trial in May 2023, which yielded positive data validating the safety and efficacy of sebaloxavir marboxil tablets, we determined to further develop our Core Product by extending the patient population to adolescents aged 12 to 17 based on the phase 2/3 clinical data. Based on the clinical development, we further submitted an IND application for a phase 3 clinical trial for the treatment of uncomplicated influenza in adolescents aged between 12 to 17 in June 2023. As part of the application materials, we submitted our proposed phase 3 clinical trial protocol, as well as the clinical trial data from the phase 2/3 clinical trial in adults to the NMPA. According to CIC, it aligns with industry norms to directly initiate phase 3 clinical trials for age expansion into the adolescent population, provided that the drug has already completed phase 3 clinical trials in adults, and that the similarity in disease pathogenesis and drug mechanism allows for streamlined pediatric clinical designs. Importantly, the NMPA agreed that we can proceed with the phase 3 clinical trial in accordance with our proposed protocol submitted in the IND application. Following the completion of its phase 3 clinical trial, we submitted the NDA to NMPA, which was accepted in April 2025 and subsequently approved by the NMPA in June 2026, further underscoring that the NMPA is agreeable with our clinical development approach.

Recognizing the commercial potential of our Core Product beyond influenza treatment, we initiated communications with CDE on the phase 3 clinical design for post-exposure prophylaxis in February 2024. CDE made a few comments on our phase 3 clinical trial design and we have no difficulties in addressing their comments. Following this communication, CDE had no objection for our strategy to expand the indication for sebaloxavir marboxil tablets to post-exposure prophylaxis. We submitted the IND application for a phase 3 clinical trial for post-exposure prophylaxis in September 2024 in adult population and we obtained the IND approval for this clinical trial in November 2024. The IND approval was further revised in February 2025 to extend high-risk population and pediatric populations aged 5 years old and above. In this trial, "high-risk population" refers to "individuals at high risk for influenza complications," including older adults, pediatric populations, pregnant women, and patients with underlying medical conditions (e.g., those with respiratory or cardiac diseases, and immunocompromised individuals). In April 2025, we obtained the IND approval for phase 3 clinical trial, which reflected our revised IND application of its age group. We plan to initiate this phase 3 clinical trial in 2026. Following the positive data validating the safety and efficacy of sebaloxavir marboxil for suspension, we have further revised the protocol to extend population to children aged 2 years old and above. In February 2026, we submitted the IND application for a phase 3 clinical trial to evaluate the efficacy and safety of the

tablets/suspension formulation of sebaloxavir marboxil for post-exposure prophylaxis of influenza for patients aged 2 years and older, and the IND application was approved by the NMPA in May 2026.

Sebaloxavir Marboxil for Suspension

Overview

We are also developing a suspension formulation of sebaloxavir marboxil specifically designed for pediatric patients to address the unique physiological and compliance challenges in this population. Young children may face challenges to safely swallow tablets due to underdeveloped swallowing mechanisms and higher choking risk, making a suspension formulation essential for effective drug delivery. The suspension formulation offers critical advantages including precise dose adjustment based on body weight, which is crucial given the significant pharmacokinetic variability across pediatric age groups, and improved palatability through taste-masking technologies that enhance medication adherence in a population notoriously resistant to taking medicine. Furthermore, pediatric patients represent a substantial and underserved segment of the influenza market, as children under five years old experience higher infection rates, more severe complications and greater disease burden compared to adults. By developing this age-appropriate formulation, we can capture significant commercial opportunity while addressing a critical unmet medical need, positioning sebaloxavir marboxil as a comprehensive influenza solution across all age groups and establishing a competitive advantage in the pediatric antiviral market.

Development Strategy and Communications with Competent Authority

During the clinical development of the tablet formulation of sebaloxavir marboxil, we identified unmet needs for a pediatric-friendly formulation that would facilitate accurate dosing and administration in younger patient populations who may have difficulty swallowing tablets. In July 2024, we held pre-IND communication with CDE on the development plan for sebaloxavir marboxil for suspension ("**July Pre-IND Communication**"). During this communication, we submitted our proposed clinical development plan for sebaloxavir marboxil for suspension, which consisted of a phase 1 PK bridging study protocol in adults with sebaloxavir marboxil for suspension and a phase 3 pivotal clinical trial protocol, together with our then-available clinical data from the phase 1 through 3 clinical trials with sebaloxavir marboxil tablets. After the communication, CDE confirmed that we may proceed with the phase 1 PK bridging study in accordance with our submitted protocol and recommended us evaluate the sebaloxavir marboxil tablets in a further younger populations aged 5 to 11 to further collect PK data before initiation of phase 3 pivotal clinical trial with sebaloxavir marboxil for suspension. Such an age group was specifically stipulated based on communications with the CDE, as tablets are generally not recommended for children under 5 years old due to swallowability and choking risks. According to CIC, such a regulatory path follows an industry norm for the formulation expansion in China.

Following the feedback of the pre-IND communication, in October 2024, we submitted an IND application to NMPA and obtained its approval in January 2025. According to the IND approval, we were recommended to engage in further communications with CDE prior to the initiation of the phase 3 pivotal clinical trial for sebaloxavir marboxil for suspension. We initiated the PK study of the tablet formulation in patients aged 5 to 11 in October 2024, and completed this PK study in January 2025 and the phase 1 PK bridging study of sebaloxavir marboxil for suspension in adults in April 2025. Afterwards, in May 2025, we initiated pre-phase 3 communications with CDE ("**May Pre-Phase 3 Communication**"). During the communication, we submitted all the then available clinical data with sebaloxavir marboxil for suspension and sebaloxavir marboxil tablets, and a further revised phase 3 clinical trial protocol. Following their review of the safety and PK profile demonstrated in our preceding study, along with existing adult data, in July 2025, the CDE confirmed they have no objections to us proceeding with the phase 3 pivotal clinical trial for sebaloxavir marboxil for suspension in pediatric patients. Accordingly, the CDE approved our IND application to evaluate this suspension formulation — which is specifically designed to

accommodate the dosing and administration needs of younger children — in the broader age group of 2 to 11 years. We initiated the phase 3 clinical trial in October 2025 and completed this clinical trial in June 2026. The NDA application for the suspension formulation was submitted to the NMPA in June 2026 and accepted by the NMPA in July 2026.

Summary of Completed and Ongoing Clinical Trials

Phase 3 Clinical Trial

- **Trial Design:**

  We completed a multicenter, randomized, double-blind, active-controlled phase 3 clinical trial to evaluate the safety and efficacy of sebaloxavir marboxil for suspension compared to oseltamivir phosphate for suspension in pediatric patients aged 2 to 11 years with uncomplicated influenza. We were the sole sponsor of this clinical trial. A total of approximately 168 subjects were enrolled in this trial and randomized in a 2:1 ratio to receive either sebaloxavir marboxil for suspension or oseltamivir phosphate for suspension.

  During the trial, a single dose of sebaloxavir marboxil for suspension was administered on Day 1 with dosing based on body weight ranging from 10mg for subjects weighing under 10 kg to 40 mg for subjects weighing 40 kg or more, while the comparator drug was administered twice daily for five days. The primary endpoint was safety, assessed through adverse events, serious adverse events, vital signs, physical examinations, electrocardiograms and laboratory tests. Secondary endpoints included time to alleviation of influenza symptoms, time to fever resolution, time to viral RNA negativity and viral titer reduction. The trial also evaluated pharmacokinetic characteristics, exposure-response relationships and palatability of the suspension formulation in pediatric patients.

- **Trial Status:** We completed the phase 3 clinical trial in June 2026. We submitted the NDA application to the NMPA in June 2026, which was accepted by the NMPA in July 2026.

Phase 1 Bridging PK Study of Sebaloxavir Marboxil for Suspension in Adults

- **Trial Design:**

  From February 2025 to April 2025, we completed a phase 1 clinical trial with sebaloxavir marboxil for suspension in China. We were the sole sponsor of this clinical trial. This is a single-center, randomized, open-label, two-formulation, two-part, two-sequence, dual-crossover bioequivalence study. Forty healthy adult subjects were enrolled in this trial and were randomized into two cohorts. During the first part of the trial, each cohort will receive sebaloxavir marboxil in either tablet or suspension formulations according to their randomization assignment. During the second part, subjects will cross over to receive the alternate formulation. The two treatment parts will be separated by a washout period of at least 21 days to ensure complete elimination of the drug from the body before the subsequent dose administration. The trial site was West China Second University Hospital, Sichuan University and the lead PI was Dr. Yu Qin (余勤), an experienced clinician-researcher with extensive expertise in pediatric and maternal health.

  The primary endpoints are the pharmacokinetic parameters (C_{max}, AUC_{0-t}, AUC_{0-inf}) and relative bioavailability of the active metabolite sebaloxavir in plasma following administration of sebaloxavir marboxil in either tablet or suspension formulations. The secondary endpoints include: (1) safety assessments evaluated through adverse events, laboratory tests, physical examination, vital signs and 12-lead electrocardiogram; and (2) palatability assessment of the sebaloxavir marboxil for suspension measured based on subject ratings and other PK parameters.

- ***Safety Results***

  Sebaloxavir marboxil for suspension demonstrated favorable overall safety and tolerability. TEAE were reported in 12 subjects (30%) who experienced 17 events of TEAEs following administration of sebaloxavir marboxil for suspension, compared to 18 subjects (45%) who experienced 27 events of TEAEs following administration of sebaloxavir marboxil for suspension. With respect to ADRs, 10 subjects (25%) experienced 13 events of ADRs following administration of sebaloxavir marboxil for suspension, all of which were Grade 1 in severity. Following administration of sebaloxavir marboxil for suspension, 12 subjects (30%) experienced 17 events of ADRs, all of which were also Grade 1 in severity. All ADRs resolved spontaneously without treatment during the study period, further supporting the favorable safety profile of both formulations.

- ***PK Results***

  Following a single oral dose of 40 mg sebaloxavir marboxil for suspension or tablets in healthy subjects, sebaloxavir marboxil was rapidly metabolized to its active metabolite sebaloxavir (parent drug), with plasma concentrations reaching quantifiable levels at approximately 0.5 hours post-dose (the first sampling timepoint). For the parent drug sebaloxavir, the test formulation (T) suspension reached peak concentrations within 2 to 5 hours across subjects, while the reference formulation (R) tablets reached peak concentrations within 1 to 6 hours. The median time to peak concentration (T_{max}) was 4 hours for both formulations. In this study, the geometric mean ratios (T/R) of sebaloxavir marboxil for suspension to tablets were 156.05% for C_{max}, 127.01% for $AUC_{0\text{-}t}$, and 126.00% for $AUC_{0\text{-}inf}$. Although these parameters fell outside the conventional bioequivalence range of 80.00% to 125.00%, indicating that the suspension formulation demonstrated slightly higher bioavailability than the tablet formulation, the variability (CV%) of the pharmacokinetic parameters (T_{max}, C_{max}, $AUC_{0\text{-}t}$, $AUC_{0\text{-}inf}$) was similar between the two formulations. This suggests that the pharmacokinetic profiles of sebaloxavir marboxil for suspension and tablets are comparable.

Clinical Study of Sebaloxavir Marboxil Tablets in Children Aged 5 to 11

- **Trial Design**. As suggested by CDE at the July Pre-IND Communication, we initiated a multicenter, randomized, double blinded clinical study to evaluate the safety of sebaloxavir marboxil tablets in pediatric patients with influenza aged 5 to 11. The study was originally designed to consist of two parts (Part I and Part II). We were the sole sponsor of this clinical trial. Part I, a dose exposure, safety, pharmacokinetics and preliminary efficacy study, enrolled 12 subjects, each of whom received a single oral dose of sebaloxavir marboxil tablet at 20 mg on Day 1 (two 10 mg tablets). Pharmacokinetic samples were collected predose and at 1–2 h, 4 h, 8 h, 24 h (Day 2), 96 h (Day 5), 192 h (Day 9) and 336 h (Day 15) postdose. Part II was initially planned to enroll 168 subjects to further evaluate safety and efficacy; however, following the May Pre-Phase 3 Communication, CDE confirmed that we can proceed directly to a phase 3 clinical study of the suspension formulation in pediatric patients, and therefore Part II of this study was discontinued. The decision to discontinue Part II of the clinical study for the tablet formulation in patients aged 5 to 11 was made voluntarily by us, and it was not requested or suggested by CDE. Furthermore, this voluntary discontinuation did not trigger any additional regulatory conditions, protocol modifications, or safety-related assessments by CDE.

- **Safety Results**. A single oral dose of sebaloxavir marboxil tablets at 20 mg demonstrated a favorable safety and tolerability profile in pediatric subjects aged 5–11 years with uncomplicated influenza and body weight ≥20 kg. Eight of the twelve subjects experienced 22 events of TEAEs, including one Grade 4 creatine phosphokinase elevation and one Grade 3 neutrophil count decrease, both asymptomatic, requiring no treatment and resolving spontaneously, while all other TEAEs were Grade 1 or 2. Three subjects (3/12) experienced five TEAEs considered related to sebaloxavir marboxil tablets, including one Grade 2 hypertriglyceridemia and the remainder Grade 1. No SAEs or TEAEs leading to study discontinuation occurred, only one subject required symptomatic treatment for Grade 1 fever, and all TEAEs resolved completely except for one case of elevated platelet count that improved.

- **Efficacy Results**. Among the 12 enrolled subjects, a total of 10 subjects were included in the intention-to-treat infected ("**ITTI**") population for efficacy analysis, while 2 subjects were excluded from the efficacy analysis due to negative baseline influenza viral RNA by PCR. Based on the ITTI population, the median time to alleviation of influenza symptoms was 34.1 hours, with a range of 5.4 to 89.5 hours, and all subjects achieved complete symptom resolution within 90 hours after dosing. The median time to influenza viral RNA negativity was 32.7 hours. All subjects achieved viral RNA clearance within 192 hours after treatment.

Low Cannibalization Risks

We are currently developing sebaloxavir marboxil in both tablet and suspension formulations, targeting two distinct clinical applications: the treatment of uncomplicated influenza and post-exposure prophylaxis. We believe that the risk of potential cannibalization between these two formulations, as well as between the two usage scenarios, is low. Rather than competing with one another, these formulations and indications represent a highly complementary product portfolio designed to maximize our market penetration and address unmet medical needs across the entire influenza care continuum.

The low risk of cannibalization between the two formulations is primarily due to their mutually exclusive target patient populations, which are defined by age and physiological capabilities. The tablet formulation is specifically designed for adults and older children who can comfortably swallow solid oral dosage forms, offering convenience for the general adult population. In contrast, the for-suspension formulation is tailored to younger children and infants. Younger pediatric patients typically cannot swallow tablets safely and require precise, weight-based dose titration, which is more easily achieved with a suspension solution but would be difficult with fixed-dose tablets. The for-suspension formulation also allows for taste-masking, which is critical for ensuring medication compliance in young children. Consequently, physicians will prescribe the formulation strictly based on the patient's weight and swallowing ability, effectively eliminating direct competition between the two.

Similarly, there is minimal risk of cannibalization between the treatment and post-exposure prophylaxis indications, as they represent entirely separate phases of clinical intervention addressing different medical needs. The treatment indication is prescribed to patients who have already contracted the influenza virus and are actively exhibiting symptoms, with the objective of rapidly reducing viral shedding and alleviating illness. Conversely, the post-exposure prophylaxis indication is preventative, prescribed to healthy, asymptomatic individuals who have had close contact with an infected person to prevent the transmission of the virus, such as family members within the same houshold. Because a patient cannot be simultaneously infected and uninfected, there is no overlapping usage for a single individual. In practice, these indications are expected to drive synergistic sales; for example, a young child diagnosed with influenza may be prescribed the suspension formulation for treatment, while his/her parents and older siblings may concurrently be prescribed the tablet formulation for PEP to prevent a household outbreak.

To manage any theoretical residual risk of cannibalization and ensure clear market positioning, we plan to implement comprehensive mitigation measures during commercialization. We will deploy differentiated marketing and academic promotion strategies, focusing the suspension formulation on pediatricians and children's hospitals to emphasize dosing accuracy and compliance, while marketing the tablet formulation primarily to general practitioners, respiratory specialists, and fever clinics for adult care. Furthermore, the packaging and labeling for both formulations will clearly delineate their intended age groups, dosages, and usage scenarios to prevent dispensing confusion among healthcare professionals and pharmacists. Ultimately, this dual-formulation and dual-indication strategy is designed to comprehensively cover the market and expand our total addressable patient population rather than creating cannibalization and negatively impact our own sales. According to CIC, it is common to have separate formulations to address series of closely-related indications in the pharmaceutical industry.

ZX-8177- Potent and Selective ENPP1 Inhibitor

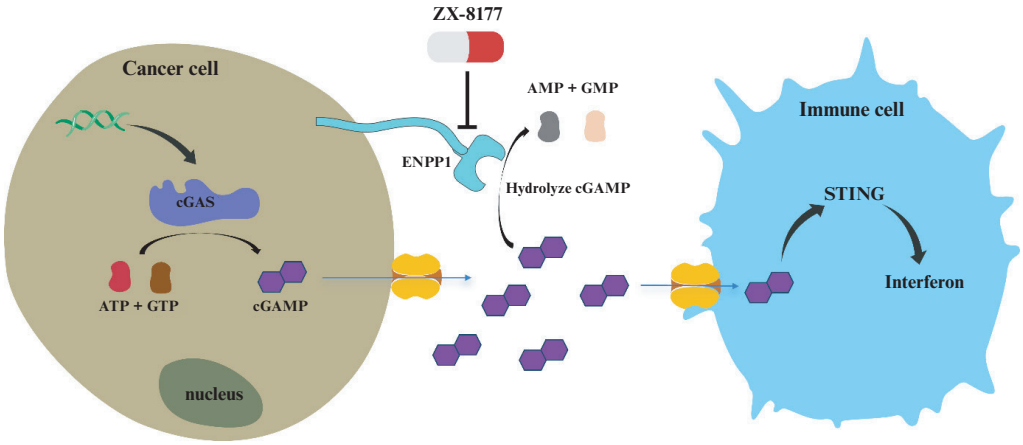
ZX-8177 is a potent and selective ENPP1 inhibitor that demonstrates significant single-agent anti-tumor activity in preclinical models by enhancing STING pathway activation and immune cell-mediated tumor killing. This compound shows synergistic effects when combined with chemotherapy, radiotherapy, PARP inhibitor and PD-L1 antibodies, positioning it as a promising immunotherapeutic agent for solid tumor treatment. We are currently conducting a phase 1 clinical trial of ZX-8177 for the treatment of solid tumors in China. In addition to its development for solid tumor indications, we are also developing ZX-8177 for the treatment of HPP. We submitted an IND application to the NMPA for the HPP indication in August 2026 and plan to initiate a phase 1 clinical trial for the HPP indication in the fourth quarter of 2026.

Mechanism of Action

Chromosomal instability and aberrant cytoplasmic double-stranded DNA are intrinsic features of many cancer cells. When abnormal DNA is present within cells, cyclic GMP-AMP synthase (cGAS) recognizes and binds to this DNA, catalyzing the production of cGAMP, a critical second messenger that activates the STING protein. Activated STING initiates transcription of type I interferons and pro-inflammatory cytokines, triggering anti-tumor immune responses. Importantly, tumor cell-generated cGAMP can be released into the surrounding tumor microenvironment where it activates STING in neighboring immune cells, increasing dendritic cell numbers and enhancing cytotoxic T cell infiltration and activity. However, ENPP1, a cGAMP hydrolase highly expressed across multiple tumor types, degrades this critical danger signal, thereby suppressing anti-tumor immunity. ENPP1 overexpression correlates with poor patient prognosis, establishing it as a clinically promising immunotherapy target.

ZX-8177 is a potent and selective small molecule ENPP1 inhibitor that prevents the degradation of cGAMP in the tumor microenvironment, thereby enhancing STING pathway activation and amplifying anti-tumor immune responses. ZX-8177 has favorable potency with IC_{50} values of 9.43 nM and 31.31 nM (depending on substrate), combined with superior selectivity over other ENPP family members and phosphodiesterase, minimizing unintended effects. Preclinical studies demonstrate that ZX-8177 not only shows significant single-agent anti-tumor activity but also exhibits particularly synergistic effects when combined with DNA-damaging therapies. Conventional treatments such as chemotherapy (platinum agents, taxanes), PARP inhibitors, and radiotherapy induce tumor DNA damage that generates endogenous cGAMP, making tumors more sensitive to ENPP1 inhibition. Combination studies across multiple tumor models confirm that ZX-8177 significantly enhances the efficacy of chemotherapeutic agents, radiation therapy, and PD-L1 antibodies, positioning it as a promising agent for both monotherapy and combination immunotherapy strategies.

HPP is caused by mutations in the ALPL gene, leading to functional deficiency of tissue-nonspecific alkaline phosphatase ("**TNAP**"), which results in ineffective degradation and subsequent accumulation of extracellular inorganic pyrophosphate ("**PPi**"). PPi is a potent inhibitor of mineralization, and abnormally elevated PPi levels significantly suppress the formation of hydroxyapatite crystals, resulting in impaired mineralization of bones and teeth and ultimately manifesting as typical clinical phenotypes such as rickets, osteomalacia, fractures and dental developmental abnormalities. HPP is classified into six subtypes: perinatal (severe), perinatal (mild), infantile, childhood (juvenile), adult and odonto (dental) types. ENPP1 is a key therapeutic target for HPP. ENPP1 antagonists inhibit the enzymatic activity of ENPP1 in hydrolyzing ATP, thereby reducing PPi production and restoring the PPi/Pi balance required for bone mineralization for the treatment of HPP. Enzymological studies have demonstrated that ZX-8177 exerts potent inhibition of ENPP1. Using ATP as a substrate, the IC_{50} of ZX-8177 against ENPP1 was 0.87 nM when measuring AMP production and 2.94 nM when measuring PPi production.



Source: Company information

Market Opportunity and Competition

Transcriptomic and immunohistochemical analyses reveal high ENPP1 expression across solid tumors — including breast, ovarian, pancreatic, colorectal and melanoma — correlating with poor prognosis through accelerated cGAMP degradation, diminished antitumor immunity, and reduced $CD8^+$ T-cell infiltration. The global market size of ENPP1-targeted immuno-oncology therapies is expected to reach approximately US$524 million by 2035.

As of the Latest Practicable Date, there were five ENPP1-targeted oncology drug candidates under actively undergoing clinical trials, whereas ZX-8177 was the only ENPP1 inhibitor in active clinical development for cancer in China.

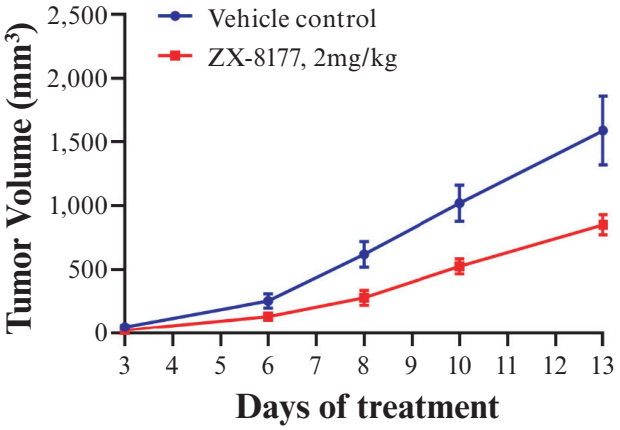
Key Advantages

We believe ZX-8177 has the following advantages.

- ***pH-independent activity to enhance potency***. A fundamental limitation of many ENPP1 inhibitors currently under development is their pH-dependent activity profile. For example, ENPP1 inhibitors may exhibit a loss of potency — over 100-fold reduction — from pH 9.0 to physiological pH of 7.4. This pH dependency represents a critical translational challenge, as ENPP1 operates *in vivo* at physiological pH (~7.4) or acidic tumor microenvironment. An effective ENPP1 inhibitor must therefore maintain high potency under physiological pH conditions. ZX-8177 addresses this fundamental limitation through its molecular design: the compound carries a phosphate group at its terminus rather than a sulfonamide moiety. The phosphate group maintains its negative charge and robust zinc-chelating capability across a broad pH range, successfully overcoming pH sensitivity issues. This design enables ZX-8177 to efficiently and specifically inhibit ENPP1-mediated degradation of both natural and non-natural substrates under physiological conditions, translating *in vitro* potency directly into *in vivo* therapeutic efficacy.

- ***Extracellular targeting with optimized membrane impermeability***. Our development strategy for ZX-8177 intentionally leverages the advantages associated with cell-impermeable ENPP1 inhibitors, a deliberate choice to enhance therapeutic efficacy and minimize potential risks. Currently, ENPP1 inhibitors fall into two distinct classes based on their membrane permeability: 1) phosphate-terminated molecules with cell membrane-impermeability, and 2) sulfonamide-terminated molecules with cell membrane-permeability. Cell-permeable inhibitors carry inherent liabilities. For example, the cell-permeable inhibitor QS1 not only inhibits ENPP1 but also blocks the active extrusion of cGAMP from cells, leading to the decrease in extracellular cGAMP. In contrast, membrane-impermeable inhibitors like STF-1632 are strategically designed to act exclusively in the extracellular space. By selectively inhibiting only extracellular ENPP1, STF-1632 enhances the accumulation of cGAMP (a naturally occurring immune signaling molecule) outside the cell in the tumor microenvironment. This extracellular restriction also minimizes the risk of off-target interactions with intracellular proteins (e.g., kinases), contributing to a cleaner safety profile.

- ***Strong anti-tumor activity as monotherapy in preclinical studies***. In preclinical studies, ZX-8177 monotherapy induces profound and favorable remodeling of the tumor microenvironment. ZX-8177 treatment significantly increases the proportion of $CD8^+$ T cells in tumors, with particularly notable elevations in functional $CD8^+$ GrB^+ T cells and NK cells. Additionally, ZX-8177 increases the overall proportion of tumor-associated macrophages ($CD11b^+$ $F4/80^+$) while significantly shifting macrophage polarization: it substantially increases immunostimulatory M1 macrophages ($CD206^-$ $MHCII^+$) and significantly reduces immunosuppressive M2 macrophages ($CD206^+$ $MHCII^-$). Since $CD8^+$ T cells, NK cells, and M1 macrophages are the primary immune cell populations responsible for anti-tumor immunity, ZX-8177's ability to orchestrate comprehensive tumor microenvironment remodeling represents a critical competitive advantage. This potent capacity to create a tumor microenvironment conducive to anti-tumor immune responses enables ZX-8177 to exert robust anti-tumor effects as a single agent, distinguishing it from many immunotherapy candidates that require combination strategies to achieve meaningful efficacy.

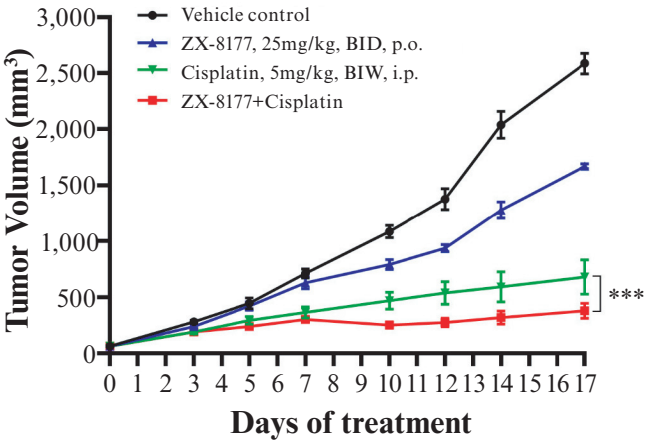


Source: Company information

- ***Combination therapy potential.***

Combination with Chemotherapy

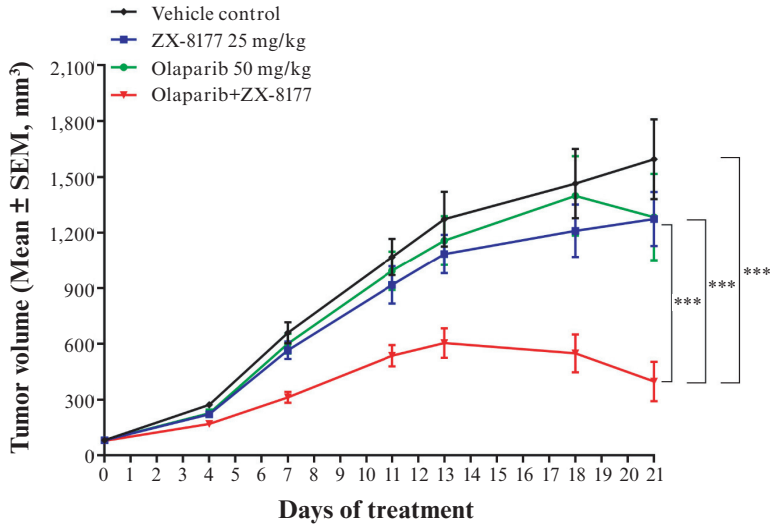
In preclinical studies using the 4T1 mouse breast cancer model, the combination of ZX-8177 (25 mg/kg) with cisplatin showed significant tumor growth inhibition compared to vehicle control ($P < 0.0001$). Importantly, ZX-8177 (25 mg/kg) combined with cisplatin demonstrated superior tumor inhibition compared to cisplatin monotherapy ($P < 0.005$), indicating that the combination therapy provides incremental therapeutic benefit over cisplatin alone. This synergistic effect validates the mechanistic rationale that ZX-8177's prevention of cGAMP degradation amplifies immune activation triggered by cisplatin-induced DNA damage. The ability to enhance the efficacy of standard-of-care chemotherapy agents like cisplatin represents a significant clinical advantage, potentially allowing for improved outcomes in difficult-to-treat cancers such as triple-negative breast cancer while potentially enabling dose reduction strategies to minimize chemotherapy-associated toxicities.



Source: Company information

Combination with PARP Inhibitors

The combination of ZX-8177 with olaparib was evaluated in a PBMC-humanized mouse model bearing subcutaneous xenografts of Hs746T human gastric cancer cells with BRCA1 gene mutations. At 21 days post-treatment initiation, neither ZX-8177 monotherapy nor olaparib monotherapy demonstrated significant tumor inhibition compared to the vehicle control ($P > 0.05$). However, the combination of ZX-8177 and olaparib showed significant tumor inhibition compared to either mono-therapy alone ($P < 0.05$), indicating that ZX-8177 combined with olaparib produces marked anti-tumor effects in the Hs746T model. By preventing ENPP1-mediated degradation of cGAMP, ZX-8177 amplifies the immune activation triggered by PARP inhibitor-induced DNA damage. This combination approach positions ZX-8177 as a potential partner therapy to enhance the efficacy of PARP inhibitors, which are now standard-of-care agents for BRCA-mutant ovarian, breast, pancreatic and prostate cancers, potentially expanding therapeutic options for patients with homologous recombination deficiency-positive tumors.



Source: Company information

Future Clinical Development Plan

We obtained the IND approval for ZX-8177 from NMPA in June 2024 and we are currently conducting phase 1 dose-escalation clinical trial of ZX-8177 monotherapy across advanced solid tumors with biomarker exploration including ENPP1 expression and DNA damage response deficiency-related mutations. The clinical trial was initiated in December 2025, and we expect to complete the clinical trial in the fourth quarter of 2026.

In addition, we are developing ZX-8177 for the treatment of HPP. Subsequent to the Latest Practicable Date, we submitted an IND application to the NMPA for the HPP indication in August 2026. Subject to IND approval, we plan to initiate a phase 1 clinical trial of ZX-8177 for the treatment of HPP in the fourth quarter of 2026.

ZX-12042B — IND-Enabling Stage HPV Infection Drug

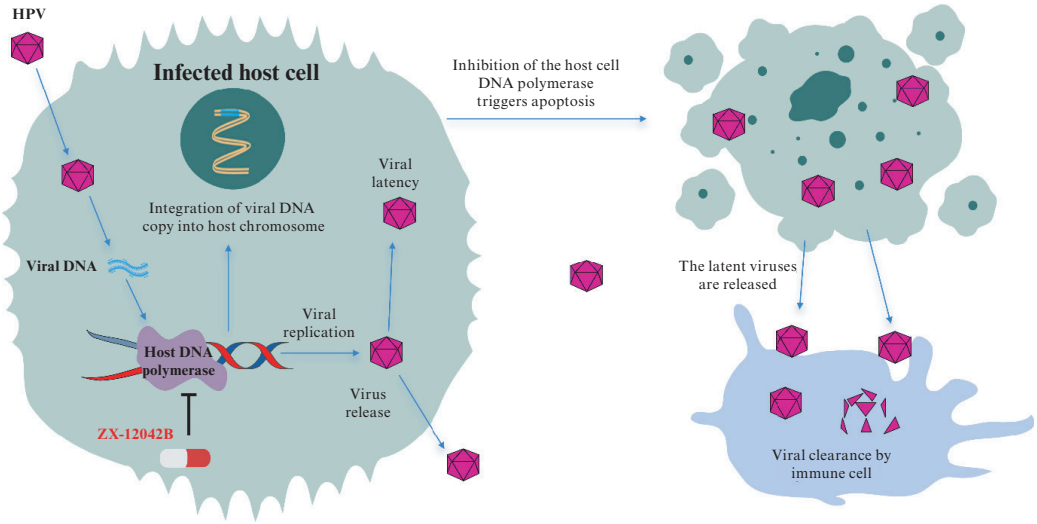
ZX-12042B is a proprietary DNA polymerase inhibitor prodrug that is metabolized to its active form PMEG-DP, which inhibits host cell DNA polymerase to block HPV replication while inducing apoptosis of infected cells to clear pathological lesions such as genital warts and cervical intraepithelial neoplasia ("**CIN**"). This dual mechanism — suppressing viral replication and eliminating HPV-induced proliferative tissue — positions ZX-12042B as a therapeutic, preventive

and transmission-blocking strategy for HPV infections and associated diseases, particularly high-risk HPV-driven cervical precancerous lesions, persistent cervical high-risk HPV infection and viral warts. We are currently conducting IND-enabling studies for ZX-12042B and we plan to submit the IND application to NMPA in the second half of 2027.

Mechanism of Action

Following cellular uptake, ZX-12042B is metabolized to PMEG-DP that functions as a dual-action DNA polymerase inhibitor blocking both viral replication and host cell proliferation. For viruses that depend on host cell DNA replication systems (such as HPV), PMEG-DP inhibits host cell DNA polymerase, thereby preventing viral DNA replication.

Beyond viral suppression, ZX-12042B induces apoptosis in infected host cells, serving a dual therapeutic purpose. This apoptotic mechanism releases HPV virions from dying cells, exposing them to the host immune system for clearance, while simultaneously eliminating pathological proliferative lesions and erosive tissue caused by HPV infection, allowing tissue to return to its normal state. These lesions — including genital warts (condyloma acuminata) and cervical erosive changes — are fundamentally abnormal proliferations of skin or mucosal epithelial cells driven by viral infection. By inhibiting HPV replication and clearing infection-induced pathological lesions, ZX-12042B represents a comprehensive therapeutic strategy that integrates treatment, cancer prevention, transmission blockade and quality of life improvement, providing a differentiated approach for HPV infection management and prevention.



Source: Company information

Market Opportunity and Competition

HPV is a non-enveloped, double-stranded DNA virus belonging to the Papillomaviridae family. Most individuals will experience HPV infection at some point in their lifetime, making HPV infection highly prevalent. The overall prevalence of viral warts in the general population is approximately 7%-12%, while 50%-80% of sexually active individuals may carry HPV. In China, a large-scale study covering over 2.7 million women reported an overall HPV prevalence of 17.7%, accounting for 120 million of female population in China, including 13.1% high-risk types and 4.6% low-risk types.

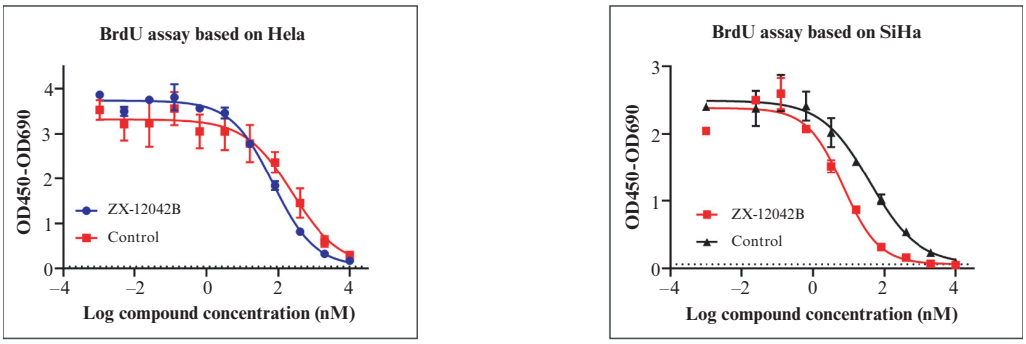
Despite HPV's longstanding disease burden, no approved antiviral drugs directly eliminate infection; current strategies prioritize lesion control and symptom relief yet face substantial limitations. These treatment modalities cannot concurrently eradicate virus and repair lesions, resulting in high recurrence rates.

As of the Latest Practicable Date, there were four anti-HPV drug candidates under clinical trials globally.

Preclinical Results

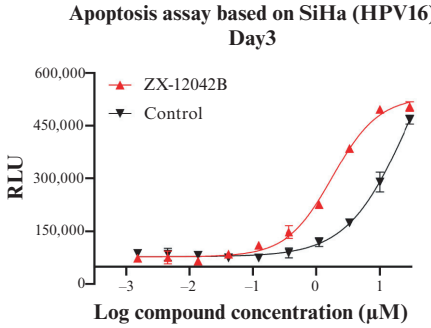
In Vitro

ZX-12042B demonstrated significant inhibitory activity against multiple DNA viruses *in vitro*, with particularly potent effects against HPV-transformed cancer cell lines, validating its mechanism as a DNA polymerase inhibitor capable of suppressing viral replication and infected cell proliferation. *In vitro* studies showed that ZX-12042B, through its active metabolite PMEG-DP, can effectively suppress HPV viral DNA replication with superior inhibitory effects. Specifically, ZX-12042B exhibits significant DNA replication inhibitory activity against HPV-transformed cancer cell lines including HeLa and SiHa cells, with IC_{50} values of 71 nM and 4.7 nM, respectively. These values are substantially lower than those of a clinical stage anti-HPV agent (the control in the following figures). This comparative analysis indicates that ZX-12042B possesses significantly greater potency across multiple HPV-positive cell lines, establishing its superior therapeutic potential for HPV-related diseases.



Source: Company information

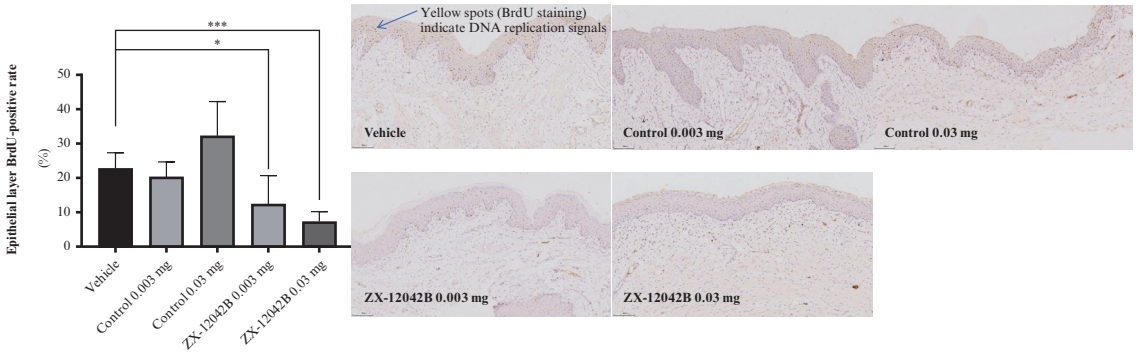
ZX-12042B induces apoptosis in HPV-transformed cancer cells with an IC_{50} value of 1.72 μM, representing approximately 5.5-fold greater potency compared to the clinical-stage control. Preclinical results indicate that ZX-12042B inhibits host cell DNA polymerase, leading to cell cycle arrest and subsequent apoptosis induction. This mechanism not only effectively suppresses viral replication but also eliminates virus-infected host cells, thereby reducing viral dissemination.



Source: Company information

In Vivo

In rat models, both solution and gel formulations of ZX-12042B demonstrated dose-dependent inhibition of rat vaginal epithelial cell proliferation. The solution formulation showed significant inhibitory activity even at low dose (0.003 mg/animal). The gel formulation exhibited significant inhibitory effects at low concentration (0.002%, equal to 0.003 mg/animal) without observable toxic reactions. At high concentration (0.2%, equal to 0.3 mg/animal), ZX-12042B exhibited toxicity manifested as vaginal epithelial layer detachment and dermal inflammatory cell infiltration, establishing the therapeutic window for safe and effective dosing.



Source: Company information

Other Preclinical Drug Candidates

Our drug pipeline also consisted of two preclinical drug candidates, details of which are summarized as follows.

- ***ZX-15002***. ZX-15002 is a proprietary oral helicase-primase inhibitor being developed for the treatment of herpes simplex virus ("**HSV**") infections. ZX-15002 targets the viral helicase-primase complex, a critical component of viral DNA replication that has no known equivalent enzyme complex in the human body, offering a favorable safety profile. Preclinical studies demonstrate that ZX-15002 achieves potent antiviral activity against both HSV-1 and HSV-2 at nanomolar concentrations. The compound's long half-life enables convenient potentially once-monthly oral dosing, making it particularly suitable for managing chronic and recurrent infections. We plan to submit its IND application to NMPA in 2027.

- ***ZX-14000***. ZX-14000 is a proprietary oral STAT6 degrader being developed for the treatment of autoimmune diseases, including atopic dermatitis, asthma, chronic obstructive pulmonary disease, chronic spontaneous urticaria and eosinophilic esophagitis. ZX-14000 utilizes targeted protein degradation technology to selectively eliminate STAT6 protein, offering potential advantages over traditional small molecule inhibitors. Preclinical studies demonstrate that ZX-14000 achieves complete STAT6 degradation in peripheral blood mononuclear cells at picomolar concentrations, effectively suppresses T-helper type 2 ("**Th2**") inflammatory biomarkers, exhibits high selectivity with minimal off-target effects on other STAT family members and displays favorable pharmacokinetic properties including low clearance and high exposure. Safety assessments indicate no significant hERG potassium channel inhibition, suggesting a low risk of cardiac toxicity. We plan to submit its IND application to NMPA in 2027.

RESEARCH AND DEVELOPMENT

We recognize that research and development are vital to our future growth and the maintenance of a competitive edge in the global biopharmaceutical industry. Our research and development strategy focuses on balancing scientific and commercial risks, aiming to align promising indications with market opportunities that can be realistically anticipated. This approach helps ensure that our pipeline is both innovative and commercially viable. We have developed and leveraged a comprehensive, integrated research and development strategy that encompasses target discovery, lead optimization, translational science, preclinical studies and clinical development. Our research and development capabilities are exemplified by our highly skilled and experienced R&D team, which is led by distinguished scientists including our founders — Dr. Yang Jinfu and Dr. Hao Xiaolin, who spearhead research initiatives, drive drug development and provide strategic direction for both business operations and pipeline development. As of the Latest Practicable Date, 51 employees were actively engaged in R&D activities. Among them, 12 held master's degrees and 6 held doctoral degrees, representing 23.5% and 11.8% of our R&D personnel, respectively.

In line with our continuous R&D commitment, in 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs were RMB100.0 million, RMB112.1 million, RMB64.3 million and RMB42.8 million, respectively. We will continue to utilize our technology platform to advance additional proprietary drug candidates targeting more disease areas. In particular, in 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs incurred for our Core Product, sebaloxavir marboxil tablets, amounted to RMB82.3 million, RMB75.6 million, RMB57.7 million and RMB12.5 million, respectively, representing 82.3%, 67.4%, 89.7% and 29.3% of our total research and development costs for the same period. The movement of our research and development costs during the Track Record Period for our Core Product was primarily in line with its clinical and commercialization progress. Specifically, we completed the phase 3 clinical trial of sebaloxavir marboxil tablets in adolescents in February 2025 and submitted its NDA (accepted in April 2025 and subsequently approved by the NMPA in June 2026), for which we had recognized significant CRO and clinical site costs in 2024 when the trial was still ongoing, leading to a decrease in R&D expenses for the Core Product in 2025 as such costs were substantially wound down. In addition, the decrease as a percentage of total research and development costs from 82.3% in 2024 to 67.4% in 2025 reflected our strategic expansion of R&D activities to other drug candidates, in particular sebaloxavir marboxil for suspension following the initiation of its phase 3 clinical trial in pediatric patients in 2025, as well as the commencement of IND-enabling preclinical studies for ZX-14000 and ZX-15002. Such increase in spending on other drug candidates resulted in a higher total R&D cost base in 2025. For the six months ended June 30, 2025 and 2026, the decrease in R&D expenses incurred for our Core Product from RMB57.7 million to RMB12.5 million was primarily attributable to the different stages of clinical development activities for sebaloxavir marboxil tablets. During the six months ended June 30, 2025, we incurred higher clinical trial expenses in relation to the adolescent indication expansion, as the relevant clinical trial was ongoing during such period. During the six months ended June 30, 2026, following the completion of such clinical trial, the related clinical development activities decreased, resulting in lower R&D expenses for our Core Product. Notwithstanding the above, we remain committed to the continued clinical development of our Core Product, including its indication expansion to post-exposure prophylaxis and overseas registration. For details of our planned R&D investment in the Core Product funded by the [REDACTED] of the [REDACTED], see "Future Plans and [REDACTED]." We may continue to incur substantial costs and expenses in relation to R&D activities for our drug candidates.

R&D Framework

We primarily rely on an in-house R&D team for our research and development efforts. Our drug discovery, preclinical and clinical development groups work together, combining expertise from biology, pharmacology, chemistry, toxicology, structural biology, translational science, and clinical research to advance our drug candidates. We have established comprehensive internal capabilities

that cover the entire drug discovery and preclinical development process, including molecular design and optimization, *in vitro* and *in vivo* evaluation of potency and efficacy and assessments of toxicology, pharmacokinetics and pharmacodynamics. Our CMC team manages development of manufacturing processes and quality assurance for API and drug product. Our clinical development division manages all aspects of clinical trials, from study design to clinical operation and the collection and analysis of clinical data. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs were RMB100.0 million, RMB112.1 million, RMB64.3 million and RMB42.8 million, respectively.

Our R&D Team

Our R&D team possesses extensive expertise, profound knowledge and broad experience in drug development. Our R&D team is led by distinguished scientists with extensive experience in drug development. The core R&D staff consists of professionals specializing in the fields of biology, chemistry, CMC and pharmacology, each possessing over 15 years of industry experience. All key personnel involved in the development of the Core Product continue to be employed by the Company during the Track Record Period and up to the Latest Practicable Date. The following table presents a detailed breakdown of the R&D team by function as of the Latest Practicable Date.

Functions	Number of employees by function
Drug Discovery	7
CMC	13
Clinical Development	27
Regulatory Affairs	3
Project Management	1
Total	51

The following table sets forth the identities, positions and expertise of our core R&D personnel as of the Latest Practicable Date, and their involvement and contributions to the R&D activities of our Core Product. We had not experienced any material difficulties in our R&D activities, including the research and development of our Core Product, due to the change of R&D personnel.

Name	Position	Involvement and contributions to the R&D activities, including regarding our Core Product	Time of joining our Group
Dr. Yang Jinfu	Chairperson of the Board and CEO	Formulates R&D strategy and direction for our drug candidates; establishes principles for new drug candidate program initiation; leads the development strategies and timelines for drug candidate program; spearheaded the end-to-end development of our Core Product.	2018
Dr. Hao Xiaolin	CSO	Participates in formulating R&D strategy and direction; leads drug discovery and development, develops and executes specific project implementation plans; spearheaded the end-to-end development of our Core Product.	2018

Name	Position	Involvement and contributions to the R&D activities, including regarding our Core Product	Time of joining our Group
Dr. Sun Min	Senior Vice President of CMC	Leads CMC research, advancing drug development from IND through NDA stages; leads NDA submission and regulatory communications for sebaloxavir marboxil tablets; responsible for post-approval commercialization; oversees commercial manufacturing, quality control, and full lifecycle management of sebaloxavir marboxil tablets.	2021

For details, please see "Directors and Senior Management."

Scientific Discovery and Preclinical Optimization

Our dedicated drug discovery and preclinical team leads target identification and mechanism validation for innovative drug development, oversees compound design and optimization, drives preclinical development, and advances translational science research.

We begin by defining the therapeutic area and target disease. A thorough assessment of market opportunity, patentability, competitive landscape, and potential risks is conducted prior to initiating any research effort. We follow a product-driven approach to project initiation, ensuring that clinical needs and market potential are fully considered while also prioritizing scientific feasibility and differentiating advantages. Projects must demonstrate a high likelihood of scientific success and manageable development risks to achieve a principled balance between innovation and risk, aligned with our strategic objectives. Upon a decision to proceed, we use rational design to guide our SAR (structure and activity relationship) efforts to quickly identify potential lead candidates, which have good potency and selectivity, and acceptable PK properties. Subsequently, *in vivo* studies are conducted to assess efficacy and toxicity profiles. Only drug candidates that satisfy all required features proceed to the preclinical stage.

The preclinical phase encompasses CMC and essential non-clinical studies, typically spanning approximately 12 to 18 months. During this stage, we conduct controlled animal studies to evaluate pharmacokinetics, pharmacology and toxicity.

Clinical Development

As of the Latest Practicable Date, our clinical development team comprised 27 members, including scientists and medical experts with substantial experience in drug development. This team is actively involved in formulating clinical development strategies, designing clinical trial protocols, managing trial operations, monitoring drug safety, and ensuring clinical trial quality control.

Our clinical team drafts trial protocol for IND filings, selects trial sites based on stringent criteria, closely works with contract research organizations ("**CROs**") for clinical trial execution, and participates in ongoing communications with regulatory authorities to ensure the smooth and compliant process of clinical trials.

Clinical Trial Design and Implementation

Our clinical development team is actively engaged across all phases of our clinical trials, from protocol design to investigator and site selection, and ongoing program management. The team monitors treatment responses, analyzes outcomes, and adapts trial designs as needed while exploring predictive biomarkers to inform study design and execution. We employ adaptive trial designs to enhance development efficiency.

Our clinical development team is also responsible for selecting trial sites. The criteria for site selection include the national accreditation for relevant specialties, experience in related new-drug trials, and on-site assessments of hospital size, department capabilities, investigator engagement and patient flow. We have established collaborations with numerous hospitals and PIs in China. This comprehensive selection of trial sites enables us to conduct clinical trials across various indications, stages and jurisdictions. The size and geographic diversity of these sites afford us a strong advantage in conducting large-scale clinical trials domestically and abroad, as well as enabling the concurrent execution of multiple trials. With the support of our partner institutions, we are well-positioned to recruit participants from specific populations, facilitating enrollment in studies that might otherwise face recruitment challenges.

Each trial is overseen by one or two PIs who hold primary responsibility for ensuring adherence to the trial protocol and compliance with good clinical practice throughout the duration of the trial. The PIs are responsible for executing site-level clinical research activities in accordance with trial protocols, applicable laws, regulations and the good clinical practice ("**GCP**") guidelines, which set the quality standards for the overall conduct of clinical trials. To the best of available knowledge, none of the PIs had any past or present relationships with the research group, its directors, shareholders, senior management, or their respective associates.

Relationships with CROs

We outsource certain non-core research and development activities and preclinical testing to reputable third-party CROs in line with industry practice. We predominantly work with reputable CROs, selecting partners based on experience, reputation and quality of service. We typically enter service agreements that specify the detailed preclinical protocols and the required testing and analysis. Compensation is generally structured around the type of testing and analysis performed, with schedules and milestones defined in the agreements to ensure timely execution.

We engage CROs to support our clinical trials. The services they provide under our supervision include clinical trial site management, patient recruitment, clinical monitoring, data management, statistical analysis, pharmacovigilance and report preparation. CRO selection is based on service quality, capability, reputation, cost-effectiveness and research experience. We engaged two CROs for the management and execution of our clinical trials in each year/period during the Track Record Period. No new CROs were engaged during the six months ended June 30, 2026. The following table sets forth the details of our CROs engaged during the Track Record Period.

CROs	Background	Involvement and Contribution	Commencement of Business Relationship	Transaction Amount		
				For the Year ended December 31,		For the Six Months ended June 30,
				2024	2025	2026
				(RMB in thousands)		
CRO A	Founded in 2005, it is a leading CRO located in Beijing, China listed on the Shanghai Stock Exchange specializing in integrated clinical trial services encompassing site management, patient recruitment, data management and regulatory affairs for pharmaceutical companies.	Assist us in clinical trial site management, clinical monitoring, data management and report preparation	Since 2022	11,382.3	7,439.6	nil
CRO B	Founded in 2004, it is a leading integrated biopharmaceutical R&D service platform listed on the Shen Zhen Stock Exchange and the Hong Kong Stock Exchange, providing innovative R&D solutions across the entire drug development cycle for global pharmaceutical and medical device companies.	Assist us in clinical trial site management, clinical monitoring, data management, statistical analysis, pharmacovigilance and report preparation	Since 2020	1,495.9	3,654.6	2,314.6

We typically enter master service agreements that define a detailed scope of work for each study, including explicit metrics for methods, procedures, standards and timelines to ensure high-quality outcomes. We organize regular status meetings and require CROs to provide periodic reports. We closely monitor CRO performance to ensure alignment with our protocols and industry benchmarks, safeguarding data integrity across trials. Access to trial results is restricted to our employees and designated CRO personnel directly involved in the clinical trial. We require our CROs to strictly comply with applicable GCP requirements and other regulatory standards, and conduct periodic audits to verify their adherence to our protocols and applicable regulatory requirements. Our CROs are contractually required to maintain strict confidentiality of all documents, data and records generated during clinical trials, and all intellectual property rights and clinical data arising from their services are owned by us. In respect of our Core Product, our CROs were primarily involved in clinical trial site management and monitoring, patient recruitment and enrollment, data management and statistical analysis for our Phase I and Phase II/III clinical trials and bioequivalence studies. We retained full control over the design of clinical development strategies and protocols, interpretation of clinical results and regulatory submission strategy. Below is a summary of the key terms of a typical agreement we enter with our CROs:

- *Services*. The CRO provides the research services to us, including the implementation and management of a preclinical or clinical research project as specified in the agreement.
- *Term*. The CRO is required to perform its services and complete the preclinical or clinical research project within the prescribed time limit set out in each agreement.
- *Payments*. We are required to make payments to the CRO in accordance with the payment schedule agreed by the parties.
- *Intellectual property rights*. We own all intellectual property rights arising from the preclinical or clinical research project.
- *Confidentiality*. The CRO is required to keep confidential all the data, information or contents we distributed to them related to the project specified in the agreement, and such obligation may survive the termination of the cooperation agreement.

Regulatory Affairs

Our regulatory affairs team oversees the regulatory approval process for our drug candidates, including assembling IND and NDA dossiers, responding to inquiries from relevant health authorities and monitoring ongoing R&D programs to ensure ongoing regulatory compliance. Team members possess deep expertise in the regulatory frameworks of key agencies, including NMPA, CDE, NIFDC and CFDI, among others.

CHEMISTRY, MANUFACTURING & CONTROLS

CMC Team

Our CMC team is an integrated part of our R&D functions, who provides preclinical and clinical support throughout the product development process. CMC performs vital roles including process development, scale-up, optimization, characterization and validation, control method development and validation and management and coordination of contract development and manufacturing organization ("**CDMO**"). As of Latest Practicable Date, our CMC team consisted of 13 professionals with extensive experience in process development, production and quality management from well-known biopharmaceutical and pharmaceutical companies. Our CMC team members have on average of over 10 years' experience.

Our CMC capabilities include:

- *Preclinical support*. Our CMC process development team is integrated into the R&D workflow to support product discovery by generating materials for early-stage discovery, preclinical, and IND-enabling studies, and by preparing CMC-related regulatory submissions.
- *Clinical support*. For ongoing clinical trials, our CMC teams oversee the supply of Investigational Medicinal Products ("**IMPs**"), collaborating with internal clinical and regulatory teams as well as external suppliers to ensure timely and regulatory-compliant supply.
- *Commercial manufacturing*. Our CMC team will oversee the commercial manufacturing process with CDMOs.

Collaboration with CDMO Partners

As of the Latest Practicable Date, we had not established any in-house manufacturing facility for clinical and commercial-scale production. We collaborate with CDMO partners to conduct and support our preclinical, clinical trials and commercial manufacturing in line with industry practice. We collaborate with our CDMO partners to manufacture certain drug substances, such as the APIs of our drug candidates to supply for preclinical studies and clinical trials. In respect of our Core Product, sebaloxavir marboxil tablets, our CDMO partners were primarily involved in the manufacturing of APIs, the manufacturing of drug products for preclinical studies, clinical trials and commercial supply. We also engaged CDMO partners to manufacture sebaloxavir marboxil tablets for its approval of commercialization in July 2025. During the Track Record Period, we engaged six, seven and eight CDMOs in 2024, 2025 and the six months ended June 30, 2026, respectively. Our associated costs paid to CDMOs were approximately RMB10.3 million, RMB17.4 million, RMB6.8 million and RMB5.0 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

We selected our CDMO partners after thoroughly evaluating factors such as manufacturing capacity and qualifications, service and product quality, reputation, costs and alignment with our R&D objectives. To monitor and evaluate the partner's performance, we have implemented internal controls to ensure full compliance with applicable regulatory requirements and our internal quality management system. We require our CDMO partners to strictly comply with applicable GMP and cGMP standards, and our CMC team conducts periodic audits of their manufacturing facilities to verify compliance with applicable standards and our internal quality requirements. Our CDMO partners are contractually required to maintain strict confidentiality of all proprietary information, including manufacturing processes, formulations and analytical methodologies, and are prohibited from using such information for any purpose other than the performance of their obligations under the relevant agreements. Our agreement with the CDMO specifies detailed manufacturing procedures and requirements to ensure that drug products for the clinical trial meet our stringent quality standards. Below is a summary of the key terms of a typical agreement we enter with our CDMOs:

- *Services*. The CDMO shall produce drug candidates/drugs as specified in the master agreement or a work order.
- *Term*. General ranges from three to five years with option to renewal. The CDMO is required to perform its services prescribed timeframe set out in the master agreement or a work order.
- *Payments*. We are required to make payments to the CDMO in accordance with the payment schedule agreed by the parties upon our inspection and approval them.
- *Intellectual properties*. We own all intellectual property derived from the clinical research project, and we are entitled to apply for patent for such intellectual properties.

- *Exclusivity*. The CDMO promises not to develop or manufacture similar or identical products related to this project, nor will they sell the raw materials or finished products to third parties.

While do not currently own any in-house manufacturing facilities, we have implemented a number of measures to ensure adequate product supply during peak seasons. We have increased the production batch sizes for both the API and finished tablets of our Core Product to enhance production efficiency and shorten production cycles. To mitigate supply concentration risk, we have engaged or are in the process of engaging secondary suppliers for both API and tablet manufacturing, which will provide additional production capacity and reduce our reliance on any single manufacturer. In addition, our Core Product has a favorable stability profile, which allows us to build up sufficient inventory ahead of peak seasons based on market demand forecasts and to carry forward any remaining inventory to subsequent selling periods.

COMMERCIALIZATION AND SALES MODEL

We have formulated flexible commercialization strategies for sebaloxavir marboxil across different formulations, taking into account the market conditions in different jurisdictions. During the Track Record Period, we primarily utilized a CSO and distribution model to sell our Core Product, sebaloxavir marboxil tablets, in China. Although sebaloxavir marboxil has not yet been approved in overseas markets, we plan to leverage CSO and distribution sales models for its overseas expansion.

China Market

As sebaloxavir marboxil tablets, our Core Product, were only approved in China in July 2025 and officially launched in October 2025, this product is still under ramp-up stage in China. We primarily collaborate with a nationwide CSO, namely Jumpcan Pharmaceutical Group Co., Ltd (濟川藥業集團有限公司) ("**Jumpcan Pharmaceutical**"), and maintain a distribution network to grow market share by leveraging their established network. As advised by CIC, our commercialization model in China is in line with the market practice.

We retain substantive control over the overall commercialisation strategy of the Core Product in Chinese Mainland. Specifically, under the agreement with Jumpcan Pharmaceutical, we: (i) retain the final decision-making authority on product pricing and price adjustments; (ii) control NRDL access strategy; (iii) determine the centralized procurement and bidding strategy; (iv) have final approval authority over distributor selection; (v) retain all intellectual property rights (including newly developed IP during cooperation); (vi) remain the sole marketing authorization holder; (vii) are solely responsible for R&D, registration, production and commercial supply; and (viii) retain the right to approve all promotional materials prior to use and to supervise our product's distribution to end-customers and channel compliance. While Jumpcan Pharmaceutical has been engaged as the exclusive CSO for the cooperative indications in Chinese mainland, its role is limited to the execution of promotional services, including customer visits to deliver approved academic information, organizing regional seminars, collecting post-market feedback and adverse reaction data, and gathering regional healthcare and procurement intelligence. Under our substantial control and authority over the overall commercialization strategy, in line with its role as a CSO, Jumpcan Pharmaceutical is responsible for day-to-day channel development and coordination, including (i) identifying and recommending potential distributor candidates, and submitting candidate lists to the JSC for discussion, from which we make the final selection; (ii) using reasonable commercial efforts to expand the geographic and customer coverage of distributors; (iii) conducting qualification reviews of distributor candidates to ensure they meet applicable legal requirements and are local mainstream distributors; (iv) along with us, establishing effective mechanisms to supervise sales and promotion activities of distributors to ensure that distributors do not engage in conduct that would cause economic or reputational harm to the Company; and (v) providing monthly written reports regarding the sales of our products, among others. Distributors are selected from candidate lists proposed by Jumpcan Pharmaceutical and reviewed by the JSC. We make the final selection of

distributors from the list provided by Jumpcan Pharmaceutical. Our Core Product is directly sold to distributors under a buyer-seller relationship. Jumpcan Pharmaceutical, except that one of its subsidiaries acted as one of our distributors, does not purchase our products for resale to other distributors. We determine the ex-factory prices with reference to weighted average tax-exclusive tender price, which is determined through provincial level centralized bidding processes.

Relationship with CSO — China Sales and Promotion Agreement

We recognize that CSOs are essential to building a scalable marketing ecosystem. In August 2023, we entered into an exclusive sales and promotion agreement with Jumpcan Pharmaceutical for sebaloxavir marboxil oral formulations, including but not limited to both tablet and suspension formulations (the "**China Sales and Promotion Agreement**"). Jumpcan Pharmaceutical is a subsidiary of Hubei Jumpcan Pharmaceutical Co., Ltd., a pharmaceutical company incorporated in China and listed on the Shanghai Stock Exchange (stock code: 600566). It specializes in the research, development, production and distribution of drugs, particularly focusing its R&D and commercial capabilities on pediatric, respiratory, gastrointestinal, and gynecological therapeutics. Pursuant to the China Sales and Promotion Agreement, we have granted Jumpcan Pharmaceutical and its affiliates the exclusive right to sales and promote sebaloxavir marboxil oral formulations (including but not limited to tablets and suspension formulations) (the "**Licensed Field**") in Chinese mainland (the "**Territory**") across all online and offline hospitals, clinics, and pharmacies. It has a period of 15 years after 2025, being the first indication of sebaloxavir marboxil oral formulations is approved in the Territory. During the term, we may not, without Jumpcan Pharmaceutical's prior written consent, directly or indirectly promote the product or supply it to any third party (other than tier-one distributors) within the Territory, save that we retain the right to engage with medical professionals for research and development, medical information dissemination, and product publicity purposes, and to supply the product for clinical trials, patient assistance programs, and charitable donations. We remain the marketing authorization holder and retain all intellectual property rights in the product.

The China Sales and Promotion Agreement established a joint steering committee (the "**JSC**") to support the overall coordination of the activities under this agreement. The JSC should comprise six members in total, with each party entitled to appoint three representatives. The JSC shall endeavor to make decisions by consensus. If consensus is not reached by the JSC, Jumpcan Pharmaceutical shall have the sole authority to make the final decision with respect to any matter related to the promotion of sebaloxavir marboxil oral formulations within the Licensed Field in the Territory, while we have the sole authority to make the final decision with respect to any other matters related to sebaloxavir marboxil oral formulations. In addition, Jumpcan Pharmaceutical is responsible for distributor selection and management, with such selections subject to review by the JSC. We are responsible to select distributors from the list provided by Jumpcan Pharmaceutical.

We have granted Jumpcan Pharmaceutical a non-exclusive, sub-licensable license to use only our intellectual property as is necessary for promoting the Licensed Field within the Territory. In addition, all intellectual property in promotional materials and trade dress belongs to us, and we have granted Jumpcan Pharmaceutical a free, territory-exclusive, non-transferable, sub-licensable license to use such materials solely for promotion of the Licensed Field. We retain all rights regarding sebaloxavir marboxil oral formulations beyond the Licensed Field in the Territory and all rights with regard to sebaloxavir marboxil oral formulations outside the Territory, including but not limited to rights to develop, apply for registration, manufacture and price the product, as well as intellectual property rights not expressly granted under the China Sales and Promotion Agreement.

Either party may terminate China Sales and Promotion Agreement by written notice if the other materially breaches any term or condition and fails to cure such breach within 60 days of receipt of written notice (where curable) or obtain the non-breaching party's waiver. We may also terminate the China Sales and Promotion Agreement if Jumpcan Pharmaceutical's sales performance falls materially below the agreed target levels for consecutive years, subject to a good faith consultation period. Jumpcan Pharmaceutical may terminate the China Sales and Promotion Agreement upon written notice if, among other things, a competing generic product is launched prior to expiry of the Licensed Field's compound patent, the compound patent is invalidated, we lose the marketing authorization for the product, or we fail to pay promotion service fees for a prolonged period. Upon termination, all rights and licenses granted to Jumpcan Pharmaceutical automatically terminate, and Jumpcan Pharmaceutical is required to cease all promotion activities and return all product-related materials to us. Termination is also available if the counterparty undergoes a general assignment for the benefit of creditors, files for bankruptcy, consents to the appointment of a receiver, trustee, or similar officer for its business or substantial assets, or initiates or becomes subject to insolvency, reorganization, arrangement, dissolution, liquidation, or similar proceedings under applicable law, provided such proceedings are not dismissed within thirty days, subject to thirty days' prior written notice.

Under the China Sales and Promotion Agreement, Jumpcan Pharmaceutical agreed to pay us a total consideration consisting of (i) a non-refundable upfront payment of RMB50.0 million upon signing the aforementioned agreement, which was determined based on arm's length negotiation between the parties; and (ii) milestone payments upon obtaining regulatory approval of additional indications in Chinese mainland (maximum aggregate of RMB70.0 million). Each milestone payment is payable only once upon first achievement of the relevant triggering event and Jumpcan Pharmaceutical is required to make payment within 10 business days of receipt of our invoice. Following the first commercial sale of the Licensed Field in Chinese mainland, we are required to pay Jumpcan Pharmaceutical promotion service fees calculated on a tiered basis by reference to annual product sales, with a medium double-digit percentage service fee based on future sales. The service fees are settled on a monthly basis, subject to annual reconciliation. In addition, Jumpcan Pharmaceutical agreed to participate in the Series C pre-[REDACTED] investment, subscribing 5,066,930 shares of our Company or a total investment amount of approximately RMB60.0 million, which was fully settled on October 13, 2023. For details, please see "History and Corporate Structure — Pre-[REDACTED] Investments — Equity Financing."

The China Sales and Promotion Agreement sets out annual target promotion sales volumes, jointly determined by the parties based on market potential analysis and subject to annual review and adjustment. The initial targets range from several million to tens of millions tablets per annum during the first three full years following the commercialization of certain Licensed Field, with targets from the fourth year onwards determined by reference to a market share percentage of total influenza market patient volumes based on third-party data. The target promotion sales volumes are subject to adjustment or disapplication in certain circumstances.

As advised by CIC, the arrangement of the China Sales and Promotion Agreement is in line with the industry norm. As of the Latest Practicable Date, we have received the RMB50.0 million non-refundable upfront payments from Jumpcan Pharmaceutical.

Management of CSO

We have established a robust and methodical CSO management framework designed to facilitate the ongoing monitoring of sales practices and performance. Through this system, we ensure that our CSOs maintain a thorough understanding of market demand and execute market strategies with a high degree of efficiency.

- *Assessment of CSOs*. We have developed rigorous CSO evaluation criteria to systematically assess each partner's professional capabilities, market experience, and industry reputation. Our assessment process encompasses multiple dimensions, including but not limited to historical performance track records, team competency, market acumen, and compliance standing.

- *Implementation of market strategies*. To ensure the effective execution of our market strategies, we collaborate closely with our CSO team to develop detailed marketing and implementation plans. Through regular strategy sessions and structured feedback mechanisms, we ensure that market strategies are accurately communicated to our CSOs and continuously refined during execution.

- *Training for personnel of promotion service providers*. Recognizing that the professionalism and service quality of our CSO team directly impact marketing effectiveness, we have established a comprehensive training program covering market trend analysis, product knowledge, sales skills, and compliance education. Through a combination of online and offline training, we continuously enhance the expertise and capabilities of our CSO personnel.

We also have implemented a comprehensive framework of monitoring measures to ensure that Jumpcan Pharmaceutical comply with all applicable laws and regulations, as well as the relevant contractual terms.

- *Internal Compliance Oversight*. We maintain an internal compliance team responsible for the ongoing supervision of Jumpcan Pharmaceutical's operations, including (i) conducting periodic reviews of Jumpcan Pharmaceutical's business practices; (ii) verifying adherence to applicable legal and regulatory requirements; and (iii) reporting findings to senior management and.

- *Contractual Compliance Mechanisms*. Our contractual arrangements with Jumpcan Pharmaceutical include provisions requiring compliance with all applicable laws, regulations, and industry standards.

- *Inspection Rights*. We are entitled to inspection rights on a regular basis. These audits may include reviews of (i) financial records and distribution logs; and (ii) promotional materials and other compliance-related documentation.

- *Regulatory and Legal Monitoring*. We monitor changes in applicable laws, regulations, and industry guidance that may affect Jumpcan Pharmaceutical and its distributors.

To the best of knowledge of our Directors, Jumpcan Pharmaceutical does not currently promote or distribute any products that directly compete with our Core Product. Jumpcan Pharmaceutical is concurrently engaged by other pharmaceutical companies as a CSO across a broad portfolio of healthcare therapeutics, which may give rise to actual or potential conflicts of interest or competition. To address these risks, we have implemented the following measures:

- *Contractual Restrictions*. The China Sales and Promotion Agreement include non-compete and exclusivity provisions that restrict Jumpcan Pharmaceutical from promoting or distributing products that are anti-influenza drugs containing PA inhibitors, PB2 inhibitors, or neuraminidase inhibitors within the same geographic markets.

- *Product Portfolio Review*. We conduct periodic reviews of Jumpcan Pharmaceutical's product portfolio and client engagements to identify any actual or potential overlaps or conflicts with our products. These reviews are carried out by us in coordination with relevant business units.

- *Remedial Actions*. In the event that an actual or potential conflict of interest or competitive overlap is identified, we reserve the right to require Jumpcan Pharmaceutical to take corrective measures, and may exercise our termination rights under the applicable agreement if the conflict cannot be satisfactorily resolved.

Relationship with Distributors

In July 2025, sebaloxavir marboxil tablets were approved by NMPA for the treatment of influenza in adults and were commercially launched in October 2025. We adopted a distribution model to commercialize sebaloxavir marboxil tablets during the Track Record Period. Our distributors sell our Core Product, sebaloxavir marboxil tablets, to end customers through public hospitals, retail pharmacies and online platforms. This enables us to efficiently deepen our market penetration in a cost-effective manner. Under this model, we have a seller-buyer relationship with our distributors.

In 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue generated from sales of sebaloxavir marboxil tablets under the distribution model amounted to nil, RMB5.0 million, nil and RMB2.2 million, respectively. Since its commercial launch in October 2025 in China, our Core Product, sebaloxavir marboxil tablets, has achieved penetration across 49 hospitals under the distributor model. Among these, 21 are Class III or higher class hospitals and 22 are Class II hospitals. For the six months ended June 30, 2026, we sold 13,038 boxes of sebaloxavir marboxil tablets to distributors.

Distributor Selection

During the Track Record Period, we engaged distributors for offline and online business to sell our sebaloxavir marboxil tablets, including offline distributors and online distributors. We primarily select our offline distributors based on various criteria, including their scale and geographical coverage, capabilities in pharmaceutical procurement bidding, experience with influenza products, reputation, industry track record, delivery capabilities, compliance record, financial conditions and creditworthiness. With respect to the selection of online distributors, we select our online distributors based on criteria including their business reputation and industry standing, sales capability and track record in distributing pharmaceutical products, and compliance with all applicable laws and regulations.

We primarily manage our distributors through established distribution agreements, policies and measures. These ensure our sales to distributors reflect genuine market demand and their adherence to agreement terms. Upon identifying potential non-compliance, we promptly address the issue with the distributor, requiring rectification within a specified timeframe. Failure to comply entitles us to terminate the distribution agreement. Key terms of our distribution agreement are summarized as follows:

	Offline Distributors	Online Distributors
Term:	Typically, one year	Typically, one year
Authorization region:	The agreement grants the offline distributor authorized rights to distribute products within a specified region.	The agreement grants the online distributor the authorized right to distribute to selected customers by us within China.
Sales targets and pricing:	The agreement does not contain a minimum sales requirement or sales targets.	The agreement does not contain a minimum sales requirement or sales targets.

	Offline Distributors	Online Distributors
Payment and delivery:	We require most of our offline distributors to pay within 30 days after receiving the invoice. After receiving the offline distributor's order, we are responsible for third party logistic transportation costs.	We require our online distributor to pay within 30 days after receiving the invoice. We deliver products to online distributor within seven days after placing orders. We are responsible to arrange third-party logistics to deliver the goods.
Returns and exchanges:	Our products are not eligible for returns unless there are defects or failure to delivery.	Our products are not eligible for returns unless there are defects reported within three business days or failure to delivery, excluding distributor-caused quality issues.
Termination.	Either party may terminate the agreement if the other party commits a material breach. The breaching party shall compensate the non-breaching party for any losses incurred as a result.	We may terminate the agreement upon 15 days' written notice if the online distributor commits a material breach, such as violating anti-corruption rules, failing to provide sales traceability data, or conducting unauthorized sales outside the authorized region.

During the Track Record Period and up to the Latest Practicable Date, to the best of our Directors' knowledge, all of our distributors were Independent Third Parties, and none were controlled by our current or former employees. None of our Directors or their respective associates or any shareholder of our Company who, to the knowledge of our Directors, owns more than 5% of the issued share capital of our Company, have any interest in any of these distributors. In addition, to our best knowledge, there was no past or present relationship or arrangement, including family, business, financing, guarantee or otherwise, between us and our distributors during the Track Record Period.

Movement of Distributors

We started to engage distributors upon sebaloxavir marboxil tablets received regulatory approval for the treatment of influenza in adults in July 2025. As of June 30, 2026, we have engaged 30 distributors across China, among which one of them is an online distributor. The following table sets forth the total numbers of our distributors to whom we directly sold our products and their movement during the Track Record Period.

	For the year ended December 31,		For the six months ended June 30,
	2024	2025	2026
Number of distributors at the beginning of the period	—	—	26
Number of new distributors during the period	—	26	6
Number of discontinued distributors during the period	—	—	2
Number of distributors at the end of the period	—	26	30

Note:

The number of distributors engaged refers to (i) distributors that had entered into distribution agreements with us, regardless of whether the distributor had placed order; and (ii) distributors that had entered into preliminary intention for distribution arrangement with us and were in the process of negotiating and finalizing distribution agreements as of the same date.

Management of Distributors

We maintain strict control over our distribution network to prevent unauthorized sales or cannibalization, while actively managing inventory levels to ensure optimal product availability and minimize excess stock. We have implemented the following measures to prevent cannibalization and channel stuffing:

- **Regular communication**: We maintain regular communication with distributors to track channel inventory levels, preventing shortages or abnormal build-ups. We conduct reviews with our distributors to assess their inventory positions and work closely with them to optimize order quantities and delivery schedules.
- **Short credit terms**: We require most of our distributors to pay within 30 days after receiving the invoice. We believe our distributors are incentivized to place orders based on the actual market demand.
- **Distribution restrictions**: Our distributors are designated by region or channel, and each distributor is responsible for sales within its assigned region or channel. This allocation minimizes overlap and ensures a clear delineation of distribution responsibilities. Any suspected instances of unauthorized cross-region sales would be promptly investigated in a timely manner, and appropriate action would be taken to uphold the integrity of our distribution network.
- **Track of products.** We have implemented a track-and-trace system for all products. Before leaving our facilities, each package is scanned, creating a traceable record of its intended destination. We require our distributors to maintain this chain of custody through scanning upon receipt and distribution, providing us with regular updates on product flow. Our sales team conducts periodic audits to verify the accuracy of this data and ensure compliance.

- **Minimal product returns**: Returns are permitted only for defects or delivery failures.

During the Track Record Period and as of the Latest Practicable Date, we were not aware of any material cannibalization or competition among our distributors within the same geographical area. We believe that the above measures are sufficient to address potential cannibalization and competition among distributors.

Implication of and Compliance with the "Two-Invoice System"

Since early 2017, the two-invoice system has been gradually implemented across China. The two-invoice system permits a maximum of two invoices along the sales chain from a pharmaceutical manufacturer to a public medical institution in China. It currently applies to the sales of all pharmaceuticals to public medical institutions in all provinces, municipalities and autonomous regions in China. See "Regulatory Overview — Principal Regulatory Laws and Regulations — Laws and Regulations in Relation to the Pharmaceutical Industry — Drug Distribution and Two-Invoice System."

In accordance with the two-invoice system, we only have one-layer of regional distributors for approved product sold to public hospitals and medical institutions. During the Track Record Period and up to the Latest Practicable Date, we did not engage any sub-distributors directly for approved product sold to public hospitals and medical institutions. In the event that our distributors are found to have engaged sub-distributors for its sales to public hospitals and medical institutions in China and violates the two-invoice system, the distributor will be subject to penalties including disqualification of public bidding or distribution of pharmaceutical products and inclusion in the incredible pharmaceutical procurement record; however, as of the Latest Practicable Date, there were no effective PRC laws or regulations that explicitly stipulated whether we shall bear the legal consequences for the aforementioned behavior of our distributors. As advised by our PRC Legal Advisors, we have complied with the Two-Invoice System during the Track Record Period and, excluding exempt intra-group distribution arrangements, we have not engaged any sub-distributors for the sales of our Core Product, sebaloxavir marboxil tablets, through public hospital channels.

In the cases that the end-customers are private hospitals and medical institutions or pharmacies, we do not prohibit our distributors from engaging sub-distributors, the two-invoice system does not prohibit us from using sub-distributors. We do not have contractual relationships with any sub-distributors engaged by our distributors, and our distributors are primarily responsible for monitoring the performance of the sub-distributors they engage. As advised by CIC, such practice is in line with industry norm.

In order to maintain our compliance with the two-invoice system, we have adopted a series of internal control measures, including but not limited to (i) conducting background checks and qualification reviews to ensure that our distributors hold valid licenses, certifications, (ii) specifying the designated geographic areas for distribution in agreements with distributors, with provisions to terminate cooperation in the event of violations, (iii) reviewing transactions invoices to ensure consistency and compliance across the sales process, and (iv) conduct regular review of sales channels on a monthly basis, requiring distributors to provide records of final sales destinations to hospitals or clinics. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we were not subject to any administrative penalties due to issues related to the two-invoice system.

Overseas Markets

As of the Latest Practicable Date, sebaloxavir marboxil had not been approved in overseas market. We are exploring its commercial potential in overseas markets through collaboration with local partners, and have engaged Cigalah Medpharm, a fast-growing pharmaceutical company in the UAE, with an aim to commercialize sebaloxavir marboxil across the MENA region. According to CIC, the influenza treatment and prophylaxis drug market in the MENA region was approximately US$50 million in 2025 and is expected to grow at a CAGR of 7.4% from 2026 to 2035. Influenza in the MENA region exhibits weak seasonality and multi-peak circulation across temperate and Gulf countries, with an annual symptomatic incidence of approximately 10.2%. However, the availability of novel antiviral agents in the region remains limited, with treatment options largely confined to generic oseltamivir. We believe this presents a favorable market entry opportunity for sebaloxavir marboxil as a differentiated, single-dose PA inhibitor therapy. While the collaboration with Cigalah Medpharm covers the broader MENA region, our immediate commercialization focus is primarily concentrated on Saudi Arabia and the United Arab Emirates (UAE). These two markets represent our strategic priorities due to their favorable business environments, robust healthcare infrastructure, and strong patient affordability.

Partnering with Cigalah Medpharm to commercialize our sebaloxavir marboxil oral formulations (including but not limited to tablets and suspension formulations) in the MENA region offers compelling strategic and commercial advantages. Cigalah Medpharm brings over a century of commercial heritage, an extensive distribution network and full-spectrum commercialization capabilities that can significantly shorten market entry timelines. The partnership model enables monetization through milestone payments and sales royalties while avoiding the substantial cost and risk of building independent infrastructure in the MENA region. Cigalah Medpharm in turn benefits by adding a differentiated antiviral therapy to its portfolio. The collaboration thus delivers rapid commercialization, controlled risk, and maximized long-term returns for both parties.

The MENA region is subject to varying degrees of geopolitical risk, including armed conflicts and sanctions programs administered by relevant international authorities. For details of the relevant sanction risks, see "Risk Factors — Risks Relating to Government Regulations — We could be adversely affected as a result of any transactions we have with countries that are, or become subject to, sanctions administered by the Relevant Sanctions Authorities." Our immediate commercialization focus in the MENA region is primarily concentrated on Saudi Arabia and the UAE, neither of which is subject to comprehensive sanctions and both of which maintain stable political environments and robust healthcare infrastructure. As of the Latest Practicable Date, we were not aware of any geopolitical tensions, armed conflicts or sanctions that had materially affected or are expected to materially affect our ability to obtain regulatory approvals, access markets or achieve projected sales in these two priority markets. In addition, our collaboration with Cigalah Medpharm and our commercialization plan for the Core Product in the MENA region had not been adversely affected by any geopolitical events or sanctions during the Track Record Period.

MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations

In July 2025, we entered into a license and distribution agreement with Cigalah Medpharm Trading LLC ("**Cigalah Medpharm**") in relation to sebaloxavir marboxil oral formulations (including but not limited to tablets and suspension formulations) (the "**MENA License and Distribution Agreement**"). Cigalah Medpharm is a leading company dedicated to providing innovative and high-quality products to cover a wide range of customer needs within the healthcare field and has grown to become a fast-growing pharmaceutical company in the UAE. Pursuant to the MENA License and Distribution Agreement, we have granted Cigalah Medpharm the exclusive right to distribute sebaloxavir marboxil oral formulations for the treatment and post-exposure prophylaxis of influenza (the "**Licensed Field**") 12 MENA countries, with Saudi Arabia and the UAE being our immediate target markets (the "**Territory**"). We are responsible for

carrying out the PK bridging study and zone IV stability test of sebaloxavir marboxil oral formulations required for the regulatory approval and distribution in the Territory. We shall provide reasonable assistance to Cigalah Medpharm required in connection with the application of regulatory approval of sebaloxavir marboxil oral formulations in the Licensed Field. The assistance we provide to Cigalah Medpharm in obtaining regulatory approval in the Territory is a one-off arrangement. We hold all regulatory approvals in the Territory, and Cigalah Medpharm is responsible for maintaining and renewing such approvals at its sole cost and expense. We shall manufacture and supply the sebaloxavir marboxil oral formulations to Cigalah Medpharm in fully packaged and labeled form in accordance with applicable laws and regulatory approval. The MENA License and Distribution Agreement has a period of 10 years after the first commercial sale of sebaloxavir marboxil oral formulations in the Territory. Cigalah Medpharm shall, at its sole cost and expense, obtain, maintain, and renew regulatory approval in each country in the Territory. Cigalah Medpharm must purchase the Product exclusively from us. Cigalah Medpharm must use its best efforts to distribute and promote the Product in accordance with recognized international pharmaceutical business practices. Cigalah Medpharm is subject to a non-compete obligation, prohibiting involvement in any competing product within the Territory.

According to the MENA License and Distribution Agreement, we grant Cigalah Medpharm (i) an exclusive and non-transferable right to obtain and maintain regulatory approval, register, import, promote, market, distribute, offer for sale, sell and otherwise commercialize sebaloxavir marboxil oral formulations within the Licensed Field in the Territory during the term of the MENA License and Distribution Agreement; and (ii) an exclusive right to use certain of our intellectual property rights related to sebaloxavir marboxil oral formulations, required or necessary solely for the performance of its obligations under the MENA License and Distribution Agreement within the Licensed Field and Territory.

The MENA License and Distribution Agreement established a JSC to monitor the progress on the mutually agreed clinical and regulatory development timeline. The JSC consists of representatives from both us and Cigalah Medpharm, with the number of representatives from each party to be determined when the JSC is formed. Each Party shall select representatives with a view to covering the key elements of the activities under the Agreement, ensuring they are of suitable authority and seniority. The responsibilities of the JSC include establishing an estimated timetable for regulatory development; sharing the plan and progress of registration; reviewing and evaluating the progress of registration; reviewing and deciding on proposed amendments to the supply price; discussing and attempting to resolve any dispute referred to the JSC; and carrying out other activities expressly allocated to the JSC under the MENA License and Distribution Agreement. All decisions of the JSC are made by unanimous decision, with each party's representatives collectively having one vote. If consensus is not reached by the JSC, we shall be entitled to cast the deciding vote on any matter relating to sebaloxavir marboxil oral formulations.

We retain the right to commercialize sebaloxavir marboxil oral formulations beyond the Licensed Field or outside the Territory. Without prior approval from us, Cigalah Medpharm shall not appoint any subcontractor in the Territory, and Cigalah Medpharm shall remain responsible for any breach and all acts and omissions of its subcontractors as if they were its own. In addition, sebaloxavir marboxil oral formulations may only be commercialized in the Territory under our trademark, which Cigalah Medpharm is licensed to use solely for commercialization in accordance with applicable laws and our instructions. All intellectual property rights, know-how and the trademark remain the exclusive property of us (or its affiliates).

Either party can terminate MENA License and Distribution Agreement immediately through written notice under specific conditions. We may terminate if Cigalah Medpharm materially breaches the terms and fails to remedy the breach within 30 days, undergoes dissolution or insolvency, or experiences force majeure. Additionally, we can terminate the agreement with written notice if Cigalah Medpharm fails to obtain or maintain the necessary regulatory approval, does not meet the minimum annual purchases requirement, undergoes a change of control without consent, fails to initiate the first commercial sale within six months of obtaining regulatory approval, faces objections from regulatory authorities, or if the product cannot be imported, sold, or commercially realized in the territory due to legal issues.

Under the MENA License and Distribution Agreement, Cigalah Medpharm agreed to pay us a total consideration consisting of a non-refundable, non-creditable upfront payment. Such payments are determined after arm's length negotiations by reference to each parties' responsibilities and obligations with the payment structure designed to align relevant key regulatory value-creation events. In addition, Cigalah Medpharm is required to pay a non-refundable upfront fee of around US$100 thousand with two equal installments, upon the NMPA regulatory approval of sebaloxavir marboxil tablets in China and the sharing of the complete registration dossier, respectively. This upfront fee also constitutes consideration for our drug registration assistance service under the MENA License and Distribution Agreement, pursuant to which we assist Cigalah Medpharm in obtaining regulatory approvals in the Territory. Additionally, Cigalah Medpharm must pay milestone payments upon regulatory approval in each country in the Territory, with each payment ranging from USD10 thousand to USD30 thousand depending on the market size of the relevant country. As the Territory comprises 12 countries and each milestone payment is payable only once upon regulatory approval in the applicable country, the aggregate milestone payments are capped at no more than USD150 thousand. Cigalah Medpharm will purchase sebaloxavir marboxil oral formulations from us with a predetermined minimum annual purchase at a contractual supply price determined according to the Territory which will not be lower than agreed floor price. The contractual supply price was determined by reference to each parties' responsibilities and obligations and specific pricing levels for comparable influenza antivirals in China and MENA region. In addition, Cigalah Medpharm agreed to pay us an annual royalty at around 5% of total annual net sales sold by or on behalf of Cigalah Medpharm or its permitted subcontractors in the Territory from the second year of commercialization, which was determined based on arm's length negotiations. Cigalah Medpharm is required to meet certain minimum annual purchase obligations commencing from the second year of commercialization, calculated as no less than 70% of the forecasted purchase volumes for each country in the Territory over the ten-year term, with escalating volume targets across different markets in the Territory. Cigalah Medpharm must submit monthly and quarterly written reports to us covering sales data, market analysis, inventory, and regulatory changes.

According to CIC, the arrangements of the MENA License and Distribution Agreement are in line with industry norms. As of the Latest Practicable Date, we have received a US$100 thousand upfront payment from Cigalah Medpharm.

Pricing

We set the prices of our marketed drug, the Core Product, based on market conditions to maintain competitiveness, market position and profitability. When determining prices, we evaluate factors such as the overall market landscape and competitive dynamics, the going prices for comparable products, and our costs for research and development, manufacturing, and commercialization. We also consider the degree of product differentiation and perceived value, as well as our share in the relevant therapeutic areas. We are dedicated to closely monitoring new policies affecting the pricing of pharmaceuticals in China and formulating strategies to stay competitive.

NRDL

Drugs included in the NRDL are eligible for full or partial reimbursement under China's national medical insurance program. The NRDL sets out the payment standard for drugs under the basic medical insurance, work-related injury insurance, and maternity insurance funds. The National Healthcare Security Administration of the PRC, along with other government authorities, determines which drugs are included in the NRDL. NRDL inclusion represents both an opportunity for enhanced market access and a commitment to pricing frameworks that support broad patient accessibility within China's healthcare insurance system. While NRDL inclusion provides substantial market advantages through enhanced patient accessibility and reduced out-of-pocket costs, it may also result in price adjustments through negotiated pricing mechanisms designed to balance patient access with healthcare system sustainability.

We plan to actively pursue the inclusion of our drug product in the NRDL to enhance patient access. In China, novel pharmaceutical products included in the national medical insurance negotiation list generally need to undergo a pricing negotiation process with the government. The NRDL inclusion and pricing negotiation are based on various factors such as clinical value and cost-effectiveness. Our Core Product was not included in the NRDL as of the Latest Practicable Date. We are well prepared to participate in the 2026 NRDL negotiations, aiming for the inclusion of sebaloxavir marboxil tablets starting January 1, 2027. We have submitted the application material for the inclusion of our Core Product in the NRDL to the NHSA in June 2026, which is currently under review. We believe we are on track to participate in the NRDL 2026 negotiations. For details, see "Regulatory Overview — Principal Regulatory Laws and Regulations — Laws and Regulations on Coverage and Reimbursement in the PRC — Medical Insurance Catalog."

We believe the potential inclusion of our Core Product in the NRDL may have the following impact on our collaboration with Jumpcan Pharmaceutical. Pursuant to the China Sales and Promotion Agreement, we retain control over the NRDL strategy and the inclusion of the Core Product in centralized procurement catalogs or the NRDL constitutes a major industry policy change. In such an event, the existing annual sales targets and promotion service fee structures will automatically cease to apply, and the parties will renegotiate new terms in good faith based on prevailing market conditions, thereby preserving the commercial viability of the arrangement for both parties. While NRDL inclusion typically necessitates negotiated price reductions, it significantly expands market access by reducing out-of-pocket costs for patients. Consequently, our Directors are of the view that the anticipated substantial increase in prescription volumes will outweigh the impact of price concessions, making NRDL inclusion a net positive for the overall commercial performance of the Core Product.

Centralized Tender Process

Prices of most pharmaceutical products in China sold to public hospitals and public medical institutions are determined through a competitive centralized tender process at the provincial or municipal level. The centralized tender process is held in different regions across China with varying terms and procedures. Generally, pharmaceutical companies bid to have their drugs listed on an online procurement platform operated at provincial or regional level, where public hospitals can choose to purchase the listed drug at the negotiated prices. Participants eligible for submitting bids in the centralized tender process include all pharmaceutical manufacturers, sole agents of imported drugs and holders of marketing authorizations for drugs. We, as the holder of marketing authorizations for our Core Product, submit bids in a centralized tender process to supply our applicable products to these institutions at specified prices. These bids are generally considered based on, among other things, price competitiveness, product quality, clinical effectiveness, as well as qualifications and reputation of the manufacturer. If we are successful in winning bids in a centralized tender process, the relevant products will be sold to the public medical institutions at the bid prices. The centralized tender process has created pricing pressure among substitute products.

During the Track Record Period, we actively participated in the provincial level centralized tender process, carefully considering various factors, including the trade-off between price levels and sales volumes. As of June 30, 2026, we had completed the online price filing process for our Core Product in all 31 provinces in China. The centralized tender process presents both challenges and opportunities for us. Challenges include potential declines in revenue and profit for products that do not win bids, loss of market share in regions where we fail to secure bids, and the pressure to adjust prices, which can affect profit margins. However, by leveraging our product differentiation bidding strategy, opportunities arise from cost and efficiency advantages from reduced selling and marketing expenses and expanded market access through successful bids. Our success in the centralized tender process relies on differentiating our products and pricing bids profitably, supported by national-level recognitions and quality evaluations. Failure to do so would result in lost revenue from sales to public medical institutions, impacting our financial performance.

INTELLECTUAL PROPERTY

Intellectual property rights are crucial to our business success. Our future depends on acquiring and protecting patents, inventions and trade secrets, while avoiding infringement on others' rights. This protection underpins our competitive advantage and growth.

As of the Latest Practicable Date, we held 71 patents and patent applications, including 17 granted patents and 14 patent applications in relation to our Core Product, respectively. As of the Latest Practicable Date, we had not received any material concerns or inquiries from relevant competent authorities that make us believe that any of the pending patent applications will be rejected. As advised by our IP counsel, as of the Latest Practicable Date, our Directors are of the view that our patents or patent applications are currently not subject to any claim or invalidation request from any other party on the underlying technology in respect of these patents or patent applications. The following table sets forth an overview of our material granted patents and filed patent applications in connection with our Core Product as of the Latest Practicable Date:

Name of Patent/Patent Application[1]	Patent/Patent Application Number	Jurisdiction	Status	Patent Holder/ Applicant	Nature of Patent	Inventor(s)	Application Date	Date of Grant	Expiration Date[2]
Compounds useful to treat influenza virus infections	ZL202080004760.3	PRC	Granted	Our Company	Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	May 17, 2022	July 10, 2040
	HK40050168	Hong Kong	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	September 30, 2022	July 10, 2040
	J/006367	Macao	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	October 19, 2022	July 10, 2040
	TWI841759	Taiwan	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	May 11, 2024	July 9, 2040
	US11466029B2	U.S.	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	October 11, 2022	July 10, 2040
	EP3996716	Europe	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	December 10, 2025	July 10, 2040
	JP7631292	Japan	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	February 18, 2025	July 10, 2040
	CA3142030	Canada	Pending		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	/	/
	KR102976916	Korea	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	June 9, 2026	July 10, 2040
	48494	Vietnam	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	July 25, 2025	July 10, 2040
	MY-209319-A	Malaysia	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	July 02, 2025	July 10, 2040
	MX426883	Mexico	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	September 11, 2025	July 10, 2040
	IN561997	India	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	March 06, 2025	July 10, 2040
	EA047104	Eurasian (Russia, etc.)	Granted		Invention patent	Dr. Hao Xiaolin, Dr. Yang Jinfu	July 10, 2020	May 31, 2024	July 10, 2040
Preparation Method of a Selenium-Containing Anti-Influenza Drug . .	ZL202210226404.7	PRC	Granted		Invention patent	Dr. Sun Min, Dr. Hao Xiaolin	March 09, 2022	December 15, 2023	March 09, 2042

Notes:

(1) Unless otherwise indicated, the patent for applications within the same family is the same and is therefore disclosed once.

(2) The patent expiration date is estimated based on current filing status, without considering any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity and other government fees.

We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary. For details, please see "Risk Factors — Risks Relating to Our Intellectual Property Rights — If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position will be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property."

We conduct our business under the brand name of "征祥医药" or "ZENSHINE." As of the Latest Practicable Date, we held 17 registered trademarks in Chinese mainland. We are also the owner of one domain name.

During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, and we had not received notice of any material claims of infringement, misappropriation or other violations of, third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our drug candidates in which we may be a claimant or a respondent.

Based on the freedom to operate ("**FTO**") analysis of our sebaloxavir marboxil products, including our Core Product, as well as our ZX-8177 and ZX-12042B, we were not aware of any issued patents that may affect our rights to conduct research and development or commercialization of the aforementioned products in China, as of the Latest Practicable Date. Based on the FTO analysis of our sebaloxavir marboxil products, including our Core Product, we were not aware of any issued patents that may affect our rights to conduct research and development or commercialization of the aforementioned products in Saudi Arabia and the UAE. FTO analysis is a patent investigation, based on a search of patent databases, that is commonly used to determine whether any existing patents cover a company's product, and whether that product would infringe any existing patents. However, we cannot provide any assurance that all relevant third party patents were identified or that conflicting patents will not be issued in the future. For details, see "Risk Factors — Risks Relating to Intellectual Property Rights."

OUR SUPPLIERS

During the Track Record Period, our major suppliers primarily consisted of raw material suppliers, CROs and other service suppliers. We did not experience any material disputes with our suppliers during the Track Record Period. In addition, we believe that adequate alternative sources for such supplies exist, and we have developed alternative sourcing strategies for these supplies. We will establish necessary relationships with alternative sources based on supply continuity risk assessment.

In 2024, 2025 and the six months ended June 30, 2026, our purchases from our five largest suppliers in each year in aggregate amounted to RMB31.9 million, RMB32.8 million and RMB16.9 million, representing 38.5%, 31.6% and 42.1% of our total corresponding purchases in such period,

respectively. In the same period, our purchases from the largest supplier amounted to RMB11.4 million, RMB7.6 million and RMB5.4 million, representing 13.8%, 7.3% and 13.5% of our total corresponding purchases in such period, respectively.

The following table sets forth details of our five largest suppliers in each period during the Track Record Period.

Supplier	Background	Major Purchases	Credit Terms	Commencement of Business Relationship (Since)	Purchase Amount *(RMB in thousands)*	% of Total Purchases for the Year/Period *(%)*
For the six months ended June 30, 2026						
Supplier E	A medium-sized medical technology company focusing on innovative drugs and biosimilars headquartered in Shandong, China	Raw materials	Advance payment, within 60 days of invoice	2021	5,438	13.5
Supplier C	A globally-operated CDMO listed on the Stock Exchange and Shanghai Stock Exchange and headquartered in Shanghai, China	CRO services	Within 30 days of invoice	2019	3,747	9.3
Supplier G	A large-scale pharmaceutical group engaged in research and development, manufacturing and commercialization of pharmaceutical products and headquartered in Jiangsu, China	Marketing and promotion services	Within 10 days of invoice	2026	2,828	7.0
Supplier H	A medium-sized pharmaceutical company listed on the Shanghai Stock Exchange and headquartered in Shanghai, China, primarily focusing on the R&D, manufacturing and sales of advanced pharmaceutical preparations	CDMO services	Within 15 days of invoice	2022	2,598	6.5
Supplier I	A large-scale CRO listed on the Shenzhen Stock Exchange and the Hongkong Stock Exchange and headquartered in Hangzhou, China	CRO services	Within 60 days of invoice	2024	2,315	5.8
Total					16,926	42.1
For the year ended December 31, 2025						
Supplier E	A medium-sized medical technology company focusing on innovative drugs and biosimilars headquartered in Shandong, China	Raw materials	Advance payment, within 60 days of invoice	2021	7,586	7.3
Supplier D	A large-scale CDMO listed on the Shenzhen Stock Exchange with global presence and headquartered in Chongqing, China	Development and manufacturing of API	Within 30 days of invoice	2021	7,375	7.1
Supplier A	A large-scale CRO listed on the Shanghai Stock Exchange specializing in drug synthesis and formulation and headquartered in Beijing, China	CRO services	Within 15 days of invoice	2022	7,440	7.2
Supplier C	A globally-operated CDMO listed on the Stock Exchange and the Shanghai Stock Exchange and headquartered in Shanghai, China	SMO services	Within 30 days of invoice	2019	5,546	5.3
Supplier F	A boutique construction company focusing on the provision of clearoom and laboratry turnkey solutions headquartered in Suzhou, China	Construction service provider	Within 30 days of invoice	2025	4,840	4.7
Total					32,786	31.6

Supplier	Background	Major Purchases	Credit Terms	Commencement of Business Relationship (Since)	Purchase Amount *(RMB in thousands)*	% of Total Purchases for the Year/Period *(%)*
For the year ended December 31, 2024						
Supplier A...	A large-scale CRO listed on the Shanghai Stock Exchange specializing in drug synthesis and formulation and headquartered in Beijing, China	CRO services	Within 15 days of invoice	2022	11,382	13.8
Supplier B...	A large-scale CRO listed on the Shenzhen Stock Exchange engaging in full-chain clinical research and headquartered in Beijing, China	CRO services	Within 20 days of invoice	2021	7,042	8.5
Supplier C...	A globally-operated CDMO listed on the Stock Exchange and Shanghai Stock Exchange and headquartered in Shanghai, China	SMO services	Within 30 days of invoice	2019	4,991	6.0
Supplier D...	A large-scale CDMO listed on the Shenzhen Stock Exchange with global presence and headquartered in Chongqing, China	Development and manufacturing of API	Within 30 days of invoice	2021	4,473	5.4
Supplier E...	A medium-sized medical technology company focusing on innovative drugs and biosimilars headquartered in Shandong, China	Raw materials	Advance payment, within 60 days of invoice	2021	3,985	4.8
Total					31,873	38.5

None of our Directors, their respective associates or any Shareholders who, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our five largest suppliers for each year during the Track Record Period.

OUR CUSTOMERS

During the Track Record Period, our revenue primarily derived from the sales of our Core Product to distributors in Chinese mainland and drug registration assistance service for Cigalah Medpharm. In 2024, 2025 and the six months ended June 30, 2026, our revenue generated from our five largest customers, on a consolidated basis, were nil, RMB5.2 million and RMB2.5 million, respectively, representing nil, 98.8% and 97.7% of our total revenue for the corresponding period. Our revenue from our largest customer in 2024, 2025 and the six months ended June 30, 2026, on a consolidated basis, were nil, RMB2.3 million and RMB1.0 million, respectively, representing nil, 43.5% and 39.4% of our total revenue for the corresponding period.

The following table sets forth details of our five largest customers during the Track Record Period.

Customer	Background	Products/services sold	Credit Terms	Commencement of Business Relationship (Since)	Revenue Amount *(RMB in thousands)*	% of Total Revenue for the Year/Period *(%)*
For the six months ended June 30, 2026						
Customer A . .	A subsidiary, headquartered in Jiangsu, China, of a China-based pharmaceutical trading group listed on the Shanghai Stock Exchange	Sebaloxavir marboxil tablets	Within 75 days of invoice	2025	991	39.4
Customer B . .	A China-based pharmaceutical trading group listed on the Shanghai Stock Exchange and headquartered in Hubei, China	Sebaloxavir marboxil tablets	Within 90 days of invoice	2025	687	27.3
Customer C . .	A UAE-based pharmaceutical trading company headquartered in Dubai, UAE	Drug registration assistance service	Within 30 days of invoice	2025	346	13.8
Customer F . .	A China-based pharmaceutical trading group listed on the Hong Kong Stock Exchange and headquartered in Shanghai, China	Sebaloxavir marboxil tablets	Within 30 days of invoice	2025	272	10.8
Customer D . .	A subsidiary of a China-based pharmaceutical trading group listed on the Shenzhen Stock Exchange headquartered in Hangzhou, China	Sebaloxavir marboxil tablets	Within 90 days of invoice	2025	161	6.4
Total					2,457	97.7
For the year ended December 31, 2025						
Customer A . .	A subsidiary, headquartered in Jiangsu, China, of a China-based pharmaceutical trading group listed on the Shanghai Stock Exchange	Sebaloxavir marboxil tablets	Within 75 days of invoice	2025	2,312	43.5
Customer B . .	A China-based pharmaceutical trading group listed on the Shanghai Stock Exchange and headquartered in Hubei, China	Sebaloxavir marboxil tablets	Within 30 days of invoice	2025	2,300	43.3
Customer C . .	A UAE-based pharmaceutical trading company headquartered in Dubai, UAE	Drug registration assistance service	Within 30 days of invoice	2025	355	6.7
Customer D . .	A subsidiary of a China-based pharmaceutical trading group listed on the Shenzhen Stock Exchange headquartered in Hangzhou, China	Sebaloxavir marboxil tablets	Within 30 days of invoice	2025	160	3.0
Customer E . .	A China-based pharmaceutical trading group listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange and headquartered in Shanghai, China	Sebaloxavir marboxil tablets	Within 30 days of invoice	2025	121	2.3
Total					5,248	98.8

To the best of our knowledge, each of our five largest customers in each year/period comprising the Track Record Period is an Independent Third Party. 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 such customer during the Track Record Period.

OVERLAP OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, one of our major customers, Customer A, and one of our major suppliers, Supplier G, customers and one of our suppliers were entities within the same corporate group. For the year ended December 31, 2025, sales to Customer A amounted to RMB2.3 million, representing 43.5% of our total revenue. During the six months ended June 30, 2026, sales to Customer A amounted to RMB1.0 million, representing 39.4% of our total revenue, while purchases from Supplier G, which provided marketing and promotion services to us, amounted to RMB2.8 million, representing 7.0% of our total purchases.

Such overlap arose because certain pharmaceutical groups in China may, through different group entities, engage in different pharmaceutical-related activities, including pharmaceutical distribution and commercialization support services, in line with their respective business functions and capabilities. According to CIC, it is common for pharmaceutical groups in China to conduct multiple pharmaceutical-related activities through different group entities as part of their ordinary business operations.

The relevant transactions were entered into in the ordinary course of business and on normal commercial terms under separate agreements. In each instance, the contractual counterparties involved were separate legal entities within the same group, and our Directors are of the view that such overlapping arrangements did not result in any conflict of interest or preferential treatment. Negotiations of the terms of our sales to and purchases from these customers and suppliers were conducted on an individual basis, and the sales and purchases were neither inter-connected nor inter-conditioned with each other. Our Directors confirm that these transactions were entered into on normal commercial terms, in the ordinary course of business and on an arm's length basis.

COMPETITION

The biopharmaceutical industry is highly competitive and subject to rapid and significant change. While we believe that our pipeline of balanced and differentiated innovative drug and drug candidates, strong research and development capability and distinguished leadership team provide us with competitive advantages, we face potential competition from many different sources working to develop therapies targeting the same indications for which we develop our drug candidates, in particular in viral infectious disease, oncology and inflammatory disorders. These include major pharmaceutical companies as well as specialty pharmaceutical companies of various sizes and academic research institutions. Any drug candidates that we successfully develop and commercialize will compete both with existing drugs, if any and with any new drugs that may become available in the future. For more information on the competitive landscape of our drug candidates, see "— Our Product Portfolio" and "Industry Overview."

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. Our principal insurance policies include coverage for adverse events arising from clinical trials and personal accident insurance for our employees. We also maintain product liability insurance for our Core Product. In addition, we also purchase director liability insurance for Directors and senior management, which covers any legal action brought against our Directors and senior management. We currently do not maintain insurance for environmental liability or property loss. Please refer to "Risk Factors — Risks Relating to our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources."

We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm. During the Track Record Period, we had not made or been the subject of any material insurance claims.

EMPLOYEES

As of the Latest Practicable Date, we had 80 employees in total, and most of them were stationed in our headquarters in Nanjing, Jiangsu Province. The following table sets forth the number of our employees categorized by function as of Latest Practicable Date.

Functions	Number of employees by function	Percentage
Research and Development	51	63.8%
Finance and General Affaires	13	16.2%
Sales and Marketing	10	12.5%
Business Strategy and Corporate Development	4	5.0%
Management	2	2.5%
Total	**80**	**100%**

We recruit our employees through recruitment websites, recruiters and internal referrals. For all of our employees, we will provide onboarding training, and we will also provide periodic training or seminars to ensure their self-development. The remuneration package of our employees includes salary and bonus, which are generally based on their qualifications, industry experience, position and performance. We consider the remuneration package of our employees to be competitive among our domestic competitors. We make contributions to social insurance and housing provident funds as required by the PRC laws and regulations. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had made sufficient contributions directly or indirectly to social insurance and housing provident funds for our employees in accordance with applicable PRC laws and regulations.

In compliance with the relevant PRC laws and regulations, we entered into employment contracts with our employees to cover matters such as wages, benefits and grounds for termination. We enter into standard confidentiality agreements with all of our employees. We enter into non-compete agreements with employees of the departments that we consider crucial to our business, such as research and development. Such non-compete agreements prohibit employees from conducting any business competing with us for twelve months following the termination of their employment.

We have established a labor union. During the Track Record Period and as of the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition or results of operations.

PROPERTIES

We are headquartered in Nanjing, Jiangsu Province. As of the Latest Practicable Date, we did not own any real property. As of the same date, we leased four properties in Chinese mainland, with an aggregate GFA of approximately 7,588.3 square meters. We believe our current facilities are sufficient to meet our near-term needs, and additional space can be obtained on commercially reasonable terms to meet our future needs.

The following table sets forth the details of our leased properties as of the Latest Practicable Date:

Usage	Location	GFA (sq.m)	Expiry Date
Office and Laboratory. . . .	Nanjing, China	2,047.6	December 31, 2026
Office and Laboratory. . . .	Hangzhou, China	4,610.7	June 30, 2030
Office	Yangzhou, China	777.1	January 10, 2028
Office	Changchun, China	152.9	May 21, 2029

As of the Latest Practicable Date, no single property interest that formed part of non-property activities had a carrying amount of 15%, and no single property interest that formed part of property activities had a carrying amount of 1%, of our total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), 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 our Group's interests in land or buildings.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We believe our sustained growth lies in our contribution to society. Since our inception, we have adopted as our long-term strategic goal to promote environmental sustainability, support and participate in socially responsible projects, and adhere to a high standard of corporate governance.

ESG GOVERNANCE

We prioritize Environmental, Social, and Governance ("**ESG**") practices and have implemented a comprehensive ESG reporting process. Our Board holds full responsibility for establishing ESG policies and strategies, evaluating risks associated with daily operations, and monitoring progress to ensure effectiveness. It also fosters a culture aligned with our core ESG values. To bolster sustainability, improve governance, and enhance ESG performance, we have set up an ESG working team. This team comprises senior executives, department heads, and staff knowledgeable about current and emerging ESG issues. Reporting directly to the Board, they execute the ESG strategies laid out by leadership.

The ESG working team's duties include developing and implementing an ESG framework and policies aligned with our long-term strategies while regularly reviewing and adjusting them. They ensure compliance with evolving ESG laws and promptly update policies accordingly. The team identifies, assesses, and manages material ESG risks on an ongoing basis and takes timely measures to reduce potential impacts. When necessary, they engage external ESG experts to offer professional guidance and contribute to meeting our ESG goals. The team also evaluates stakeholder communication effectiveness and incorporates feedback to optimize strategies.

Moreover, the working team organizes ongoing ESG training for directors and senior management, ensuring awareness of the latest ESG trends and compliance requirements. They closely monitor and evaluate our performance against ESG targets and provide regular reports to the Board. Through these coordinated efforts, we aim to embed responsible, sustainable business practices deeply into our corporate culture and operations, positioning the company for long-term success.

The ESG working team reports to our Board on ESG-related matters on a regular basis, and our Board periodically reviews our ESG targets and assesses the progress and effectiveness of our ESG policies and measures. Where necessary, we engage independent external advisors to provide professional guidance on ESG matters. In identifying and prioritizing material ESG issues, our Board takes into account applicable regulatory requirements, the operational characteristics of the biopharmaceutical industry, and feedback from key stakeholders including employees, regulators

and business partners. The ESG working team conducts materiality assessments by evaluating the potential impact of each ESG issue on our business operations and classifying the identified issues by level of materiality for the Board's review and confirmation.

Identification and Assessment of ESG-Related Risks

We have adopted a series of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Our Board holds overall responsibility for reviewing risk management information and overseeing annual risk evaluations. The ESG working team, under the Board's supervision, coordinates and manages the overall ESG risks associated with our business operations, including maintaining a key risk list, leading corresponding risk management activities and carrying out risk prevention measures in collaboration with relevant departments. Each department is responsible for implementing our risk management policy and identifying and evaluating risks associated with its working scope on a day-to-day basis.

In assessing the materiality of ESG risks, we consider factors including the likelihood and severity of each risk, its potential financial and operational impact on our Group, stakeholder priorities and applicable regulatory requirements. We adopt quantifiable metrics to monitor our key ESG performance, including total electricity consumption (MWh), total water consumption (tons), hazardous waste generated (tons) and work-related injury rate.

The decisions on the reduction, transfer, acceptance or control of the risks are affected by various factors. We will incorporate climate-related issues, including the analysis on physical and transition risks, into its risk assessment process and risk appetite setting. Our key climate-related risks include (i) transition risks arising from the shift to a low-carbon economy, including compliance risks from increasingly stringent environmental regulations, and (ii) physical risks, including potential disruption to our R&D operations from extreme weather events. We have established emergency response plans and implemented energy-saving measures at our offices and R&D facilities to mitigate such risks. We will consider the risks and opportunities in its strategic and financial planning process if such risks and opportunities are deemed to be material. After reviewing the environmental, social and climate-related risks and our performance in response to such risks each year, we may revise and alter our ESG strategies as appropriate.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had complied with applicable health, work safety and environmental laws and regulations in the PRC in all material respects.

Environmental Protection

As a biopharmaceutical company, we recognize the significant environmental responsibilities that come with our operations. Environmental responsibility is deeply ingrained in our corporate values, guiding our efforts to reduce ecological harm at every stage of the value chain. We are focused on ongoing improvement, striving to lower our environmental footprint while advancing sustainable growth in alignment with our commitment to planetary stewardship.

GHG Emissions and Resource Consumption Management

Our greenhouse gas ("**GHG**") emissions during the Track Record Period were relatively limited, as the major sources of our GHG emissions and energy consumption were primarily attributable to electricity usage in the ordinary course of our business operations. We have not engaged in any manufacturing activities to date, as we remain in the process of exploring various manufacturing arrangements in preparation of the future commercial launch.

In setting our ESG-related goals and targets, we primarily reference applicable regulatory requirements, the operational characteristics of the biopharmaceutical industry and our historical resource consumption data during the Track Record Period, with input from our independent

internal control advisor where necessary. As we have not yet commenced manufacturing activities, our current environmental targets focus on resource consumption at the office and R&D level, and will be progressively refined as our business operations develop.

We closely monitor water consumption levels at our offices and have implemented various policies and measures to conserve water resources. These include timely repairing any dripping faucets to minimize water wastage and posting reminder stickers in restrooms to raise employees' awareness on water conservation. Through these efforts, we aim to further promote water-saving practices and reduce overall water usage.

The following table sets forth the amount of our electricity and water consumption for the periods indicated:

	Unit	For the year ened December 31, 2024	For the year ened December 31, 2025	For the six months ended June 30, 2026
Electricity Consumption	kWh	151,928.1	151,128.0	83,090.4
Water Consumption	cubic meters	480.7	484	268

Waste Management

We implement comprehensive policies to minimize our environmental impact through responsible waste management, energy efficiency, and water conservation.

For waste handling, we strictly comply with environmental regulations by properly sorting and disposing of domestic non-hazardous waste through licensed providers, while qualified third parties manage all hazardous materials from R&D and clinical trials through rigorous procedures to ensure safety and compliance.

With respect to chemical waste and bio-waste generated by our CROs and CDMOs in the course of conducting trials and production on our behalf, we contractually require our CROs and CDMOs to comply with all applicable laws and regulations relating to waste management and disposal. With respect to bio-waste generated during clinical trials, such waste is managed and disposed of by our CROs in accordance with their own standard operating procedures and applicable regulatory requirements. Our CDMO partners are required to manage chemical waste and bio-waste in accordance with their own internal regulatory compliance frameworks and applicable regulatory requirements.

The following table sets forth our waste emissions for the periods indicated:

	Unit	For the year ened December 31, 2024	For the year ened December 31, 2025	For the six months ended June 30, 2026
Hazardous Waste	tons	—	1.78	0.60

Social Responsibility

Workplace Safety and Diversity

We have established and maintain a comprehensive set of rules, standard operating procedures and measures to ensure a healthy, safe, and inclusive environment for our employees and clinical trial participants. Our safety program emphasizes three core pillars: implementing clear guidelines for safe workplace practices, maintaining rigorous accident prevention protocols, and establishing transparent reporting procedures. For clinical trials, we record all adverse events in an electronic database and report them to regulatory authorities and require participants to demonstrate their understanding of all safety considerations both during initial enrollment and throughout their continued participation. These systematic protections reflect our fundamental commitment to fostering both physical safety and psychological well-being across all aspects of our operations.

We have also adopted a board diversity policy, which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. As of the Latest Practicable Date, around 56.3% of our total employees were female. After the [REDACTED], we will continue to take steps to promote gender diversity at the Board and management level. Specifically, we will actively identify female individuals suitably qualified to become our Board members. To further ensure gender diversity in a long run, our Nomination Committee will periodically review our board diversity policy and its implementation to ensure its implementation and monitor its continued effectiveness.

Occupational Health and Safety

We comply with various health, workplace safety, and environmental regulations, with local authorities regularly inspecting our operations. We are committed to providing a safe work environment through company-wide safety guidelines that cover best practices, accident prevention, and reporting procedures. To protect our employees, we have established emergency response plans and conduct safety training to cultivate a safety-first culture. Employees in laboratories hold necessary qualifications and use appropriate safety gear. We also perform regular safety inspections and maintenance of our R&D facilities to ensure ongoing compliance and risk management. During the Track Record Period and up to the Latest Practicable Date, we had complied with health, work safety and environmental laws and regulations applicable to our operations in all material respects, and we did not encounter any environmental or occupational health-related incidents or complaints that would materially and adversely affect our business, financial condition or results of operations during the same period.

Animal Welfare and Clinical Trial Safety

We conduct all animal testing in strict compliance with animal welfare standards and applicable laws and regulations governing the management of laboratory animals. All of our animal experiments are conducted through CROs that are qualified in animal experimentation. We rigorously review and assess their testing capabilities and qualifications, such as those research institutions with AAALAC (Association for Assessment and Accreditation of Laboratory Animal Care (國際實驗動物評估和認可委員會) accreditation and/or GLP qualifications and with sufficient practical experience.

In our clinical trials, we prioritize patient safety and privacy. All trials strictly adhere to the principles of GCP under applicable guidelines. Each trial protocol is subject to review and approval by the ethics committee of the relevant clinical trial institution. Each participant is fully informed of the study's purpose and details prior to enrollment and participates voluntarily with the right to withdraw at any stage. We require our CROs to comply with all applicable laws and regulations relating to safety and operations, including strict adherence to applicable regulations governing patient recruitment, informed consent and clinical trial conduct.

Corporate Governance

We uphold rigorous corporate governance standards as the foundation of our sustainable growth and long-term success. Our governance framework is structured to ensure robust oversight, transparency in decision-making, and value creation for all stakeholders. The Board of Directors serves as the guiding force in shaping our strategic direction, overseeing comprehensive risk management, and maintaining accountability throughout the organization.

Patient Data Protection and Prevention of Data Manipulation

We are committed to protecting sensitive patient information and ensuring the confidentiality of clinical trial participant data in compliance with all relevant laws, regulations, and industry standards. We require our CROs to maintain strict confidentiality of all documents, data, and records generated during clinical trials, and to bind their employees and consultants to these same confidentiality obligations. Without our prior written consent, CROs are prohibited from sharing any confidential information with third parties. They must also implement security measures equivalent to those they use for their own confidential data to prevent unauthorized access or data breaches. Additionally, all our employees sign confidentiality agreements to further secure sensitive information.

To ensure data integrity and prevent manipulation, we have established information disclosure policy for managing the information disclosure to external parties. During clinical trials, all data uploaded to the electronic data capture system is de-identified, displaying only subject IDs and abbreviated names without access to full identities. Electronic data capture access is restricted to pre-authorized accounts with role-based permissions for data entry or review. Subject data, as the sponsor's intellectual property, may not be used or published without sponsor approval, including for investigator publications. Together, these measures create a strong framework to protect the accuracy and reliability of our clinical trial data, uphold confidentiality, and maintain high standards of data protection throughout the trial process.

In accordance with applicable PRC laws on cybersecurity, data security and personal information protection, we are involved in collecting, storing and using data during our business operations, including:

(1) Business operations. In the ordinary course of our business operations, we collect and process the names, contact details and other personal data of our employees and the contact persons of our suppliers, customers and other business partners.

(2) Clinical trials and related collaborations. In connection with our clinical trials, we collect and process (i) the names, contact details and curriculum vitae of project team personnel, including personnel dispatched by our CRO partners and investigators at clinical trial sites and (ii) the subject identification codes and, in association with such codes, the date of birth, age, ethnicity and other basic personal information as well as medical history and laboratory test reports of clinical trial subjects. The personal information of clinical trial subjects is collected based on the informed consent signed by the subjects or their guardians. All clinical trial data collected and generated in the course of our clinical trials is owned by us. On this basis, we may only collect, store, transmit and use such data for the purposes of obtaining marketing approval for the relevant drug products or for other purposes expressly agreed in the relevant agreements.

(3) Preclinical studies and other R&D activities. Our preclinical studies and other R&D programs, including drug discovery, target identification and compound optimization, do not involve human research and no personal information is collected in the course of such activities.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any incident of patient data or other data leakage or material data losses during our ordinary course of business operations.

We have adopted reasonable data security measures to ensure compliance with applicable legal and regulatory requirements. Key measures include: (i) we have established a computer information system security management policy governing hardware, software, account and access permission management and network usage, (ii) we have designated responsible departments to conduct regular data backup, (iii) we have implemented strict access control mechanisms, granting employees only the minimum level of access required for their daily work, with any additional access subject to a strict approval process and timely revocation, (iv) we have established an emergency response plan for cybersecurity incidents to monitor and mitigate cybersecurity risks and (v) we provide regular information security and related business training to our employees.

We conduct clinical trials in the PRC and clinical trial data is stored in Chinese mainland. During the Track Record Period and up to the Latest Practicable Date, we had not transferred any data containing sensitive personal information to overseas collaborators; and the relevant data had consisted solely of result data identified by subject identification codes. We were not required to undergo a security assessment, enter into the standard contract for the cross-border transfer of personal information, or obtain personal information protection certification. Should future business needs require cross-border data transmission, such as the reporting of suspected unexpected serious adverse reactions (SUSARs) to overseas recipients, we will inform the relevant data subjects and comply with applicable data export security regulations.

We contractually require our collaboration partners to comply with strict confidentiality obligations. Pursuant to agreements with our collaboration partners, we require them to process subject data and other clinical trial data prudently and solely for clinical trial-related purposes in compliance with applicable PRC data protection regulations. In addition, we and our authorized parties retain the right to conduct on-site audits to verify our collaboration partners' compliance with their confidentiality obligations and to protect the personal information rights and legitimate interests of clinical trial subjects. As advised by our PRC Data Compliance Counsel, during the Track Record Period and up to the Latest Practicable Date, we had been in compliance with applicable PRC laws and regulations relating to data privacy, cybersecurity, cross-border data transfer and data security in all material respects, and had not been subject to any administrative penalties or legal proceedings in relation thereto.

Business Ethics and Integrity

We are committed to upholding high standards of corporate governance and fostering a healthy corporate culture. We believe that strong governance and ethical values are essential to the well-being of our employees and the sustainable development of our business. To this end, we have put in place a series of internal regulations to set forth the guidelines for compliance with laws and regulations and promote honest and ethical conduct, prevent corruption practices and conflicts of interest, and maintain operational transparency and fairness, including our general compliance policies, anti-corruption compliance policy, and guidelines for interactions with regulatory authorities, healthcare professionals, healthcare organizations, patients, media institutions and the public. These measures foster an ethical and transparent business environment while safeguarding our interests and those of all stakeholders.

PERMITS AND LICENSES

We are subject to regular inspections, examinations and audits by local regulators and are required to maintain or renew the necessary permits, licenses and certificates for our business. As advised by our PRC Legal Advisors, as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations and such licenses, permits and certifications all remain in full effect. For more details regarding the laws and regulations to which we are subject, see "Regulatory Overview" in this Document. We had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

The following table sets forth the details of our material licenses, permits and approvals as of the Latest Practicable Date:

License/Permit	Holder	Grant Date	Expiration Date
New Drug Approval for Sebaloxavir Marboxil Tablets	Our Company	July 15, 2025	July 14, 2030
Drug Production License	Our Company	January 30, 2026	January 25, 2029

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material legal or administrative proceedings that could significantly impact our operations, financial position, growth prospects, or reputation. While we maintain this clean litigation record, like all companies in our industry, we may occasionally face routine claims or proceedings arising from normal business activities. For details, see "Risk Factor — Risks Relating to Our Operations — We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business."

Compliance

Engagement of Third Parties to Make Contributions to the Social Insurance Fund and Housing Provident Fund

During the Track Record Period, we engaged a third-party human resources service provider to make contributions to the social insurance fund and housing provident fund for three employees in China (the "**Third Party Contribution Arrangement**"). Such arrangement was primarily due to certain of our employees preferring to have social insurance and housing provident fund contributions made at their place of residence for convenience of utilizing such benefits locally, rather than at the location of their contracting employer. The Third Party Contribution Arrangement, although not uncommon in China, is not in strict compliance with relevant PRC laws and regulations.

In accordance with the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), employers are required to declare and pay social insurance contributions in full and on time. Where an employer fails to make full and timely payment, the regulatory department shall order payment or make-up contributions within a prescribed period, and a late payment surcharge of 0.05 percent per day shall be levied from the date of default. If payment is still not made within the time limit, the relevant regulatory department shall impose a fine of not less than one time but not more than three times the amount in arrears. Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), employers shall deposit housing provident fund contributions in full and on time, and shall not delay or underpay such deposits. Where an employer

fails to deposit contributions in full and on time, the housing provident fund management center shall order payment within a specified period. If the employer still fails to comply, the management center may apply to the People's Court for enforcement.

On the basis that as of the Latest Practicable Date, (i) such employees had confirmed such arrangement that the third-party human resources service provider pays the social insurance premium and housing provident funds for them on behalf of us, and had raised no objections in relation thereto, (ii) there had been no disputes between us, such employees and the third-party human resources service provider with regard to such arrangement, and (iii) we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities as a result of such arrangement, as advised by our PRC Legal Advisors, the risk of us being subject to material penalties as a result of paying the social insurance premium and housing provident funds for the relevant employees through third-party agencies is relatively low.

To prevent any future recurrences of such non-compliance, we have established and implemented the following internal control measures and procedures: (i) our human resources department has inspected our payment of social insurance premium and housing provident funds for our employees and found out the reasons for engaging third-party human resources service provider, made records and followed up; (ii) we will prepare and maintain regular reports in respect of our payment of social insurance premium and housing provident funds for our employees for review by our Board and the head of our human resources department; (iii) we will regularly communicate with the relevant competent authorities and, where necessary, consult with our PRC Legal Advisors, to ensure that our calculation and payment methods are in compliance with the relevant laws and regulations; (iv) we will regularly consult with our PRC Legal Advisors to understand whether we are at risk of non-compliance with the relevant laws and regulations; and (v) we will provide regular internal trainings to our Directors, senior management personnel and other responsible staff on the relevant laws and regulations and consult with our PRC Legal Advisor, where necessary, on the updates thereof.

We maintain rigorous compliance with all applicable laws and regulations governing our operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operation. As advised by our PRC Legal Advisors, we believe that, during the Track Record Period and up to the Latest Practicable Date, save as disclosed below, we had complied in all material respects with the applicable laws and regulations relating to our business operations.

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. Our Directors oversee and manage the overall risks associated with our operations. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules.

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;

- 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
- attend training sessions by 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.

We uphold a strict code of conduct and anti-corruption policies that apply to all employees. Our distributors are likewise bound by integrity obligations set forth in their respective distribution agreements. We maintain a zero-tolerance stance toward bribery and improper payments in all business operations, regardless of geography or whether the counterparty is a government official or healthcare professional. This prohibition extends to kickbacks, excessive gifts or entertainment, and any other payment made or offered to secure an undue business advantage. We are committed to maintaining accurate and transparent books and records that reflect all transactions and asset dispositions in reasonable detail. Any requests for false invoices or payments involving unusual, excessive, or inadequately described expenses must be rejected and promptly reported as misleading, incomplete, or false entries in our records are strictly prohibited. In addition, we ensure that all sales team personnel comply with applicable promotion and advertising requirements, including restrictions on promoting drugs for unapproved uses or patient populations and limitations on industry-sponsored scientific and educational activities.

As a crucial part of our internal control procedures, we value the protection of the personal data of the patients enrolled for our clinical trials. In accordance with the relevant laws and regulations in China, we have formulated a detailed internal procedure with respect to the protection of patients' data. Our clinical operations department is responsible for supervising the data protection practice during clinical trials. We have also formed a data protection team, which is responsible for analyzing the latest laws and regulations in these areas and upgrading and managing our private data protection system. In particular, when collecting any patient's private data, we will inform them the types of personal data collected, purpose, processing method, the storage period and whether the data may be transferred abroad. We strive to only collect personal data and store them for the period necessary for our clinical purpose. We also provide on-board training with respect to the handling of personal data to all of our employees when they join us.

We have also formulated a series of anti-bribery compliance policy in accordance with the applicable laws and regulations as part of our internal control procedure. We have established an employee code of conduct, which covers anti-bribery compliance requirements in our business operations. Our employees involved in the accounting and finance function shall be alert to any suspicious transactions and are required to report such suspected violations they identified to the financial vice president of our Company. We also encourage all employees to report any suspicious violations in this area.

We have employed an independent internal control consultant to assess our internal control system in connection with the [REDACTED]. The internal control consultant has conducted a review procedure on our internal control system in certain aspects, including financial reporting and disclosure controls, corporate level controls, information system control management and other procedures for our operations. We had improved our internal control system by adopting and implementing the corresponding enhanced internal control measures. Going forward, we will continue to regularly review and improve these internal control policies, measures and procedures. As of the Latest Practicable Date, there was no material issue remaining based on our internal control review procedure in relation to the internal controls of our Group.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OVERVIEW

As of the date of this document, Dr. Yang (our chairperson of the Board, executive Director and chief executive officer), Dr. Hao (our executive Director and chief scientific officer) and Zhengxiang Jiwan (our Employee Incentive Platform) are parties acting in concert. Dr. Yang and Dr. Hao directly hold approximately 10.05% and 8.38% of our total share capital, respectively. In addition, Dr. Yang is the general partner of Zhengxiang Jiwan, which holds 3.71% of our total share capital. Accordingly, Dr. Yang, Dr. Hao and Zhengxiang Jiwan are collectively entitled to exercise approximately 22.14% of the voting rights in our Company.

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Yang, Dr. Hao, Zhengxiang Jiwan will be collectively entitled to exercise approximately [REDACTED]% of the voting rights in our Company, and constitute the Single Largest Group of Shareholders.

For details of the concert party arrangement, see "History and Corporate Structure — Acting In Concert." For details of the background of Dr. Yang and Dr. Hao, see "Directors and Senior Management."

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently from our Single Largest Group of Shareholders and their close associates after the [REDACTED].

Management Independence

Our business is managed and overseen by the Board and senior management. Our Board consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. For more information, see "Directors and Senior Management." We believe that our Directors and members of the senior management are able to function independently from our Single Largest Group of Shareholders and their respective close associates for the following reasons:

(i) our Directors are aware of their fiduciary duties, which require them to act in the interests of our Company and all our Shareholders as a whole and avoid any conflict between their duties and their personal interests;

(ii) our daily operations are managed by our executive Directors and senior management team, all of whom have substantial industry experience, enabling them to make impartial and sound business decisions beneficial to our Group;

(iii) our Board acts collectively by majority vote in accordance with our Articles of Association and applicable laws and regulations, and no single Director is able to make any decisions unless authorized by the Board;

(iv) our Board maintains a balanced composition of executive, non-executive and independent non-executive Directors, ensuring independent decision-making. Our independent non-executive Directors account for more than one-third of the Board, and do not and will not take up any position with our Single Largest Group of Shareholders. All independent non-executive Directors are independent from our Single Largest Group of Shareholders and possess the requisite industry knowledge and experience. All independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules, and certain matters must be referred to them for review, ensuring that Board decisions are made only after the due consideration of independent and impartial opinions; and

(v) in the event that there is a potential conflict of interests arising out of any transaction to be entered into between our Group and our Directors or their respective close associate, any interested Director is required to declare the nature of such interests, abstain from voting on the relevant resolutions, and be excluded from the quorum.

Operational Independence

We possess all requisite technologies, licenses, and intellectual properties related to our Group's business, as well as all requisite qualifications and approvals necessary for conducting our business. Currently, we conduct our Group's business independently, with the authority to make operational decisions and implement them independently. We have sufficient capital, facilities, technology, equipment and employees to operate our business independently from our Single Largest Group of Shareholders. We also have independent access to our customers and suppliers and an independent management team to handle our day-to-day operations.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independently from our Single Largest Group of Shareholders and their respective close associates. We have also established a sound and independent financial system. Our Company makes financial decisions and determines the use of funds according to our own business needs. We maintain separate bank accounts and tax registrations, and we settle tax payments using our own funds. We do not share any bank accounts with our Single Largest Group of Shareholders.

As of the Latest Practicable Date, there were no outstanding loans, advances and balances due to and from and guarantees provided by our Single Largest Group of Shareholders and/or their close associates. We do not expect to rely on our Single Largest Group of Shareholders and their close associates for financing after the [REDACTED] as we expect that our working capital will be funded by cash flows generated from operating activities, equity financing, bank loans as well as the [REDACTED] from the [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. Upon the [REDACTED], we will comply with the provisions of the Corporate Governance Code. We would put in place the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

(i) where a Board meeting is held for the matters in which any Director has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;

(ii) where a Shareholders' meeting is held for considering proposed transactions in which any member of our Single Largest Group of Shareholders or any of their associates has a material interest, such member shall abstain from voting and shall not be counted in the quorum for the voting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with any member of our Single Largest Group of Shareholders or any of their associates, our Company will comply with the relevant requirements of the Listing Rules;

(iv) our Board composition includes not less than one-third of independent non-executive Directors, to ensure independent decision-making. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge and experience. They are committed to providing experienced and professional advice to protect the interests of our minority Shareholders;

(v) we have established the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules;

(vi) where the advice from an independent professional, such as a financial or legal adviser, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such independent professionals will be made at our Company's expenses; and

(vii) we have appointed First Shanghai Capital Limited as our Compliance Advisor pursuant to the Rule 3A.19 of the Listing Rules to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to Directors' duties and internal controls.

SHARE CAPITAL

OVERVIEW

Immediately before the [REDACTED]

As of the Latest Practical Date, our registered capital was RMB17,579,196, comprising 17,579,196 Unlisted Shares with a nominal value of RMB1.00 each.

Immediately after the [REDACTED]

Immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, the share capital of our Company will be as follows:

Assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised:

Description of Shares	Number of Shares	% as to the total issued share capital of our Company
Unlisted Shares	1,033,325	[REDACTED]%
H Shares to be converted from Unlisted Shares[(1)]	174,758,635	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100%

Assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is fully exercised:

Description of Shares	Number of Shares	% as to the total issued share capital of our Company
Unlisted Shares	1,033,325	[REDACTED]%
H Shares to be converted from Unlisted Shares[(1)]	174,758,635	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100%

Notes:

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the [REDACTED], see "History and Corporate Structure — Our Capitalization."

SHARES OF OUR COMPANY

Upon completion of the [REDACTED], depending on whether Shares are listed on the Stock Exchange, our Company will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are the same class of Shares under the Articles of Association. However, the H Shares generally may not be [REDACTED] for by, or [REDACTED] between, legal or natural persons of the PRC, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

SHARE CAPITAL

RANKING

Unlisted Shares and the H Shares carry the same rights and will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB, whereas all dividends for Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into H Shares. Such converted Shares may be [REDACTED] and [REDACTED] on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been filed with the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. 174,758,635 Unlisted Shares (taking into account the Share Subdivision) will be converted to H Shares on a one-for-one basis and be [REDACTED] on the Stock Exchange upon completion of the [REDACTED].

[REDACTED] Review and Filing with the CSRC

We have applied for a "full circulation" filing when applying for an overseas [REDACTED] full-circulation" was applied, and other documents in accordance with the requirements of CSRC.

We [have received] the filing notice from the CSRC dated [•] in relation to the filing of the overseas [REDACTED] and H-share "full circulation," pursuant to which:

[REDACTED]

Where the [REDACTED] cannot be completed within one year upon receipt of the filing notice, and our Company will continue to conduct overseas [REDACTED] and [REDACTED] after that, it shall update the filing materials, and the CSRC will update the public filing information accordingly.

[REDACTED] Approval by the Stock Exchange

We have applied to the [REDACTED] for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]) and the H Shares to be converted from the Unlisted Shares (taking into account the Share Subdivision) on the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange:

(i) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and

(ii) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

Any application for [REDACTED] of the converted Shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that, in relation to the public share [REDACTED] of a company, the shares of the company which have been issued prior to the [REDACTED] shall not be transferred within one year from the date of the [REDACTED]. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and shall not be transferred for a period of one year from the [REDACTED]. Our Company will work with the Domestic Securities Company to be engaged by our Company to restrict the [REDACTED] of the H Shares converted from Unlisted Shares technically within one year after the [REDACTED].

Pursuant to the PRC Company Law, Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons hold in our Company cannot be transferred within one year from the date on which the H Shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management, a summary of which is set out in "Appendix III — Summary of Articles of Association."

SHAREHOLDER'S GENERAL MEETINGS

For details of circumstances under which our general Shareholders' meeting is required, see "Appendix III — Summary of Articles of Association."

GENERAL MANDATES TO ISSUE AND REPURCHASE H SHARES

Subject to the completion of the [REDACTED], our Board has been granted a general mandate to allot and issue H Shares, and a general mandate to repurchase H Shares. For details, see "Appendix IV — Statutory and General Information — Further Information about Our Company and Our Subsidiaries — Shareholders' Resolutions."

EMPLOYEE INCENTIVE SCHEME

Our Company has adopted an Employee Incentive Scheme on January 5, 2026. For details, see "Appendix IV — Statutory and General Information — Employee Incentive Scheme."

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares, the following persons will have interests and/or short positions in the Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company:

				Shares held immediately following the completion of the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares		
Name	Nature of interest[1]	Description of Shares	Number of Shares held as of the Latest Practicable Date	Number	% of shareholding in the Unlisted Shares/ H Shares (as appropriate)[2]	% of shareholding in the total issued share capital of our Company[2]
Dr. Yang Jinfu[3]	Beneficial owner	Unlisted Shares	1,767,300	—	[REDACTED]%	[REDACTED]%
		H Shares	—	17,673,000	[REDACTED]%	[REDACTED]%
	Interested in the controlled corporation	Unlisted Shares	651,650	—	[REDACTED]%	[REDACTED]%
		H Shares	—	6,516,500	[REDACTED]%	[REDACTED]%
	Interests held jointly with another person	Unlisted Shares	1,472,750	—	[REDACTED]%	[REDACTED]%
		H Shares	—	14,727,500	[REDACTED]%	[REDACTED]%
Dr. Hao Xiaolin[4]	Beneficial owner	Unlisted Shares	1,472,750	—	[REDACTED]%	[REDACTED]%
		H Shares	—	14,727,500	[REDACTED]%	[REDACTED]%
	Interested held jointly with another person	Unlisted Shares	2,418,950	—	[REDACTED]%	[REDACTED]%
		H Shares	—	24,189,500	[REDACTED]%	[REDACTED]%
Dr. Chen Renhai[5]	Interested in the controlled corporations	Unlisted Shares	3,351,411	1,033,325	[REDACTED]%	[REDACTED]%
		H Shares	—	32,480,785	[REDACTED]%	[REDACTED]%
Mr. Liu Yihao[6]	Interested in the controlled corporations	Unlisted Shares	1,377,446	—	[REDACTED]%	[REDACTED]%
		H Shares	—	13,774,460	[REDACTED]%	[REDACTED]%
Ms. Sun Qinghua[7]	Interested in the controlled corporations	Unlisted Shares	1,767,300	—	[REDACTED]%	[REDACTED]%
		H Shares	—	17,673,000	[REDACTED]%	[REDACTED]%
Mr. Zhou Minghua[8]	Interested in the controlled corporations	Unlisted Shares	1,973,965	1,033,325	[REDACTED]%	[REDACTED]%
		H Shares	—	18,706,325	[REDACTED]%	[REDACTED]%
Ennovation Raylight[9]	Beneficial owner	Unlisted Shares	1,767,300	—	[REDACTED]%	[REDACTED]%
		H Shares	—	17,673,000	[REDACTED]%	[REDACTED]%
Ennovation Chengfeng[10]	Beneficial owner	Unlisted Shares	206,665	1,033,325	[REDACTED]%	[REDACTED]%
		H Shares	—	1,033,325	[REDACTED]%	[REDACTED]%
FIIF II[11]	Beneficial owner	Unlisted Shares	2,377,478	—	[REDACTED]%	[REDACTED]%
		H Shares	—	23,774,780	[REDACTED]%	[REDACTED]%
Nanjing Summit[12]	Interested in the controlled corporations	Unlisted Shares	1,222,702	—	[REDACTED]%	[REDACTED]%
		H Shares	—	12,227,020	[REDACTED]%	[REDACTED]%
Zijin Advanced Manufacture[13]	Beneficial owner	Unlisted Shares	1,132,132	—	[REDACTED]%	[REDACTED]%
		H Shares	—	11,321,320	[REDACTED]%	[REDACTED]%
KangJoin[14]	Beneficial owner	Unlisted Shares	1,050,305	—	[REDACTED]%	[REDACTED]%
		H Shares	—	10,503,050	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated represent long positions.

(2) The calculation is based on a total of 1,033,325 Unlisted Shares and [REDACTED] H Shares in issue.

(3) Dr. Yang Jinfu is deemed to be interested in 38,917,000 Shares under the SFO, consisting of (i) the Shares directly held by himself; (ii) the Shares held by Zhengxiang Jiwan (a partnership in which Dr. Yang is the general partner); (iii) the Shares held by Dr. Hao (as a result of Dr. Yang being party acting in concert with Dr. Hao).

(4) Dr. Hao Xiaolin is deemed to be interested in 38,917,000 Shares under the SFO, consisting of (i) the Shares directly held by himself; and (ii) the Shares held by Dr. Yang and Zhengxiang Jiwan (as a result of Dr. Hao being party acting in concert with Dr. Yang).

(5) Dr. Chen Renhai is deemed to be interested in 33,514,110 Shares under the SFO, consisting of (i) the Shares held by Ennovation Raylight (a partnership whose general partner, Nanjing Ennovation Management, is ultimately controlled by Dr. Chen Renhai); (ii) the Shares held by Qirui Youkang (a partnership whose general partner, Nanjing Jiakang, is ultimately controlled by Dr. Chen Renhai); (iii) the Shares held by Jieyuan Growth (a partnership whose general partner, Nanjing Jieyuan Investment, is ultimately controlled by Dr. Chen Renhai); (iv) the Shares held by Enjie Venture (a partnership whose general partner, Nanjing Jiakang, is ultimately controlled by Dr. Chen Renhai); (v) the Shares directly held by Nanjing Jiakang (a partnership ultimately controlled by Dr. Chen Renhai); and (vi) the Shares held by Ennovation Chengfeng (a partnership ultimately controlled by Dr. Chen Renhai).

(6) Mr. Liu Yihao is deemed to be interested in 13,774,460 Shares under the SFO, consisting of (i) the Shares held by Qirui Youkang (a partnership whose general partner, Nanjing Jiakang, is an entity in which Mr. Liu Yihao contributes more than one-third interest); (ii) the Shares held by Jieyuan Growth (a partnership whose general partner, Nanjing Jieyuan Investment, is an entity in which Mr. Liu Yihao contributes more than one-third interest); (iii) the Shares held by Enjie Venture (a partnership whose general partner, Nanjing Jiakang, is an entity in which Mr. Liu Yihao contributes more than one-third interest); and (iv) the Shares held by Nanjing Jiakang (a partnership in which Mr. Liu Yihao contributes more than one third interest).

(7) Ms. Sun Qinghua is deemed to be interested in 17,673,000 Shares held by Ennovation Raylight (a partnership in which Ms. Sun Qinghua contributes more than one third interest) under the SFO.

(8) Mr. Zhou Minghua controls Shanghai Ennovation Technology, which contributes more than one third interest in Shanghai Ennovation. Accordingly, Mr. Zhou Minghua is deemed to be interested in 19,739,650 Shares, consisting of: (i) the Shares held by Ennovation Raylight (a partnership whose general partner, Nanjing Ennovation Management, is an entity in which Shanghai Ennovation contributes more than one third interest); and (ii) the Shares held by Ennovation Chengfeng (a partnership whose general partner is Shanghai Ennovation).

(9) Ennovation Raylight is interested in 17,673,000 Shares under the SFO. Ennovation Raylight is managed by its general partner Nanjing Ennovation Management. Ms. Sun Qinghua contributes more than one third interest in Ennovation Raylight. Nanjing Ennovation Management is managed by its general partner Dr. Chen Renhai. Shanghai Ennovation contributes more than one third interest in Nanjing Ennovation Management. Shanghai Ennovation is managed by its general partner Dr. Chen Renhai. Shanghai Ennovation Technology contributes more than one third interest in Shanghai Ennovation. Mr. Zhou Minghua controls Shanghai Ennovation Technology. As such, each of Nanjing Ennovation Management, Ms. Sun Qinghua, Dr. Chen Renhai, Shanghai Ennovation, Shanghai Ennovation Technology and Mr. Zhou Minghua is deemed to be interested in the Shares held by Ennovation Raylight under the SFO.

(10) Ennovation Chengfeng is interested in 2,066,650 Shares under the SFO. Upon completion of the [REDACTED], 1,033,325 of such Shares will be converted into H Shares, while the remaining 1,033,325 Shares will remain as Unlisted Shares. Ennovation Chengfeng is managed by its general partner Shanghai Ennovation. Shanghai Ennovation is managed by its general partner Dr. Chen Renhai. Shanghai Ennovation Technology contributes more than one third interest in Shanghai Ennovation. Mr. Zhou Minghua controls Shanghai Ennovation Technology. Ennovation Yuehong contributes more than one third interest in Ennovation Chengfeng. Ennovation Yuehong is managed by its general partner Nanjing Ennovation Management. Nanjing Ennovation Management is managed by its general partner Dr. Chen Renhai. Shanghai Ennovation contributes more than one third interest in Nanjing Ennovation Management. Mr. Zhou Minghua contributes more than one third interest in Ennovation Yuehong. As such, each of Shanghai Ennovation, Dr. Chen Renhai, Shanghai Ennovation Technology, Mr. Zhou Minghua, Ennovation Yuehong and Nanjing Ennovation Management is deemed to be interested in the Shares held by Ennovation Chengfeng under the SFO.

(11) FIIF II is interested in 23,774,780 Shares under the SFO. FIIF II is managed by its general partner CS CAPITAL. As such, CS CAPITAL is deemed to be interested in the Shares held by FIIF II under the SFO.

(12) Nanjing Summit is deemed to be interested in 12,227,020 Shares under the SFO, consisting of (i) the Shares held by Zijin Advanced Manufacture (a partnership whose general partner is Nanjing Summit); and (ii) the Shares held by Chuangyi Future (a partnership whose general partner is Nanjing Summit) under the SFO.

(13) Zijin Advanced Manufacture is interested in 11,321,320 Shares under the SFO. Zijin Advanced Manufacture is managed by its general partner Nanjing Summit. FIIF contributes more than one third interest in Zijin Advanced Manufacture. Both Nanjing Summit and FIIF are state-owned enterprises. As such, each of Nanjing Summit and FIIF is deemed to be interested in the Shares held by Zijin Advanced Manufacture under the SFO.

(14) KangJoin is interested in 10,503,050 Shares under the SFO. KangJoin is controlled by Hankang Biotech Fund III, L.P., which is ultimately controlled by Ms. Zhang Meichai. As such, Ms. Zhang Meichai is deemed to be interested in the Shares held by KangJoin under the SFO.

Save as otherwise disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) and the Conversion of our Unlisted Shares into H Shares, have any interest and/or short positions in the Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of any other member of our Group.

BOARD OF DIRECTORS

Our Board consists of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors. The following table sets forth the key information about our Directors as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director
Dr. Yang Jinfu (楊金夫) . .	63	Chairperson of the Board, Executive Director and chief executive officer	Responsible for leading the Board and management team, formulating and executing strategy, and overseeing the Group's daily operations	June 2018	June 2018
Dr. Hao Xiaolin (郝小林) . .	56	Executive Director and chief scientific officer	Responsible for leading research and development, including the formulation, implementation and execution of the Group's drug discovery and development strategies	June 2018	June 2018
Dr. Chen Renhai (陳仁海) . .	46	Non-executive Director	Responsible for overseeing Board affairs and providing strategic advice on the business development of our Group	April 2020	April 2020
Dr. Yi Hua (易華)	51	Non-executive Director	Responsible for overseeing Board affairs and providing strategic advice on the business development of our Group	April 2021	April 2021
Mr. Lam Ka Tak (林嘉德) . .	45	Independent non-executive Director	Responsible for providing independent advice and judgment to the Board	January 2026	January 2026
Dr. Ma Dawei (馬大為) . .	62	Independent non-executive Director	Responsible for providing independent advice and judgment to the Board	January 2026	January 2026
Dr. Wang Zhengping (王政萍) . .	58	Independent non-executive Director	Responsible for providing independent advice and judgment to the Board	January 2026	January 2026

Executive Directors

Dr. Yang Jinfu (楊金夫), aged 63, is our co-founder, chairperson of the Board, executive Director and chief executive officer. He has served as a Director and the chairperson of the Board since June 2018. Dr. Yang was appointed as our chief executive officer in December 2025, and was redesignated as an executive Director in January 2026. He also holds directorships across all subsidiaries within our Group. He is mainly responsible for leading the Board and management team, formulating and executing strategy, and overseeing the Group's daily operations.

Early in Dr. Yang's career, he conducted academic research at Changchun Institute of Applied Chemistry, Chinese Academy of Sciences (中國科學院長春應用化學研究所), University of Graz in Austria, University of Dortmund in Germany (sponsored by the Alexander von Humboldt Foundation), and Southern Illinois University at Carbondale in the United States. In August 2002, he joined Cytokinetics Inc (NASDAQ: CYTK) as a scientist. From May 2006 to December 2009, he served as an associate director of drug metabolism and pharmacokinetics at Proteolix Inc. (a company was then acquired by Onyx Pharmaceuticals Inc. (NASDAQ: ONXX)). From July 2010 to July 2013, Dr. Yang was with Calithera Biosciences Inc, USA as a director of drug metabolism and pharmacokinetics. Dr. Yang then was the chief executive officer and a director at Ningbo Shengjian Biomedical Technology Co., Ltd. (寧波聖健生物醫藥科技有限公司) from July 2013 to June 2016, and the chief executive officer at Tianyin Biopharmaceutical Technology (Hangzhou) Co., Ltd. (天因生物醫藥科技(杭州)有限公司) from July 2016 to June 2019.

Dr. Yang obtained a Ph.D. from Changchun Institute of Applied Chemistry, Chinese Academy of Sciences (中國科學院長春應用化學研究所) in the PRC in 1988.

Dr. Yang is a recipient of numerous accolades. His key recognitions include being selected as (i) a Distinguished Expert of National Major Talent Project (國家重大人才工程計劃專家), (ii) a Humboldt Research Fellow of the Alexander von Humboldt Foundation, (iii) a High-end Foreign Expert recognized by the State Administration of Foreign Experts Affairs of the PRC (國家外專局高端外國專家), (iv) a Leading Talent of "3315 Plan" in Ningbo (寧波市"3315"計劃領軍人才), and (v) a High-end Foreign Expert of the Zijinshan Elite Talent Pioneer Program in Nanjing (南京市紫金山英才先鋒計劃高端外國專家).

Dr. Hao Xiaolin (郝小林), aged 56, is our co-founder, executive Director and chief scientific officer. He has served as a Director since June 2018. He was our chief executive officer from June 2018 to December 2025. Dr. Hao was appointed as our chief scientific officer in December 2025, and was redesignated as our executive Director in January 2026. He also serves as a director of Zenshine CA. He is mainly responsible for leading research and development, including the formulation, implementation and execution of the Group's drug discovery and development strategies.

Dr. Hao commenced his career in the biopharmaceutical industry in September 1999 when he joined Tularik Inc as a scientist. In August 2004, he assumed the role of principal scientist at Amgen Inc. (NASDAQ: AMGN) through October 2014. Dr. Hao founded AIM Biosciences Inc. in February 2015, where he acted as the chief executive officer until 2020.

Dr. Hao obtained a bachelor's degree in chemistry from Peking University (北京大學) in the PRC in July 1991, a master's degree in bio-organic chemistry from Peking University in the PRC in July 1994, and a Ph.D. in organic chemistry from University of Illinois Chicago in the United States in 1999.

Dr. Hao served as the president of the Chinese American Biopharmaceutical Society from 2014 to 2015 and has sat on its board since 2015. Dr. Hao is also a recipient of numerous accolades. His key recognitions include being selected as (i) a Distinguished Expert of National Major Talent Project (國家重大人才工程計劃專家), and (ii) a Talent of the Zijinshan Elite Talent Pioneer Program in Nanjing (南京市紫金山英才計劃高峰項目入選人才).

Non-executive Directors

Dr. Chen Renhai (陳仁海), aged 46, is a non-executive Director. Dr. Chen was appointed as our Director as an investor representative of Ennovation Ventures in April 2020 and was redesignated as our non-executive Director in January 2026. He is mainly responsible for overseeing Board affairs and providing strategic advice on the business development of our Group.

Dr. Chen is the founding partner and executive partner at Ennovation Ventures (恩然創投). He has been the executive partner at Ennovation Raylight and Jieyuan Growth since July 2015 and December 2016, respectively.

In addition to his directorship at our Company, Dr. Chen holds concurrent directorships in numerous healthcare companies, including (i) as a director at Nanjing Immunophage Biopharmaceutical Technology Co., Ltd. (南京艾美斐生物醫藥科技股份有限公司) since October 2016; (ii) as a director at Hangzhou Life Real Biotechnology Co., Ltd. (杭州遂真生物技術有限公司) since April 2017; (iii) as a non-executive director at Nanjing Leads Biolabs Co., Ltd. (南京維立志博生物科技股份有限公司) (SEHK: 9887) since July 2017; and (iv) as a director at Zhejiang SyncoZymes Bio-pharmaceutical Co., Ltd. (浙江尚科生物醫藥有限公司) since January 2019.

Dr. Chen obtained a bachelor's degree in pharmacy from Second Military Medical University (第二軍醫大學) (currently known as Naval Medical University (中國人民解放軍海軍軍醫大學)) in the PRC in June 2002, a master's degree in biochemistry and molecular biology from Shanghai Institutes for Biological Sciences of Chinese Academy of Sciences (中國科學院上海生命科學研究院) in the PRC in March 2006 and a Ph.D. in pharmacology from Shanghai Institute of Pharmaceutical Industry (上海醫藥工業研究院) in the PRC in June 2014.

Dr. Yi Hua (易華), aged 51, is a non-executive Director. Dr. Yi was appointed as a Director as an investor representative of FIIF II in April 2021 and was redesignated as a non-executive Director in January 2026. He is mainly responsible for overseeing Board affairs and providing strategic advice on the business development of our Group.

From October 2014 to April 2017, Dr. Yi held the position of investment manager at CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司). Since April 2017, Dr. Yi has been a managing director at SDIC Fund Management (Shanghai) Co., Ltd. (國投創新投資管理(上海)有限公司).

In addition to his directorship at our Company, Dr. Yi holds or has previously held directorships in numerous healthcare companies, including (i) as a director at HMT (Xiamen) New Technical Materials Co., Ltd. (華懋(廈門)新材料科技股份有限公司) (SSE: 603306) from November 2020 to November 2023; (ii) as a non-executive director at TransThera Sciences (Nanjing), Inc. (藥捷安康(南京)科技股份有限公司) (SEHK: 2617) from March 2020 to March 2026; and (iii) as a non-executive director at CF PharmTech, Inc. (長風藥業股份有限公司) (SEHK: 2652) since December 2021.

Dr. Yi obtained a Ph.D. in analytical chemistry from East China Normal University (華東師範大學) in the PRC in July 2005. He completed post-doctoral research in ENS Cachan (currently known as Ecole normale superieure Paris-Saclay) in France in September 2009.

Independent Non-executive Directors

Mr. Lam Ka Tak (林嘉德), aged 45, is an independent non-executive Director. Mr. Lam has served as an independent non-executive Director since January 2026. He is mainly responsible for providing independent advice and judgment to our Board.

From May 2003 to March 2006, Mr. Lam was employed by RSM Nelson Wheeler (currently known as RSM Hong Kong), an accounting and consulting firm in Hong Kong, with his last position as senior accountant. From April 2006 to September 2010, he worked at KPMG, an accounting and consulting firm in Hong Kong, with his last position as manager.

In addition to his directorship at our Company, Mr. Lam holds or has previously held concurrent positions in numerous listed companies, including (i) as the company secretary and the chief financial officer at Beijing Health (Holdings) Limited (北京健康(控股)有限公司) (SEHK: 2389) since September 2010 and March 2015, respectively; (ii) as an executive director at Beijing Sports and Entertainment Industry Group Limited (北京體育文化產業集團有限公司) (SEHK: 1803) since December 2015; (iii) as an independent non-executive director at Net-a-Go Technology Company Limited (網譽科技有限公司) (SEHK: 1483) from October 2016 to October 2025; (iv) as an independent non-executive director at Jiangsu Horizon Chain Supermarket Company Limited (江蘇

宏信超市連鎖股份有限公司) (SEHK: 2625) from March 2025 to January 2026; and (v) as an independent non-executive director of Jiangsu Jasung Intelligent Industrial Technology Co., Ltd. (江蘇嘉軒智能工業科技股份有限公司) since June 2026.

Mr. Lam obtained a bachelor's degree in accountancy from The Hong Kong Polytechnic University in November 2003, and an MBA from The University of Hong Kong in November 2013. Mr. Lam has been a member of the Hong Kong Institute of Certified Public Accountants since January 2010 and became a fellow in September 2024.

Dr. Ma Dawei (馬大為), aged 62, is an independent non-executive Director. Dr. Ma has served as an independent non-executive Director since January 2026. He is mainly responsible for providing independent advice and judgment to the Board.

Dr. Ma is a distinguished organic chemist and an Academician of the Chinese Academy of Sciences (Chemistry Division) (中國科學院化學部院士). Since January 1995, Dr. Ma has been assuming the role of researcher at the Shanghai Institute of Organic Chemistry (中國科學院上海有機化學研究所). He also was a deputy director at the State Key Laboratory of Bioorganic Chemistry (生命有機化學國家重點實驗室) from June 2000 to November 2009.

In addition to his directorship at our Company, Dr. Ma has been serving as an independent non-executive director at Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業股份有限公司) (SEHK: 6887) since September 2023, and had previously served as an independent director at Shanghai Medicilon Inc. (上海美迪西生物醫藥股份有限公司) (SSE: 688202) from November 2021 to May 2025.

Dr. Ma obtained a bachelor's degree in chemistry from Shandong University (山東大學) in the PRC in 1984 and a Ph.D. in organic chemistry from the Shanghai Institute of Organic Chemistry in the PRC in July 1989. Dr. Ma completed his postdoctoral research at the University of Pittsburgh in 1990 and at Mayo Clinic in 1994, respectively. Dr. Ma also received the Second Prize of the State Natural Science Award (國家自然科學二等獎) from the State Council of PRC in 2007.

Dr. Wang Zhengping (王政萍), aged 58, is an independent non-executive Director. Dr. Wang has served as an independent non-executive Director since January 2026. She is mainly responsible for providing independent advice and judgment to our Board.

Dr. Wang commenced her career in 2002 at Cytokinetics, Incorporated (NASDAQ: CYTK). In December 2007, she worked at Proteolix Inc. through October 2009. Prior to joining her current firm, Dr. Wang was with Onyx Pharmaceuticals Inc. (NASDAQ: ONXX) and Amgen Inc (NASDAQ: AMGN). Since 2017, Dr. Wang has been with Revolution Medicines, Inc. (NASDAQ: RVMD), where she currently serves as a senior vice president.

Dr. Wang obtained a bachelor's degree in chemistry from Wuhan University (武漢大學) in the PRC in July 1990, a master's degree in chemistry from Wuhan University (武漢大學) in the PRC in August 1993, and a Ph.D. in chemistry from University of Alberta in Canada in November 2001.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Positions	Roles and responsibilities	Date of joining our Group	Date of appointment as a senior management
Dr. Yang Jinfu (楊金夫) . .	63	Chairperson of the Board, Executive Director and chief executive officer	Responsible for leading the Board and management team, formulating and executing strategy, and overseeing the Group's daily operations	June 2018	June 2018
Dr. Hao Xiaolin (郝小林) . .	56	Executive Director and chief scientific officer	Responsible for leading research and development, including the formulation, implementation and execution of the Group's drug discovery and development strategies	June 2018	June 2018
Mr. Xu Ming (許明)	53	Chief operating officer and Board secretary	Responsible for managing daily business operations, executing corporate strategies, and optimizing organizational efficiency	November 2025	November 2025
Dr. Sun Min (孫敏)	45	Senior vice president (CMC)	Responsible for overseeing chemistry, manufacturing, and controls (CMC) functions, including process development, production, and quality assurance	September 2021	September 2021
Mr. Gui Yaokui (桂耀奎) . .	47	Senior vice president (Commercialization)	Responsible for driving business development, market access strategies, commercialization, and brand management	June 2023	June 2023
Ms. Wang Xiaoyan (汪曉燕) . .	49	Financial vice president	Responsible for directing financial and accounting management	May 2023	May 2023

Dr. Yang Jinfu (楊金夫), aged 63, is our co-founder, chairperson of the Board, executive Director and chief executive officer. For his biography, see "— Board of Directors — Executive Directors" in this section.

Dr. Hao Xiaolin (郝小林), aged 56, is our co-founder, executive Director and chief scientific officer. For his biography, see "— Board of Directors — Executive Directors" in this section.

Mr. Xu Ming (許明), aged 53, has been the chief operating officer and Board secretary of our Group since November 2025. He is mainly responsible for managing daily business operations, executing corporate strategies, and optimizing organizational efficiency.

Mr. Xu commenced his career in January 1996 at Merck Sharp & Dohme (a subsidiary of Merck & Co., Inc. (NYSE: MRK)). In August 1998, he joined Bayer HealthCare (a healthcare division of Bayer AG (FWB: BAYN)), where he served as national commercial manager and later as national commercial and sales administration manager until March 2003. He was then employed by Dr. Reddy's Laboratories (NYSE: RDY), serving as a national commercial manager from September 2003 until his promotion to financial manager in April 2006. Afterwards, Mr. Xu was a business development vice president at China NT Pharma Group Company Limited (SEHK: 1011) until May 2014. In September 2015, Mr. Xu joined Ambrx Biopharma, Inc. (NASDAQ: AMAM), where he acted as general manager and board secretary until November 2018, and subsequently as China strategic vice president until November 2019. During this period, he also served as a senior healthcare advisor at HOPU Investments (厚樸投資) from October 2018 to July 2021 and as an executive director at CMH Health Fund from December 2019 to April 2021. Prior to joining our Group, Mr. Xu was the co-founder and chief operating officer at Ablaze Pharmaceuticals from May 2021 to August 2024.

Mr. Xu obtained a bachelor's degree in pharmacy from Fudan University (復旦大學) in the PRC in July 1995 and an EMBA from Fudan University (復旦大學) in the PRC in July 2007.

Dr. Sun Min (孫敏), aged 45, has been the senior vice president (CMC) of our Group since February 2024. He is mainly responsible for overseeing chemistry, manufacturing, and controls (CMC) functions, including process development, production, and quality assurance.

Dr. Sun commenced his career in biopharmaceutical industry in June 2010 when he joined Jiangsu Aosaikang Pharmaceutical Co., Ltd. (江蘇奧賽康藥業有限公司), with his last position being a deputy general manager and deputy director of the drug research institute. He joined our Group in September 2021 as vice president (CMC) and was promoted to senior vice president (CMC) in February 2024.

Dr. Sun obtained a Ph.D. in pharmaceutical engineering (製藥工程) from Southeast University (東南大學) in the PRC in December 2009.

Dr. Sun is a recipient of numerous accolades. His key recognitions include being selected as (i) an Innovation and Entrepreneurship Doctor in Jiangsu (江蘇省雙創博士), (ii) a High-level Talent of Six Talent Peaks in Jiangsu (江蘇省六大人才高峰高層次人才); (iii) a 333 High-level Talent in Jiangsu (江蘇省333高層次人才); and (iv) a Top-notch Young and Middle-aged Talent in Nanjing (南京市中青年拔尖人才).

Mr. Gui Yaokui (桂耀奎), aged 47, has been the senior vice president (Commercialization) of our Group since June 2023. He is mainly responsible for driving business development, market access strategies, commercialization, and brand management.

Mr. Gui commenced his career in January 2004 as a pharmaceutical representative at GlaxoSmithKline (China) Investment Co., Ltd. (葛蘭素史克(中國)投資有限公司) (a subsidiary of GSK plc (LSE: GSK)), where he rose to a senior regional manager before his departure in March 2015. From March 2015 to April 2018, he successively assumed the role of operation and strategy director and marketing director at Hisun-Pfizer Pharmaceutical Co., Ltd. (海正輝瑞製藥有限公司). Mr. Gui joined Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業股份有限公司) (SEHK: 6887) in February 2018 and remained there until February 2021, with his last position being deputy general manager. Prior to joining our Group, he was the deputy general manager at Sansure Biotech Inc. (聖湘生物科技股份有限公司) (SSE: 688289) from March 2021 to January 2022.

Mr. Gui obtained a bachelor's degree in Chinese medicine from Anhui University of Chinese Medicine (安徽中醫藥大學) in the PRC in July 2002.

Ms. Wang Xiaoyan (汪曉燕), aged 49, has been the financial vice president of our Group since May 2023. She is mainly responsible for directing financial and accounting management.

Earlier in Ms. Wang's career, from June 2005 to April 2010, she was employed by Bayer CropScience (China) Co., Ltd. (拜耳作物科學(中國)有限公司) (a subsidiary of Bayer AG (FWB: BAYN)) as a financial accountant. Ms. Wang then was a finance controller at Hangzhou Sanofi Minsheng Consumer Healthcare Co., Ltd. (杭州賽諾菲民生健康藥業有限公司) (a subsidiary of Sanofi (Euronext: SAN; NASDAQ: SNY)) until August 2016. Ms. Wang then was a senior manager at Innovent Biologics (Suzhou) Co., Ltd. (信達生物製藥(蘇州)有限公司) (a subsidiary of Innovent Biologics, Inc. (SEHK: 1801)) until January 2017. She served as a financial director at Ascletis Pharma Inc. (歌禮製藥有限公司) (SEHK: 1672) from February 2017 to April 2021. Prior to joining our Group, she was the senior financial director at Exegenesis Bio Inc (杭州嘉因生物科技有限公司) from May 2021 to May 2023.

Ms. Wang obtained a bachelor's degree in accounting from Anhui Finance and Economics University (安徽財經大學) in the PRC in June 2002 and a master's degree in accounting from Shanghai National Accounting Institute (上海國家會計學院) in the PRC in October 2012. Ms. Wang is a High-level Accounting Talent in Hangzhou, and has been a certified management accountant since December 2015.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above and in "Appendix IV — Statutory and General Information," each of our Directors did not have (i) any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation), or (ii) any interest in the Shares within the meaning of Part XV of the SFO, as of the Latest Practicable Date.

To the best knowledge, information and belief of the Directors having made all reasonable inquiries, save as disclosed above, there are no material matters relating to their appointment as a Director or senior management member that need to be brought to the attention of our Shareholders and there is no other information in relation to his or her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, as of the Latest Practicable Date.

To the best knowledge, information and belief of the Directors having made all reasonable inquiries, there are no financial, business, family, or other material relationships among our Directors and senior management.

JOINT COMPANY SECRETARIES

Mr. Xu Ming (許明) was appointed as one of the joint company secretaries of our Company with effect from December 2025. For details of his biography, see "— Senior Management" above.

Mr. Wong Chun Wing Samuel (黃俊穎) was appointed as one of our joint company secretaries with effect from [REDACTED].

Mr. Wong is an assistant manager of the Listing Services Department of TMF Hong Kong Limited and is responsible for provision of corporate secretarial and compliance services to listed company clients. He has over eight years of experience in the company secretarial field.

Mr. Wong obtained a bachelor's degree in business administration from The Hang Seng University of Hong Kong in November 2017. He is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Company has established three committees under the Board in accordance with the applicable PRC laws and regulations, the Articles of Association and the Listing Rules, including the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee.

Audit Committee

We have established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of our Group, review and approve connected transactions and to advise the Board.

The Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely, Mr. Lam Ka Tak, Dr. Yi Hua and Dr. Ma Dawei. Mr. Lam Ka Tak is the chairperson of the Audit Committee and holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management.

The Remuneration and Appraisal Committee comprises one executive Director, one non-executive Director and three independent non-executive Directors, namely, Dr. Wang Zhengping, Mr. Lam Ka Tak, Dr. Ma Dawei, Dr. Chen Renhai and Dr. Yang Jinfu. Dr. Wang Zhengping is the chairperson of the Remuneration and Appraisal Committee.

Nomination Committee

We have established a Nomination Committee in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession.

The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely, Dr. Yang Jinfu, Dr. Ma Dawei and Dr. Wang Zhengping (female). Dr. Yang Jinfu is the chairperson of the Nomination Committee.

CORPORATE GOVERNANCE CODE

Our Directors recognize the importance of incorporating elements of good corporate governance in our management structure and internal control procedures so as to achieve effective accountability. Following the [REDACTED], our Company intends to comply with all code provisions in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, except for code provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairperson of the Board and chief executive officer should be separate and should not be performed by the same individual. We are committed to maintaining a Board with a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors, so as to ensure a strong independent element on the Board capable of exercising independent judgment.

The roles of chairperson of the Board and chief executive officer of our Company are currently performed by Dr. Yang Jinfu. In view of Dr. Yang's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Dr. Yang acting as both our chairperson of the Board and chief executive officer will provide strong and consistent leadership to our Group and facilitate the efficient execution of our business strategies. We consider it appropriate and beneficial to our business development and prospects that Dr. Yang continues to act as both our chairperson of the Board and chief executive officer after the [REDACTED], and therefore currently do not propose to separate the functions of chairperson of the Board and chief executive officer. While this would constitute a deviation from code provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Dr. Yang and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board, which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether the separation of the roles of chairperson of the Board and chief executive officer is necessary.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy which sets out the approach to achieve diversity on our Board. Our Company seeks to achieve Board diversity through the consideration of various factors, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. We select and will select potential Board candidates based on merit and their potential contribution to our Board while taking into consideration our own business model and specific needs from time to time.

Our Board has a balanced mix of knowledge, skills and experience, academic backgrounds. Furthermore, our Directors are of a wide range of age, from 45 to 63 years old. Taking into account our business model and specific needs as well as the presence of one female Director out of a total of seven Board members, we consider that the composition of our Board satisfies our board diversity policy.

We recognize the particular importance of gender diversity on our Board. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including the Board and senior management levels. Our board diversity policy mandates that our Board seek opportunities to increase the proportion of female members over time following our [REDACTED]. In particular, taking into account the business needs of our Group and changing circumstances that may affect our business plans, we will actively identify and select qualified female candidates with a diverse range of skills, experience and knowledge. We will maintain a list of these potential candidates, which the Nomination Committee will periodically review to develop a pipeline of successors and promote gender diversity. We will also ensure that there is gender diversity when recruiting staff at the mid- to senior- levels so that we have a pipeline of female senior management and potential successors to our Board going forward. We plan to offer well-rounded trainings to female employees whom we consider have the requisite experience, skills and knowledge of our operation and business, on topics including but not limited to business operation, management, accounting and finance, and legal compliance. We are of the view that such strategies will provide our Board with ample opportunities to identify capable female employees to be nominated as Directors in the future, fulfilling our aim to develop a pipeline of female candidates to achieve greater gender diversity in our Board in the long run.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After [REDACTED], our Nomination Committee will review our board diversity policy and its implementation annually to monitor its continued effectiveness. We will disclose the implementation of our board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives, in our corporate governance report on an annual basis.

COMPLIANCE ADVISOR

We have appointed First Shanghai Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. The term of appointment of our Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors and senior management members who receive remuneration from the Company are paid in the forms of salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

In 2024 and 2025 and the six months ended June 30, 2026, the total amount of remuneration (including directors' fees, salaries, allowances and benefits in kind, discretionary bonuses and retirement scheme contributions) of our Directors was RMB5.34 million, RMB6.16 million and RMB3.61 million, respectively.

According to existing effective arrangements, we estimate the total remuneration before taxation to be accrued to our Directors in kind for their service (excluding share-based payment) for the year ending December 31, 2026 will be approximately RMB4.89 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration.

In 2024 and 2025 and the six months ended June 30, 2026, the total emoluments of the five highest paid individuals (excluding Directors) by us amounted to RMB7.10 million, RMB7.11 million and RMB7.0 million, respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, during the Track Record Period, no other amounts were paid or payable by us or any of our subsidiaries to our Directors or the five highest paid individuals.

Except as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Group during the Track Record Period.

KEY TERMS OF EMPLOYMENT CONTRACTS

We normally enter into employment contracts and confidentiality and non-competition agreements with our senior management members and other key personnel. Below sets forth the key terms of these contracts we enter into with our senior management and other key personnel.

Non-competition

Within two years from the date of the employee's departure and during the course of employment by our Group, they shall not, among others, directly or indirectly engage in any business activities which are the same, similar or competitive with the business of our Group. In addition, the employee shall not take up any position or work for any other economic organization in any form, nor undertake any private business activities during their employment with us. Depending on the seriousness of the case, we may, according to the internal rules and regulations, impose disciplinary actions on the employee until the termination of the contracts.

Confidentiality

The employee shall keep in confidence and shall not disclose our trade secrets, including but not limited to our technical information, operational information in confidence, other information that is deemed as confidential by our Group or our business partners and should be kept in confidence by our Group, and other information that is disclosed to or obtained by the employee directly or indirectly from our Company or other members of our Group until the date when the information is declared non-confidential or until the business secret is effectively disclosed to the public.

Service Invention

The intellectual property rights in any invention, work or non-patent technical result that is (i) resulted from performing employee duties or (ii) developed mainly using our material, technologies and information or (iii) developed within one year after employee departure relating to his/her duties or assignments during employment with us shall belong to us.

CONFIRMATIONS FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are not members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which these non-executive Directors may hold directorships from time to time.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 20, 2026 and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our historical financial information, together with the accompanying notes, included in the Accountants' Report set out in Appendix I to this document. Our historical financial information has been prepared in accordance with IFRS Accounting Standards, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not rely solely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual performance may differ materially from those anticipated in these forward-looking statements, as a result of various risks and uncertainties over which we do not have full control. For details, see "Forward-looking Statements" and "Risk Factors."

OVERVIEW

Founded in 2018, we are a commercial stage biopharmaceutical company dedicated to discovering, developing and commercializing innovative therapeutics that address medical needs with limited available therapies across viral infectious diseases, oncology, and inflammatory disorders. We have one Core Product, sebaloxavir marboxil tablets, which is an inhibitor targeting the influenza virus polymerase acidic protein ("**PA**") endonuclease. It has obtained its NDA approval from NMPA in July 2025 for the treatment of adult influenza and subsequently obtained NDA approval for the treatment of adolescent patients in June 2026; and we are also developing post-exposure prophylaxis. The market of development and commercialization of innovative antiviral drugs is highly competitive. For details, please see "Risk Factors — "Risks Relating to the Development of Our Drug Candidates — We may face intense competition and rapid technological change and the possibility that our competitors may develop drugs and therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates".

As of the Latest Practicable Date, we have developed a pipeline of six proprietary drug assets, including our commercialized anti-influenza sebaloxavir marboxil tablets, a late clinical stage sebaloxavir marboxil for suspension targeting pediatric influenza patients, a phase 1 stage selective ectonucleotide pyrophosphatase/phosphodiesterase 1 ("**ENPP1**") ZX-8177 for the treatment of solid tumors, which is also at the IND filing stage for the treatment of hypophosphatasia ("**HPP**"), and an IND-enabling stage DNA polymerase inhibitor ZX-12042B for the treatment of human papillomavirus ("**HPV**") infections. We also have two preclinical stage drug candidates targeting herpes simplex virus ("**HSV**") infections and autoimmune diseases.

During the Track Record Period, our revenue was primarily generated from sales of our Core Product, sebaloxavir marboxil tablets, which was approved by NMPA in July 2025 and commercially launched in October 2025. As sales of our sebaloxavir marboxil tablets are expected to ramp up, alongside its successful expansion of indications and the anticipated approvals of our drug candidates, our revenue is expected to increase significantly and become more diversified.

BASIS OF PRESENTATION AND PREPARATION

Our historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"). For the purpose of preparing the historical financial information, we have adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. For details, see note 1 to the Accountants' Report as set out in Appendix I to this document.

FINANCIAL INFORMATION

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Our Ability to Compete Effectively and Increase the Market Share of Our Products

Our ability to sustain and grow our business depends on the competitiveness of our products and our capacity to maintain or expand their market positions in both domestic and international markets. The pharmaceutical industry in China and globally is highly competitive; factors such as pricing, product quality, brand recognition, and distribution capabilities may influence customer procurement decisions and therefore affect the sales performance of our products. Consequently, our revenue and profitability may fluctuate depending on how effectively our products compete within their respective markets and whether we can successfully maintain or expand their market share.

Sebaloxavir marboxil tablets, our Core Product, was the first and only commercialized product in our pipeline. It was approved by the NMPA in July 2025 and was launched in October in the same year. During the Track Record Period, we primarily generated revenue from sales of our Core Product. In 2025 and the six months ended June 30, 2026, we recorded revenue of RMB5.3 million and RMB2.5 million, respectively. The advancement and approval of our Core Product evidence our strong R&D capabilities, high product quality, and marketing capabilities. The future performance of our products, including the Core Product, will continue to depend on our ability to compete within the market. Changes in market dynamics or competitive positioning may influence sales volumes and market share, which could in turn affect our business, financial condition, and results of operations.

In addition, NRDL inclusion would influence market dynamics by determining patient access to insurance reimbursement for covered medications, thereby affecting both demand patterns and achievable pricing levels. Consequently, the inclusion or exclusion of a product in or from any of these medical insurance programs may significantly affect the demand for such product in China. Our Core Product was not yet included in the NRDL as of the Latest Practicable Date. We plan to participate in the next round of NRDL negotiation for sebaloxavir marboxil tablets, which is expected to take place at the end 2026.

Our Ability to Successfully Develop and Commercialize Our Drug Candidates

Our future financial performance depends significantly on our ability to expand the additional indication and formulation for sebaloxavir marboxil, and to successfully develop and commercialize our pipeline of drug candidates.

We are developing two distinct tablet forms of sebaloxavir marboxil, among which one formulation, the tablets form, is our Core Product. We are also exploring age expansion for sebaloxavir marboxil tablets to cover adolescent influenza patients. We have expanded the indication of sebaloxavir marboxil tablets to cover adolescent influenza patients, for which we obtained NDA approval from the NMPA in June 2026 We submitted the NDA application for sebaloxavir marboxil suspension formulation to the NMPA in June 2026, which was accepted by the NMPA in July 2026 and is currently under review. For both formulations, we are evaluating opportunities to expand their indications to post-exposure prophylaxis. For details, please see "Business — Our Drug Portfolio — Sebaloxavir Marboxil (ZX-7101A): An Anti-Influenza Therapy Featuring Dual Formulations including our Commercialized Core Product — Sebaloxavir Marboxil Tablets."

Beyond sebaloxavir marboxil, our pipeline includes four drug candidates, including ZX-8177 in clinical stage, ZX-12042B in IND-enabling stage, as well as ZX-15002 and ZX-14000 in pre-clinical stage. For details, see "Business — Our Drug Portfolio." The ability of our drug candidates to demonstrate favorable safety and efficacy profiles in clinical trials, and to obtain timely regulatory

approvals, is critical to our ability to diversify revenue streams and achieve sustainable growth. Any delays in the development or approval processes could materially impact our business and financial results.

Operating Expenses

Our results of operations are significantly affected by our cost structure, which is primarily driven by research and development costs.

As part of our core strategy, we are committed to ongoing investment in the R&D of our Core Product, sebaloxavir marboxil tablets, and to support the advancement and expansion of our drug candidates. Consequently, we have dedicated considerable financial resources to advancing the R&D of our clinical, non-clinical and discovery drug candidates. Our current research and development activities mainly relate to drug discovery, preclinical studies and clinical trials, as well as CMC of our drug candidates. As a result, our research and development costs primarily consist of trial and testing expenses, staff costs, depreciation and amortization and others. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs were RMB100.0 million, RMB112.1 million, RMB64.3 million and RMB42.8 million, respectively, accounting for 82.9%, 75.8%, 86.2% and 61.8% in terms of our total operating expenses (including our research and development costs, selling expenses and administrative and other operating expenses) for the same period respectively. We anticipate that our research and development costs will continue to rise in the foreseeable future as we pursue new indications and formulations for our Core Product and advance our pipeline of drug candidates.

Funding for Our Operations

During the Track Record Period, we funded our operations primarily through proceeds from pre-[REDACTED] investments and bank borrowings. Going forward, we expect to primarily fund our operations with cash on hand, as well as funds generated from sales of our Core Product, and sales of our other drug candidates following their anticipated approval in the future. However, with the continuing expansion of our business and product pipelines, we may require further funding through public or private [REDACTED], debt financing, collaboration arrangements and licensing arrangements or other funding sources. Any fluctuation in the funding for our operations will impact our cash flow and our results of operations.

Seasonality

Influenza infections typically exhibit strong seasonality, with higher incidence during colder months (usually from late autumn to early spring) and lower incidence in other periods of the year. As a result, the demand and sales of sebaloxavir marboxil tablets are expected to increase significantly during influenza seasons and decrease during non-peak periods, leading to seasonal variations in our revenue and results of operations. This seasonal pattern is expected to result in fluctuations in our operating results.

MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

The preparation of historical financial statements in conformity with IFRS Accounting Standards requires our management to make judgments, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Such judgments, estimates and assumptions are continually evaluated and are based on historical experience and various other factors, including expectations of future events, that are believed to be reasonable under the circumstances, from which our actual results may differ. For details, please see note 2 and 3 to the Accountants' Report set out in Appendix I to this document.

DESCRIPTION OF SELECTED COMPONENTS OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future year or period.

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)			
Revenue	**—**	**5,314**	**—**	**2,514**
Cost of sales	—	(479)	—	(756)
Gross profit	**—**	**4,835**	**—**	**1,758**
Other income	26,598	306	222	13,507
Other net gain	1,878	3,046	1,448	1,177
Selling expenses	(6,531)	(9,734)	(3,513)	(5,799)
Administrative and other operating expenses	(14,073)	(26,116)	(6,758)	(20,699)
Research and development costs	(100,003)	(112,121)	(64,325)	(42,789)
(Provision for)/reversal of impairment loss on receivables	(1)	(23)	2	18
Loss from operations	**(92,132)**	**(139,807)**	**(72,924)**	**(52,827)**
Finance income	214	416	166	207
Finance costs	(2,590)	(3,500)	(1,448)	(1,041)
Net finance costs	(2,376)	(3,084)	(1,282)	(834)
Remeasurement of redemption liabilities	(50,887)	(66,293)	(31,233)	(37,115)
Loss before taxation	**(145,395)**	**(209,184)**	**(105,439)**	**(90,776)**
Income tax	—	(84)	(15)	(17)
Loss for the year/period	**(145,395)**	**(209,268)**	**(105,454)**	**(90,793)**

Revenue

We primarily engaged in the research, development and commercialization of pharmaceutical products. In July 2025, sebaloxavir marboxil tablets were approved by NMPA for the treatment of influenza in adults and was commercially launched in October 2025. Since then, we began to generate revenue from sales of our Core Product, sebaloxavir marboxil tablets.

During the Track Record Period, our revenue was primarily generated from sales of pharmaceutical products, namely sebaloxavir marboxil tablets. To a lesser extent, we also generated revenue from drug registration assistance service pursuant to the MENA License and Distribution Agreement, including assistance to Cigalah Medpharm to obtain regulatory approval in the Territory. For details, please see "Business — Commercialization — Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations." In 2024, 2025 and the six months ended June 30, 2025 and 2026, we recorded revenue of nil, RMB5.3 million, nil and RMB2.5 million, respectively. As sales of our sebaloxavir marboxil tablets ramp up alongside its approval in the MENA region, we expect our revenue will significantly increase.

The following table sets forth a breakdown of our revenue by business for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Sales of pharmaceutical products	—	—	4,959	93.3	—	—	2,168	86.2
Drug registration assistance service	—	—	355	6.7	—	—	346	13.8
Total	**—**	**—**	**5,314**	**100.0**	**—**	**—**	**2,514**	**100.0**

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) raw material costs in connection with our sebaloxavir marboxil tablets, (ii) manufacturing overheads, primarily comprising fees paid to our CDMOs for manufacturing of our sebaloxavir marboxil tablets, (iii) provision for write-down of inventories and (iv) others, mainly include logistics and insurance costs in connection with the distribution of our sebaloxavir marboxil tablets. We recorded cost of sales of nil, RMB0.5 million, nil and RMB0.8 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Raw material costs	—	—	273	56.9	—	—	102	13.5
Manufacturing overheads	—	—	202	42.1	—	—	91	12.0
Provision for write-down of inventories	—	—	—	—	—	—	561	74.2
Others	—	—	5	1.0	—	—	2	0.3
Total	**—**	**—**	**479**	**100.0**	**—**	**—**	**756**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue. We did not record gross profit or gross profit margin in 2024 and the six months ended June 30, 2025. In 2025, we recorded gross profit of RMB4.8 million and gross profit margin of 91.0%. In addition, in the six months ended June 30, 2026, we recorded gross profit of RMB1.8 million and gross profit margin of 69.9%. The decrease in our gross profit margin in the six months ended June 30, 2026 was primarily due to the inventory write-down. See "— Description of Selected Components from the Consolidated Statements of Financial Position — Inventories" for details.

Other Income

During the Track Record Period, our other income mainly consisted of (i) government grants, primarily comprising one-off subsidies received from local governments and authorities in connection with our research and development milestones, science and technology project initiatives, talent acquisition efforts and other miscellaneous subsidies. There were no unfulfilled conditions or contingencies relating to such grants as of the Latest Practicable Date, and (ii) others, primarily including other allowances we received from time to time. We recorded other income of RMB26.6 million, RMB0.3 million, RMB0.2 million and RMB13.5 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

Other Net Gain

During the Track Record Period, our other net gain mainly consisted of (i) net realized and unrealized gain on financial assets measured at FVPL, mainly represented income arising from the investment in structured deposits and short-term wealth management products, (ii) net loss or gain on disposal of property, plant and equipment associated with our laboratory equipment, mainly due to office relocation and (iii) net foreign exchange gain or loss, primarily due to the fluctuation between U.S. dollars and RMB.

The following table sets forth a breakdown of our other net gain for the periods indicated.

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Net realized and unrealized gain on financial assets measured at FVPL	2,041	3,158	1,474	1,239
Net (loss)/gain on disposal of property, plant and equipment	(190)	1	—	(4)
Net foreign exchange gain/(loss)	27	(113)	(26)	(58)
Total	**1,878**	**3,046**	**1,448**	**1,177**

Research and Development Costs

During the Track Record Period, our research and development costs primarily consisted of (i) staff costs, primarily for our R&D personnel, (ii) trial and testing expenses, primarily including fees related to trial sites and CROs, (iii) depreciation and amortization, and (iv) others, primarily consisted of documentation and miscellaneous fees related to R&D.

The following table sets forth a breakdown of our research and development costs in absolute amounts and as percentages of the total research and development costs for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Staff costs	30,138	30.1	29,033	25.9	15,097	23.5	20,744	48.5
Trial and testing expenses	58,449	58.5	75,502	67.3	45,414	70.6	18,850	44.1
Depreciation and amortization	2,695	2.7	614	0.5	402	0.6	221	0.5
Others	8,721	8.7	6,972	6.3	3,412	5.3	2,974	6.9
Total	**100,003**	**100.0**	**112,121**	**100.0**	**64,325**	**100.0**	**42,789**	**100.0**

The following table sets forth a breakdown of our research and development costs by drug and drug candidates in absolute amounts and as percentages of the total research and development costs for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Sebaloxavir marboxil tablets (the Core Product)	82,323	82.3	75,602	67.4	57,709	89.7	12,545	29.3
Sebaloxavir marboxil suspension	—	—	23,124	20.6	1,364	2.1	12,237	28.6
ZX-8177	4,425	4.4	3,214	2.9	919	1.4	6,034	14.1
ZX-12042B	3,425	3.4	3,197	2.9	1,689	2.6	3,422	8.0
ZX-15002	—	—	1,052	0.9	—	—	4,043	9.4
ZX-14000	—	—	3,815	3.4	1,462	2.3	3,197	7.5
Others	9,830	9.9	2,117	1.9	1,182	1.9	1,311	3.1
Total	**100,003**	**100.0**	**112,121**	**100.0**	**64,325**	**100.0**	**42,789**	**100.0**

In 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development costs incurred for our Core Product, sebaloxavir marboxil tablets, amounted to RMB82.3 million, RMB75.6 million, RMB57.7 million and RMB12.5 million, respectively, representing 82.3%, 67.4%, 89.7% and 29.3% of our total research and development costs for the same periods. The decrease in our research and development costs incurred for our Core Product from the six months ended June 30, 2025 to the six months ended June 30, 2026 was primarily attributable to the different stages of clinical development activities for the expansion of indications of sebaloxavir marboxil tablets. During the six months ended June 30, 2025, we incurred higher clinical trial expenses in relation to the adolescent indication expansion, as the relevant clinical trial was ongoing during such period. During the six months ended June 30, 2026, the clinical trial for the adolescent indication expansion had been completed, and the related clinical development activities and expenses decreased accordingly. The movement of our research and development costs incurred for our Core Product during the Track Record Period was primarily in line with the progress of its clinical development and indication expansion activities. We may continue to incur substantial costs and expenses in relation to R&D activities for our drug candidates. For details, see "Business — Research and Development."

Selling Expenses

During the Track Record Period, our selling expenses primarily consisted of (i) staff costs, primarily for our sales and marketing personnel, (ii) marketing and promotion expenses, mainly related to academic conference for promoting our Core Product along with its commercialization, (iii) travel expenses, and (iv) others, primarily consist of depreciation and amortization.

The following table sets forth a breakdown of our selling expenses in absolute amounts and as percentages of the total selling expenses for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Staff costs	3,572	54.7	4,757	48.9	2,212	63.0	3,749	64.6
Marketing and promotion expenses	2,597	39.8	4,433	45.5	1,105	31.4	1,871	32.3
Travel expenses	209	3.2	191	2.0	65	1.9	108	1.9
Others	153	2.3	353	3.6	131	3.7	71	1.2
Total	**6,531**	**100.0**	**9,734**	**100.0**	**3,513**	**100.0**	**5,799**	**100.0**

Administrative and Other Operating Expenses

During the Track Record Period, our administrative and other operating expenses primarily consisted of (i) [REDACTED] expenses, mainly associated with our proposed [REDACTED], (ii) staff costs, primarily for our administrative personnel, (iii) depreciation and amortization, (iv) office expenses, which primarily include office expenses and property management expenses, (v) professional service fees, primarily including intellectual property filing and maintenance fees, as well as legal consulting fees for our Pre-[REDACTED] investments, (vi) travel and conference expenses, which mainly represented traveling and conference-related expenses incurred for general purpose, and (vii) others, which primarily consist of hiring and training fees, as well as miscellaneous fees.

The following table sets forth a breakdown of our administrative and other operating expenses in absolute amounts and as percentages of the total administrative and other operating expenses for the periods indicated.

	For the year ended December 31,				For the six months ended June 30,			
	2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
[REDACTED]	—	—	9,415	36.1	—	—	9,198	44.4
Staff costs	9,059	64.4	9,008	34.5	3,773	55.8	7,483	36.2
Depreciation and amortization	726	5.2	1,827	7.0	687	10.2	1,484	7.2
Office expenses	647	4.6	1,134	4.3	746	11.0	1,020	4.9
Professional service fees	2,028	14.4	2,904	11.1	1,077	15.9	891	4.3
Travel and conference expenses	551	3.9	587	2.2	193	2.9	284	1.4
Others	1,062	7.5	1,241	4.8	282	4.2	339	1.6
Total	**14,073**	**100.0**	**26,116**	**100.0**	**6,758**	**100.0**	**20,699**	**100.0**

(Provision for)/reversal of Impairment Loss on Receivables

Our (provision for)/reversal of impairment loss on receivables represents provisions or reversals of impairment on trade receivables and other receivables. Impairment loss on receivables is associated with trade receivables and other receivables that remain unsettled by applying the expected credit loss model following applicable accounting standards. In 2024 and 2025, our provision for impairment loss on receivables amounted to RMB1.0 thousand and RMB23.0 thousand. In comparison, in the six months ended June 30, 2025 and 2026, our reversal of impairment loss on receivables amounted to RMB2.0 thousand and RMB18.0 thousand, respectively.

Net Finance Costs

During the Track Record Period, our net finance costs consist of (i) interest income from bank deposits, (ii) interest expenses on bank loans, (iii) interest expenses on capital advances, and (iv) interest expenses on lease liabilities. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our net finance costs amounted to RMB2.4 million, RMB3.1 million, RMB1.3 million and RMB0.8 million, respectively.

Remeasurement of Redemption Liabilities

Our remeasurement of redemption liabilities related to the special rights granted to our Pre-[REDACTED] Investors for their Pre-[REDACTED] Investments into us. In 2024, 2025 and the six months ended June 30, 2025 and 2026, our remeasurement of redemption liabilities amounted to RMB50.9 million, RMB66.3 million, RMB31.2 million and RMB37.1 million, respectively. For details, please see "History and Corporate Structure — Pre-[REDACTED] Investments" and note 25 to the Accountants' Report set out in Appendix I to this document.

Income Tax

In 2024, 2025 and the six months ended June 30, 2025 and 2026, we recorded income tax of nil, RMB84.0 thousand, RMB15.0 thousand and RMB17.0 thousand, respectively. We recorded income tax in 2025 and the six months ended June 30, 2026 mainly associated with certain subsidiaries of our Group with taxable income.

We are subject to income tax at the following rates on an entity basis on profits arising in or derived from the jurisdictions in which we are domiciled and operated.

Chinese Mainland

Pursuant to the existing legislation, interpretations and practices, the income tax provision of some of our entities in Chinese mainland was calculated at the statutory tax rate of 25% on the estimated assessable profits during the Track Record Period. Pursuant to the relevant laws and regulations, certain of our subsidiaries were qualified as small and micro enterprise. As such, they entitled to the preferential tax rate of 20%. Currently, we are preparing to apply for the qualification for high-tech enterprises, and therefore a preferential tax rate of 15% will be used to calculate the corresponding income tax if we are able to obtain such qualification. For details of preferential tax treatments enjoyed by our Company and our subsidiaries during the Track Record Period, see note 7 to the Accountants' Report in Appendix I to this document.

United States

Our subsidiary incorporated in the U.S. is subject to Federal Tax at a rate of 21% and State Profits Tax at a rate of 8.84%. Operations in the U.S. have incurred net accumulated operating losses for income tax purposes, and no income tax provisions had been made in 2024, 2025 and the six months ended June 30, 2026.

Loss for the Year/Period

As a result of the foregoing, our loss for the year/period amounted to RMB145.4 million, RMB209.3 million, RMB105.5 million and RMB90.8 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

We recorded revenue of RMB2.5 million in the six months ended June 30, 2026, primarily from sales of our sebaloxavir marboxil tablets following its commercial launch in October 2025. To a lesser extent, we also generated revenue from drug registration assistance service for sebaloxavir marboxil tablets pursuant to the MENA License and Distribution Agreement. For details, please see "Business — Commercialization — Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations."

Cost of Sales

We recorded cost of sales of RMB0.8 million in the six months ended June 30, 2026, primarily include (i) RMB0.6 million of provision for write-down of inventories in connection with certain pre-commercialization NDA inspection batches approaching expiry; (ii) RMB0.1 million of raw material costs, mainly associated with our sebaloxavir marboxil tablets; and (iii) RMB91 thousand of manufacturing overheads, representing fees paid to CDMOs for the manufacturing of our sebaloxavir marboxil tablets.

Gross Profit and Gross Profit Margin

As a result of the changes in our revenue and cost of sales described above, we recorded gross profit of RMB1.8 million in the six months ended June 30, 2026, and our profit margin was 69.9% in the six months ended June 30, 2026.

Other Income

Our other income significantly increased from RMB0.2 million in the six months ended June 30, 2025 to RMB13.5 million in the six months ended June 30, 2026, primarily attributable to an increase of RMB13.3 million in government grants, primarily associated with the one-off government grants that we received to support the R&D progress of our drug and drug candidates.

Other Net Gain

Our other net gain decreased by 18.7% from RMB1.4 million in the six months ended June 30, 2025 to RMB1.2 million in the six months ended June 30, 2026, primarily due to a decrease of RMB0.2 million in net realized and unrealized gains on financial assets measured at FVPL, as a result of lower average balance of structured deposits held and a decline in return rates.

Research and Development Costs

Our research and development costs decreased by 33.5% from RMB64.3 million in the six months ended June 30, 2025 to RMB42.8 million in the six months ended June 30, 2026, primarily due to a decrease of RMB26.6 million in trial and testing expenses, primarily because the Phase III clinical trial of sebaloxavir marboxil tablets in adolescents was completed in 2025 and the related CRO and clinical site costs were substantially wound down.

Selling Expenses

Our selling expenses increased by 65.1% from RMB3.5 million in the six months ended June 30, 2025 to RMB5.8 million in the six months ended June 30, 2026, primarily due to an increase of RMB1.5 million in staff costs, in relation to (i) the scheduled progression of our ESOP plan; and (ii) the expansion of our sales and marketing team from eight employees as of June 30, 2025 to ten employees as of June 30, 2026, to support the commercialization of our Core Product.

Administrative and Other Operating Expenses

Our administrative and other operating expenses significantly increased from RMB6.8 million in the six months ended June 30, 2025 to RMB20.7 million in the six months ended June 30, 2026, primarily due to (i) we recorded RMB9.2 million of [REDACTED] expenses in the six months ended June 30, 2026, mainly comprising professional service fees paid in connection with the proposed [REDACTED]; and (ii) an increase of RMB3.7 million in staff costs, reflecting the scheduled progression of our ESOP plan.

Reversal of Impairment Loss on Receivables

Our reversal of impairment loss on receivables increased from RMB2.0 thousand in the six months ended June 30, 2025 to RMB18.0 thousand in the six months ended June 30, 2026, primarily due to our collection results leading to a decrease in trade receivables.

Net Finance Costs

Our net financial costs decreased by 35.0% from RMB1.3 million in the six months ended June 30, 2025 to RMB0.8 million in the six months ended June 30, 2026, primarily due to a decrease of RMB0.5 million in interest expenses on bank loans, in relation to the scheduled repayment of bank borrowings.

Remeasurement of Redemption Liabilities

Our remeasurement of redemption liabilities increased by 18.8% from RMB31.2 million in the six months ended June 30, 2025 to RMB37.1 million in the six months ended June 30, 2026, in relation to our Series D++ and D+++ financing in the first half of 2026. For details, please see "History and Corporate Structure — Pre-[REDACTED] Investments." The carrying amount of redemption liabilities will be reclassified from financial liabilities to equity as a result of the termination of the special rights upon [REDACTED].

Loss for the Period

As a result of the foregoing, our loss for the period decreased by 13.9% from RMB105.5 million to RMB90.8 million in the six months ended June 30, 2025 and 2026, respectively.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

We recorded revenue of RMB5.3 million in 2025, primarily from sales of our sebaloxavir marboxil tablets following its commercial launch in October 2025. To a lesser extent, we also generated revenue from drug registration assistance service for sebaloxavir marboxil tablets pursuant to the MENA License and Distribution Agreement. For details, please see "Business — Commercialization — Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations."

Cost of Sales

In 2025, we recorded cost of sales of RMB0.5 million, primarily consisting of (i) RMB0.3 million of raw material costs, mainly associated with our sebaloxavir marboxil tablets; and (ii) RMB0.2 million of manufacturing overheads, representing fees paid to CDMOs for the manufacturing of our sebaloxavir marboxil tablets.

Gross Profit and Gross Profit Margin

As a result of the changes in our revenue and cost of sales described above, we recorded gross profit of RMB4.8 million in 2025.

We recorded a gross profit margin of 91.0% in 2025 following the commercial launch of sebaloxavir marboxil tablets in October 2025. We expect to benefit from increasing sales volumes and economies of scale associated with our sebaloxavir marboxil tablets in the near term, which we believe will contribute to further improvement in our gross profit margin.

Other Income

Our other income decreased by 98.8% from RMB26.6 million in 2024 to RMB0.3 million in 2025, primarily due to a decrease of RMB26.3 million in government grants, mainly because we received a larger amount of one-off government grants in 2024 that we had previously applied for to support the R&D of our drug and drug candidates.

Other Net Gain

Our other net gain increased by 62.2% from RMB1.9 million in 2024 to RMB3.0 million in 2025, primarily due to (i) an increase of RMB1.1 million in net realized and unrealized gain on financial assets measured at FVPL, mainly because we purchased more structured deposits to improve the utilization of our cash on hand on a short-term basis; and (ii) we recorded one-off net loss on disposal of property, plant and equipment of RMB190.0 thousand in 2024, primarily related to the optimization of our R&D infrastructure.

Research and Development Costs

Our research and development costs increased by 12.1% from RMB100.0 million in 2024 to RMB112.1 million in 2025, primarily due to an increase of RMB17.1 million in trial and testing expenses, including payments to CROs and testing fees incurred for the Phase III clinical trial of sebaloxavir marboxil suspension, the Phase I clinical trial of ZX-8177, as well as IND-enabling preclinical studies for ZX-12042B. This was partially offset by (i) a decrease of RMB1.7 million in others, mainly associated with lower traveling fees and intellectual property filing fees in line with the periodic R&D milestones of our drug candidates; and (ii) a decrease of RMB2.1 million in depreciation and amortization, primarily related to renovation of our office.

Selling Expenses

Our selling expenses increased by 49.0% from RMB6.5 million in 2024 to RMB9.7 million in 2025, primarily due to (i) an increase of RMB1.8 million in marketing and promotion expenses to support the commercial launch and market access of our Core Product, sebaloxavir marboxil tablets, and (ii) an increase of RMB1.2 million in staff costs, as a result of the expansion of our sales and marketing team from three employees as of December 31, 2024 to eight employees as of December 31, 2025, to support the commercialization of our Core Product.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by 85.6% from RMB14.1 million in 2024 to RMB26.1 million in 2025, primarily due to (i) we recorded [REDACTED] expenses of RMB9.4 million, primarily comprising professional service fees paid in connection with the proposed [REDACTED], and (ii) an increase of RMB1.1 million in depreciation and amortization as a result of the right-of-use asset depreciation associated with the new R&D center leased by our Hangzhou subsidiary.

Provision of Impairment Loss on Receivables

Our provision for impairment loss on receivables increased from RMB1.0 thousand in 2024 to RMB23.0 thousand in 2025, primarily in line with the commencement of sales of our sebaloxavir marboxil tablets.

Net Finance Costs

Our net financial costs increased by 29.8% from RMB2.4 million in 2024 to RMB3.1 million in 2025, primarily due to interest expenses on capital advances of RMB1.1 million incurred in relation to the capital advances received from a third party investor.

In May 2025, we entered into a conditional contribution agreement (the "**Conditional Contribution Agreement**") with an independent local state-owned investment fund to support the long-term development of our business. Pursuant to the Conditional Contribution Agreement, the investor agreed to invest RMB40 million in our Company, and we received the proceeds in the same month. In December 2025, the investor and us mutually agreed to terminate the Conditional Contribution Agreement due to a strategic adjustment in our business plan and we returned the capital advance amount to the investor.

Remeasurement of Redemption Liabilities

Our remeasurement of redemption liabilities increased by 30.3% from RMB50.9 million in 2024 to RMB66.3 million in 2025, in relation to our Series D and D+ financing in 2025. For details, please see "History and Corporate Structure — Pre-[REDACTED] Investments." The carrying amount of redemption liabilities will be reclassified from financial liabilities to equity as a result of the termination of the special rights upon [REDACTED].

Loss for the Year

As a result of the foregoing, our loss for the year amounted to RMB145.4 million and RMB209.3 million in 2024 and 2025, respectively.

DESCRIPTION OF SELECTED COMPONENTS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of our consolidated balance sheets as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Non-current assets			
Property, plant and equipment	1,605	6,311	7,843
Right-of-use assets	—	8,552	7,840
Intangible assets	269	563	532
Prepayments, deposits and other receivables	277	680	689
Total non-current assets	**2,151**	**16,106**	**16,904**
Current assets			
Inventories	8,928	10,704	16,785
Trade receivables	—	4,980	1,277
Prepayments, deposits and other receivables	13,907	8,867	14,326
Financial assets measured at FVPL	89,074	174,809	138,163
Time deposits	3,954	14,063	—
Cash and cash equivalents	10,063	30,714	95,427
Taxation recoverable	—	3	—
Total current assets	**125,926**	**244,140**	**265,978**
Current liabilities			
Trade payables	12,791	18,830	22,525
Other payables and accruals	8,234	17,639	11,715
Bank loans	84,880	69,831	64,609
Lease liabilities	—	1,881	2,063
Current taxation	—	13	—
Redemption liabilities	780,700	1,110,150	1,237,265
Total current liabilities	**886,605**	**1,218,344**	**1,338,177**
Net current liabilities	**(760,679)**	**(974,204)**	**(1,072,199)**
Total assets less current liabilities	**(758,528)**	**(958,098)**	**(1,055,295)**
Non-current liabilities			
Bank loans	—	9,700	—
Lease liabilities	—	6,207	5,341
Other non-current liabilities	47,170	46,375	44,785
Total non-current liabilities	**47,170**	**62,282**	**50,126**
Net liabilities	**(805,698)**	**(1,020,380)**	**(1,105,421)**

Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of (i) leasehold improvements, (ii) electronic equipment, (iii) laboratory equipment, (iv) motor vehicles, (v) office and other equipment, and (vi) construction in progress.

The following table sets forth the details of our property, plant and equipment as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Leasehold improvements	217	—	6,992
Electronic equipment	205	341	370
Laboratory equipment	755	454	276
Motor vehicles	332	216	159
Office and other equipment	96	61	46
Construction in progress	—	5,239	—
Total	**1,605**	**6,311**	**7,843**

Our property, plant and equipment increased from RMB1.6 million as of December 31, 2024 to RMB6.3 million as of December 31, 2025, mainly because we recorded construction in progress related to the renovation of our Hangzhou R&D center. Our property, plant and equipment further increased to RMB7.8 million as of June 30, 2026, primarily due to an increase of RMB7.0 million in leasehold improvements, associated with our Hangzhou R&D center.

Right-of-Use Assets

During the Track Record Period, our right-of-use assets primarily consisted of leasehold properties for our operation. We recorded right-of-use assets of RMB8.6 million as of December 31, 2025, as we leased new office for our Hangzhou subsidiary and R&D center in line with our business expansion and continuous R&D activities. Our right-of-use assets then decreased to RMB7.8 million as of June 30, 2026, primarily reflecting amortization in our right-of-use assets.

Impairment Assessment for Non-financial Assets

At each reporting date, we review the carrying amounts of our non-financial assets (other than inventories) to determine whether there is any indication of impairment according to the accounting policy as set out in Note 2(h)(ii) to the Accountants' Report in Appendix I to this document.

During the Track Record Period, we made net losses primarily because we were still in the process of continuous research and development expenditures, which was within the expectation of our Directors. We reviewed the internal and external sources of information and didn't identify any impairment indications on property, plant and equipment, right-of-use assets and intangible assets. Thus, our management concluded that there was no impairment needed for the property, plant and equipment, right-of-use assets and intangible assets in 2024, 2025 and the six months ended June 30, 2026.

Inventories

During the Track Record Period, our inventories primarily consisted of (i) work in progress, (ii) finished goods, and (iii) raw materials.

The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Work in progress	8,105	5,908	12,954
Finished goods	—	2,460	2,254
Raw materials	823	2,336	2,138
	8,928	10,704	17,346
Write-down of inventories	—	—	(561)
Total	**8,928**	**10,704**	**16,785**

Our inventories increased from RMB8.9 million as of December 31, 2024 to RMB10.7 million as of December 31, 2025, primarily attributable to the stock preparation upon the commercialization of our Core Product, sebaloxavir marboxil tablets. Our inventories further increased to RMB16.8 million as of June 30, 2026, primarily due to a higher level of inventory maintained in line with the growing demand of sebaloxavir marboxil tablets. We recorded write-downs of inventories of RMB561 thousand as of June 30, 2026, primarily in respect of certain pre-commercialization inspection batches produced for the NDA dynamic inspection process that were expected to expire before being fully consumed in commercial production. Such write-down is one-off in nature.

The table below sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Within 6 months	8,105	2,624	7,529
Between 6 months and 1 year	822	1,554	2,382
Over 1 year	1	6,526	7,435
Total	**8,928**	**10,704**	**17,346**

The following table sets forth our inventory turnover days for the periods indicated:

	For the year ended December 31,		For the six months ended June 30,
	2024	2025	2026
Inventory turnover days[(1)]	—	7,246	8,229

(1) Calculated using the average of the beginning and ending balances of inventories for the period, divided by cost of sales for the period and multiplied by 360/180 days.

Our inventory turnover days increased from 7,246 days in 2025 to 8,229 days in the six months ended June 30, 2026, primarily because our product sales are concentrated in the winter-spring influenza season, which led to lower sales volume and correspondingly lower cost of sales recognized in the first half of 2026. Our inventory turnover days were relatively high throughout the Track Record Period, primarily because our Core Product, sebaloxavir marboxil tablets, was only approved in July 2025 and commercially launched in October 2025, and accordingly cost of sales was only recognized over a limited portion of the Track Record Period, while we maintained inventory levels to support the scale-up of our commercial sales.

As of July 31, 2026, nil of our inventories as of June 30, 2026 had been utilized or sold.

Trade Receivables

Our trade receivables primarily represent the balances due from our customers for our Core Product, sebaloxavir marboxil tablets. The following table sets forth the breakdown of our trade receivables as of the dates indicated:

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Trade receivables	—	5,005	1,284
Less: loss allowance	—	(25)	(7)
Total	**—**	**4,980**	**1,277**

Our trade receivables are typically due within 30 days from the invoice date. We grant our largest customer a relatively longer credit period to facilitate our long-term strategic collaboration. As of December 31, 2024, 2025 and June 30, 2026, all of our trade receivables were due within 90 days. To ensure timely and accurate collection of our trade receivables, we implement rigorous upfront customer screening, maintain ongoing customer management, and require credit limit approval for all sales orders.

As of December 31, 2024, we did not record any trade receivables as we have not commercialized any drug product. As of December 31, 2025, we recorded trade receivables of RMB5.0 million, representing amounts due from customers for the sales of our sebaloxavir marboxil tablets. Our trade receivables decreased to RMB1.3 million as of June 30, 2026, primarily reflecting the collection of our trade receivables in accordance with our distribution agreements with our distributors.

The following table sets forth our trade receivables turnover days for the periods indicated.

	For the year ended December 31,		For the six months ended June 30,
	2024	2025	2026
Trade receivables turnover days[(1)]	—	85	224

Note:

(1) Our trade receivables turnover days in 2025 was calculated as the average of the beginning and ending balance of trade receivables for the year divided by revenue for that year and multiplied by 90 days. This is because our sebaloxavir marboxil tablets were first launched in October 2025 and, accordingly, revenue attributable to such product was recognized over only a portion of the year, thereby our Directors are of the view that an adjusted calculation methodology will enable a more meaningful and representative measure of the turnover period. Our trade receivables turnover days for the six months ended June 30, 2026 was calculated as the average of the beginning and ending balance of trade receivables for the period divided by revenue for that period and multiplied by 180 days.

Our trade receivables turnover days increased to 224 days in the six months ended June 30, 2026, reflecting a relatively longer trade receivable collection cycle during our early commercialization stage, which is in line with our revenue growth.

As of July 31, 2026, nil of our trade receivables as of June 30, 2026 had been subsequently settled.

Prepayments, Deposits and Other Receivables

The following table sets forth the details of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
VAT recoverable	4,557	2,578	6,413
Prepayments	8,949	4,632	4,396
Other deposits and receivables	681	2,337	4,206
Less: loss allowance	(3)	—	—
Total	**14,184**	**9,547**	**15,015**
Current	13,907	8,867	14,326
Non-current	277	680	689

Our prepayments, deposits and other receivables decreased from RMB14.2 million as of December 31, 2024 to RMB9.5 million as of December 31, 2025, primarily due to (i) a decrease of RMB4.3 million in prepayments in line with our payment schedule to trial sites, and (ii) a decrease of RMB2.0 million in VAT recoverable. Our prepayments, deposits and other receivables then increased to RMB15.0 million as of June 30, 2026, primarily attributable to (i) an increase of RMB3.8 million in VAT recoverable relating to increasing of our R&D expenses and [REDACTED] expenses, and (ii) an increase of RMB1.9 million in other deposits and receivables, which were primarily related to our capitalized [REDACTED] expenses.

As of July 31, 2026, RMB0.9 million, or 5.7% of our prepayments, deposits and other receivables as of June 30, 2026 had been subsequently settled.

Financial Assets Measured at FVPL

During the Track Record Period, our financial assets measured at FVPL primarily consisted of structured deposits and wealth management products. Our financial assets measured at FVPL increased from RMB89.1 million as of December 31, 2024 to RMB174.8 million as of December 31, 2025, mainly because we purchased more structure deposits to improve the utilization of our cash on hand on a short-term basis. Our financial assets measured at FVPL further decreased to RMB138.2 million as of June 30, 2026, as we redeemed certain structured deposits and wealth management products when they become due in the first half of 2026.

As part of our treasury management, we invest excess cash in certain wealth management products once our liquidity sufficiently covers ordinary business operations. We have established comprehensive internal control policies and procedures outlining the principles and detailed approval processes for these activities, ensuring investments prioritize capital preservation and liquidity pending deployment in our core business. Specifically, our policies stipulate that: (i) we adhere to principal-guaranteed products, such as structured deposits, as our core investment guideline; (ii) our finance department assesses and acquires products based on available funds, future capital needs, and liquidity safety, guided by the principle of maximizing returns; and (iii) purchases must be made through formal applications. Our financial vice president shall assess and select appropriate wealth management products based on funding needs, risk levels and the planned schedule, subject to approval by our CEO.

To manage our risk exposure, we have historically pursued, and may continue to pursue, principal-guaranteed and other low-risk wealth management products offering better returns compared to term deposits at commercial banks. Following the [REDACTED], we will adhere to the relevant size test thresholds under Chapter 14 of the Listing Rules, disclosing details of such investments or other notifiable transactions as required.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily consisted of cash at bank. Our cash and cash equivalents increased from RMB10.1 million as of December 31, 2024 to RMB30.7 million as of December 31, 2025, as we received proceeds from our Series D and D+ financing in 2025. Our cash and cash equivalents then increased to RMB95.4 million as of June 30, 2026, primarily related to the proceeds received from our Series D++ and D+++ financing and the redemption of certain structured deposits and wealth management products in the first half of 2026.

Trade Payables

Our trade payables primarily represent outstanding amounts due to CROs, CDMOs and CSOs. Our trade payables are normally settled on terms of one to three months after receiving the invoice.

Our trade payables increased from RMB12.8 million as of December 31, 2024 to RMB18.8 million as of December 31, 2025, primarily due to longer credit period from certain of our suppliers in line with our business growth. Our trade payables further increased to RMB22.5 million as of June 30, 2026, representing our increasing payables to Jumpcan Pharmaceuticals and our CDMOs, which was primarily in connection with the promotion of our Core Product. As of December 31, 2024, 2025 and June 30, 2026, all of our trade payables are due within one year.

As of July 31, 2026, RMB6.7 million, or 29.9% of our trade payables as of June 30, 2026 had been subsequently settled.

Other Payables and Accruals

During the Track Record Period, our other payables and accruals primarily consisted of (i) accrued staff costs, (ii) payables for [REDACTED] expenses, (iii) other payables, mainly including U.S. tax consultation fees and office software fees, (iv) payables for acquisition of property, plant and equipment, mainly associated with the renovation of our Hangzhou R&D center, and (v) other tax payables, primarily representing individual income tax and stamp duty payable.

The following table sets forth the details of our other payables and accrual as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
		(RMB in thousands)	
Accrued staff costs	7,035	8,493	6,066
Payables for [REDACTED] expenses	—	3,960	2,672
Other payables	509	1,362	1,247
Payables for acquisition of property, plant and equipment	—	3,173	1,176
Other tax payables	690	651	554
Total	**8,234**	**17,639**	**11,715**

Our other payables and accruals increased from RMB8.2 million as of December 31, 2024 to RMB17.6 million as of December 31, 2025, primarily because (i) we recorded a total amount of RMB3.9 million of payables for [REDACTED] expenses primarily related to our proposed [REDACTED], (ii) we recorded a total amount of RMB3.2 million of payables for acquisition of property, plant and equipment, mainly associated with the renovation of our Hangzhou R&D center, and (iii) an increase of RMB1.5 million in accrued staff costs primarily attributable to the timing difference in bonus payments to our employees. Our other payables and accruals further decreased to RMB11.7 million as of June 30, 2026, mainly associated with (i) we recorded a total amount of RMB2.7 million of payables for [REDACTED] expenses primarily related to our proposed [REDACTED], (ii) a decrease of RMB2.4 million in accrued staff costs, reflecting half-year bonus

accruals as compared to a full-year accrual as of December 31, 2025, (iii) we recorded a total amount of RMB1.2 million of other payables, mainly associated with the accrued service fees payable to a tax consultancy firm, and (iv) we recorded a total amount of RMB1.2 million of payables for acquisition of property, plant and equipment, mainly associated with the renovation of our Hangzhou R&D center.

LIQUIDITY AND CAPITAL RESOURCES

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. In addition, we monitor the utilization of borrowings and, from time to time, evaluate the options to renew the borrowings upon expiry based on our actual business requirement. We relied on equity financing as the major sources of liquidity during the Track Record Period.

During the Track Record Period, we incurred negative cash flows from our operations and our operating cash outflows mainly resulted from our research and development costs. Our net cash used in operating activities amounted to RMB106.0 million, RMB129.8 million, RMB67.6 million and RMB52.6 million in 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We expect to generate more cash flow from our operating activities, through income from launching and commercializing our Core Product, sebaloxavir marboxil tablets, advancing the development and eventually commercializing other pipeline products, and enhancing our cost containment capacity and operating efficiency. In order to bring to fruition our research and development objectives, we will ultimately need additional funding sources and there can be no assurances that they will be made available. As of July 31, 2026, we had committed unutilized banking facilities of RMB85.4 million.

Current Assets and Liabilities

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Current assets			
Inventories	8,928	10,704	16,785
Trade receivables	—	4,980	1,277
Prepayments, deposits and other receivables	13,907	8,867	14,326
Financial assets measured at FVPL	89,074	174,809	138,163
Time deposits	3,954	14,063	—
Cash and cash equivalents	10,063	30,714	95,427
Taxation recoverable	—	3	—
Total current assets	**125,926**	**244,140**	**265,978**
Current liabilities			
Trade payables	12,791	18,830	22,525
Other payables and accruals	8,234	17,639	11,715
Bank loans	84,880	69,831	64,609
Lease liabilities	—	1,881	2,063
Current taxation	—	13	—
Redemption liabilities	780,700	1,110,150	1,237,265
Total current liabilities	**886,605**	**1,218,344**	**1,338,177**
Net current liabilities	**(760,679)**	**(974,204)**	**(1,072,199)**

Our net current liabilities increased from RMB760.7 million as of December 31, 2024 to RMB974.2 million as of December 31, 2025, primarily due to an increase of RMB331.7 million in our current liabilities, as a result of (i) an increase of RMB329.5 million in redemption liabilities related to our Pre-[REDACTED] investors, (ii) an increase of RMB9.4 million in other payables and accruals resulted from payables for [REDACTED] expenses associated with our proposed [REDACTED] and payables for acquisition of property, plant and equipment, mainly associated

with the renovation of our Hangzhou R&D center, and (iii) an increase of RMB6.0 million in trade payables, primarily due to longer credit period from certain of our suppliers in line with our business growth. For details, please see "— Description of Selected Components from the Consolidated Statements of Financial Position — Other Payables and Accruals." This is partially offset by an increase of RMB118.2 million in our current assets, primarily attributable to (i) an increase of RMB85.7 million in financial assets measured at FVPL, mainly because we purchased more structured deposits to improve the utilization of our cash on hand on a short-term basis, (ii) an increase of RMB20.7 million in cash and cash equivalents and an increase of RMB10.1 million in time deposits, as we received proceeds from our Series D and D+ financing in 2025, (iii) trade receivables of RMB5.0 million from sales of our sebaloxavir marboxil tablets following its commercial launch in October 2025, and (iv) an increase of RMB1.8 million in inventories, primarily attributable to the stock preparation for the commercialization of sebaloxavir marboxil tablets, partially offset by a decrease of RMB5.0 million in prepayments, deposits and other receivables, primarily due to (i) a decrease of RMB4.3 million in prepayments in line with our payment schedule to trial sites, and (ii) a decrease of RMB2.0 million in VAT recoverable.

Our net current liabilities further increased to RMB1,072.2 million as of June 30, 2026, primarily due to an increase of RMB119.8 million in our current liabilities, as a result of (i) an increase of RMB127.1 million in redemption liabilities related to our Pre-[REDACTED] investors, and (ii) an increase of RMB3.7 million in trade payables, reflecting our revenue growth, partially offset by (i) a decrease of RMB5.9 million in other payables and accruals resulted from payables for [REDACTED] expenses associated with our proposed [REDACTED], staff costs reflecting half-year bonus accruals as compared to a full-year accrual as of December 31, 2025, other payables associated with the accrued service fees payable to a tax consultancy firm and payables for acquisition of property, plant and equipment related to the renovation of our Hangzhou R&D center, and (ii) a decrease of RMB5.2 million in bank loans, primarily attributable to the scheduled repayment of bank borrowings. This is partially offset by an increase of RMB21.8 million in our current assets, primarily due to (i) an increase of RMB64.7 million in cash and cash equivalents due to the proceeds received from our Series D++ and D+++ financing and the redemption of certain structured deposits and wealth management products in the first half of 2026, (ii) an increase of RMB6.1 million in inventories, primarily due to a higher level of inventory maintained in line with the growing demand of sebaloxavir marboxil tablets, and (iii) an increase of RMB5.5 million in prepayments, deposits and other receivables, mainly in relation to VAT recoverable relating to increasing of our R&D expenses and [REDACTED] expenses and other deposits and receivables related to our capitalized [REDACTED] expenses, partially offset by a decrease of RMB36.6 million in financial assets measured at FVPL, primarily due to the redemption of certain structured deposits and wealth management products.

Our net current liabilities were primarily attributable to our redemption liabilities of RMB780.7 million, RMB1,110.2 million and RMB1,237.3 million as of December 31, 2024 and 2025 and June 30, 2026, respectively, arising from the special rights granted to our Pre-[REDACTED] Investors. The carrying amount of redemption liabilities will be reclassified from financial liabilities to equity upon the termination of such special rights at [REDACTED]. Furthermore, our net liabilities position is expected to significantly improve as a result of (i) the reclassification of redemption liabilities to equity upon [REDACTED], (ii) the receipt of the estimated [REDACTED] from the [REDACTED], and (iii) the expected increase in revenue from the commercialization of our Core Product, sebaloxavir marboxil tablets, which obtained NDA approval in July 2025.

Working Capital Confirmation

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our business operations and mitigate the effects of fluctuations in cash flows. Our Directors are of the opinion that, taking into account the financial resources available, including cash and cash equivalents and unutilized bank facilities and the estimated [REDACTED] from the [REDACTED], as well as our cash burn rate, we have sufficient working capital to cover at least 125% of our costs, including research and development costs, selling expenses and administrative and other operating expenses for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of cash used in operating activities, capital expenditures and lease payments. We had cash and cash equivalents of RMB95.4 million, time deposits of nil and financial assets measured at FVPL of RMB138.2 million as of June 30, 2026. We estimate that we will receive [REDACTED] of approximately HK$[REDACTED] in the [REDACTED], assuming an [REDACTED] of HK$[REDACTED] per Share, being the low end of the indicative [REDACTED] range stated in this document. Assuming an average cash burn rate going forward of [REDACTED] time the level in the six months ended June 30, 2026, we estimate that (i) our cash and cash equivalents, time deposits and financial assets measured at FVPL will be able to maintain our financial viability for [REDACTED] months, (ii) if we take into account all estimated [REDACTED] from the [REDACTED], [REDACTED] months. Our Directors and management team will continue to monitor our working capital, cash flows, and our business development progress. We expect to raise our next round of financing no earlier than 12 months after the completion of the [REDACTED].

Cash Flows

The following table sets forth the components of our consolidated cash flow statements for the periods indicated.

	For the year ended December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Net cash used in operating activities	(106,049)	(129,837)	(67,643)	(52,563)
Net cash generated from/(used in) investing activities	18,294	(95,112)	(100,768)	47,951
Net cash generated from financing activities	42,249	245,624	213,547	69,360
Net (decrease)/increase in cash and cash equivalents	(45,506)	20,675	45,136	64,748
Cash and cash equivalents at beginning of year/period	55,551	10,063	10,063	30,714
Effect of foreign exchange rate changes	18	(24)	(4)	(35)
Cash and cash equivalents at end of year/period	10,063	30,714	55,195	95,427

Net Cash Used in Operating Activities

Our net cash used in operating activities in 2024 was RMB106.0 million, primarily attributable to our loss before taxation of RMB145.4 million, as adjusted for non-cash and non-operating items, which primarily include (i) remeasurement of redemption liabilities of RMB50.9 million, (ii) depreciation of property, plant and equipment of RMB3.4 million, (iii) finance costs of RMB2.6 million, and (iv) net realized and unrealized gains on financial assets measured at FVPL of RMB2.0 million. The amount was further adjusted by changes in certain working capital accounts, primarily including (i) an increase of RMB8.3 million in inventories and (ii) a decrease of RMB6.0 million in trade payables.

Our net cash used in operating activities in 2025 was RMB129.8 million, primarily attributable to our loss before taxation of RMB209.2 million, as adjusted for non-cash and non-operating items, which primarily include (i) remeasurement of redemption liabilities of RMB66.3 million, (ii) finance costs of RMB3.5 million, (iii) net realized and unrealized gains on financial assets measured at FVPL of RMB3.2 million and (iv) depreciation of right-of-use assets of RMB1.5 million. The amount was further adjusted by changes in certain working capital accounts, primarily including (i) an increase of RMB6.0 million in trade payables, (ii) an increase of RMB6.2 million in other payables and accruals, (iii) a decrease of RMB5.9 million in prepayments, deposits and other receivables, (iv) an increase of RMB5.0 million in trade receivables, and (v) an increase of RMB1.8 million in inventories.

Our net cash used in operating activities in the six months ended June 30, 2026 was RMB52.6 million, primarily attributable to our loss before income tax of RMB90.8 million, as adjusted for non-cash and non-operating items, which primarily include (i) remeasurement of redemption liabilities of RMB37.1 million, (ii) equity settled share-based payment expenses of RMB7.6 million, (iii) net realized and unrealized gains on financial assets measured at FVPL of RMB1.2 million and (iv) finance costs of RMB1.0 million. The amount was further adjusted by changes in certain working capital accounts, primarily including (i) an increase of RMB6.6 million in inventories, (ii) a decrease of RMB3.9 million in other payables and accruals, (iii) a decrease of RMB3.7 million in trade receivables, (iv) an increase of RMB3.7 million in trade payables, (v) an increase of RMB3.6 million in prepayments, deposits and other receivables, and (vi) a decrease of RMB1.6 million in other non-current liabilities.

During the Track Record Period, we incurred net cash used in operating activities of RMB106.0 million, RMB129.8 million, RMB67.6 million and RMB52.6 million for the years ended December 31, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. This was primarily due to our losses for the years/periods, as we incurred significant research and development costs in relation to the development of our drug and drug candidates. We expect our net operating cash outflow position to improve as we generate increasing revenue from the commercialization of our Core Product. For examples, our Core Product commenced commercial sales following NDA approval in July 2025, and we generated revenue of RMB5.3 million for the year ended December 31, 2025 and RMB2.5 million for the six months ended June 30, 2026. As we continue to scale up our commercialization efforts through our collaboration with Jumpcan Pharmaceutical as well as distributors and the successful indication expansion and commercialization of other drug candidates, we expect to generate operation cash inflow from our daily operations. In addition, we will continue to enhance our cost containment capacity and operating efficiency to further improve our operating cash flow position.

Net Cash Generated from/(Used in) Investing Activities

In 2024, we had net cash generated from investing activities of RMB18.3 million, primarily attributable to (i) proceeds from disposal of structured deposits and wealth management products of RMB392.8 million, partially offset by (i) payment for purchases of structured deposits and wealth management products of RMB370.8 million and (ii) payment for new time deposits of RMB3.9 million.

In 2025, we had net cash used in investing activities of RMB95.1 million, primarily attributable to (i) payment for purchases of structured deposits and wealth management products of RMB1,590.3 million, (ii) payment for new time deposits of RMB14.1 million, partially offset by (i) proceeds from disposal of structured deposits and wealth of RMB1,507.7 million and (ii) proceeds from redemption of time deposits of RMB3.9 million.

In the six months ended June 30, 2026, we had net cash generated from investing activities of RMB48.0 million, primarily attributable to (i) proceeds from disposal of structured deposits and wealth management products of RMB472.9 million, and (ii) proceeds from redemption of time deposits of RMB14.1 million, partially offset by (i) payment for purchases of structured deposits and wealth management products of RMB435.0 million and (ii) payment for the acquisition of property, plant and equipment of RMB4.2 million.

Net Cash Generated from Financing Activities

In 2024, we had net cash generated from financing activities of RMB42.2 million, primarily attributable to proceeds from bank loans of RMB117.7 million, partially offset by (i) repayment of bank loans of RMB72.9 million and (ii) interest paid of RMB2.6 million.

In 2025, we had net cash generated from financing activities of RMB245.6 million, primarily attributable to (i) net proceeds from capital contributions by investors with special rights of RMB257.4 million, (ii) proceeds from bank loans of RMB80.0 million and (iii) capital advance received of RMB40.0 million, partially offset by (i) repayment of bank loans of RMB85.3 million and (ii) capital advances and related interest repaid of RMB41.1 million.

In the six months ended June 30, 2026, we had net cash generated from financing activities of RMB69.4 million, primarily attributable to (i) net proceeds from capital contributions by/shares issued to investors with special rights of RMB88.2 million, and (ii) proceeds from bank loans of RMB24.8 million, partially offset by (i) repayment of bank loans of RMB39.7 million and (ii) payment of [REDACTED] expenses of RMB1.9 million.

CASH OPERATING COSTS

The following table sets forth our cash operating costs for the periods indicated.

	For the years ened December 31,		For the six months ended June 30,	
	2024	2025	2025	2026
	(RMB in thousands)		*(unaudited)*	
Costs relating to research and development of our Core Product				
Staff costs	21,406	19,284	14,466	4,210
Trial and testing expenses	47,687	37,951	28,349	8,308
Raw materials and others	15,629	10,656	1,156	910
Subtotal	84,722	67,891	43,971	13,428
Costs relating to research and development of our other drug candidates				
Staff costs	7,047	8,945	1,774	13,727
Trial and testing expenses	4,990	16,198	1,404	3,953
Raw materials and others	5,012	7,313	1,058	7,720
Subtotal	17,049	32,456	4,236	25,400
Total	**101,771**	**100,347**	**48,207**	**38,828**
Workforce employment	12,631	13,111	5,985	8,848
Product marketing	2,597	5,228	1,105	3,461
Direct production cost	8,320	2,255	4,990	6,837

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
	(RMB in thousands)		
Current			
Bank loans	84,880	69,831	64,609
Lease liabilities	—	1,881	2,063
Redemption liabilities	780,700	1,110,150	1,237,265
Non-current			
Bank loans	—	9,700	—
Lease liabilities	—	6,207	5,341
Total	**865,580**	**1,197,769**	**1,309,278**

Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date.

Our Directors confirm that there has not been any material change in our indebtedness since June 30, 2026 and up to the date of this document. Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no material breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

In 2024, 2025 and the six months ended June 30, 2026, we incurred capital expenditures from payment for the acquisition of property, plant and equipment and payment for the acquisition of intangible assets, amounting to RMB23.0 thousand, RMB2.8 million and RMB4.2 million, respectively.

CAPITAL COMMITMENTS

As of December 31, 2024, we did not have any material commitments. As of December 31, 2025, we had commitments of RMB2.1 million related to contracts for acquisition of property, plant and equipment. As of June 30, 2026, we did not have any capital commitments.

CONTINGENT LIABILITIES

As of June 30, 2026, we did not have any contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We did not have, during the years or periods presented, and we do not currently have, any off-balance sheet arrangements such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheets.

KEY FINANCIAL RATIO

The following table set forth our key financial ratio as of the dates indicated.

	As of December 31,		As of June 30,
	2024	2025	2026
Current ratio[(1)]	0.1	0.2	0.2

Note:

(1) Current ratio represents current assets divided by current liabilities as of the same date.

MATERIAL RELATED PARTY TRANSACTIONS

We did not have any material related party transactions during the Track Record Period. See note 31 to the Accountants' Report as set out in Appendix I to this document for a detailed information of transactions with related parties.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

Our operations are subject to multiple financial risks, including credit risk, liquidity risk, interest rate risk and currency risk as detailed below. Our management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. For further details, see note 29 to the Accountants' Report as set out in Appendix I to this document.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade and other receivables. Our exposure to credit risk arising from cash and cash equivalents and time deposits is limited because the counterparties are banks and financial institutions in the PRC with high credit standing, for which we consider to have low credit risk.

We trade only with recognized and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. Our management has assessed that during the Track Record Period, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by our management. Our management expect the occurrence of losses from non-performance by counterparties of other receivables to be remote and a loss allowance provision for other receivables to be immaterial.

Liquidity Risk

Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer term.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our interest-bearing financial instruments at variable rates at the end of each reporting period are the cash at bank, and the cash flow interest risk arising from the change of market interest rate on these balances is not considered significant. Overall speaking, our exposure to interest rate risk is not significant.

Currency Risk

Our businesses are principally conducted in RMB and most of our monetary assets and liabilities are denominated in RMB. Accordingly, the directors consider our exposure to foreign currency risk is not significant.

FINANCIAL INFORMATION

DIVIDENDS

We did not declare or pay dividends on our Shares during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be subject to the approval of our Shareholders in a shareholder's meeting, our Articles of Association and the PRC Company Law, and will depend on a number of factors, including the successful commercialization of our drug candidates as well as our earnings, capital requirements, overall financial condition and contractual restrictions. There is no assurance that dividends of any amount will be declared or distributed in any year. Currently, we do not have, and do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [REDACTED]. As confirmed by our PRC Legal Advisors, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any reserves available for distribution to our Shareholders.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$[REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per Share), representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED] assuming no Shares are issued pursuant to the [REDACTED]. The [REDACTED] consist of (i) [REDACTED]-related expenses, including [REDACTED], of approximately HK$[REDACTED], and (ii) non-[REDACTED]- related expenses of approximately HK$[REDACTED], comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$[REDACTED], and (b) other fees and expenses of approximately HK$[REDACTED]. During the Track Record Period, the [REDACTED] expenses charged to our consolidated statements of profit or loss were RMB[REDACTED], and the issue costs, which was recognized as prepayments and are expected to be deducted from equity upon the [REDACTED], were HK$[REDACTED]. After the Track Record Period, approximately HK$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED]. We do not believe any of the above fees or expenses are material or are unusually high for us. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

The unaudited [REDACTED] statement of adjusted consolidated net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the [REDACTED] on the net tangible liabilities of our Group attributable to the equity shareholders of our Company as of June 30, 2026 as if the [REDACTED] had taken place on that date.

This unaudited [REDACTED] statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of our Group as of June 30, 2026, or at any future dates following the [REDACTED].

For details, see Appendix II to this document.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that there has been no material adverse change in our business, financial condition and results of operations since June 30, 2026, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report set out in Appendix I to this document, and up to the date of this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See "Business — Business Strategies" for details of our future plans.

[REDACTED]

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

We intend to apply such [REDACTED] from the [REDACTED] for the following purposes:

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund the clinical advancement, commercialization and indication expansion for sebaloxavir marboxil across different formulations. In particular,
  - **For Core Product:** approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund for the following purposes: (i) approximately [REDACTED]% of the [REDACTED], is expected to fund the phase 3 clinical trial and its registration in China for expanding the indication of our Core Product, sebaloxavir marboxil tablets, to post-exposure prophylaxis in adults. We plan to initiate the phase 3 clinical trial for sebaloxavir marboxil tablets for post-exposure prophylaxis by the end of 2026, and complete such clinical trial in 2028, which is expected to enroll over 730 subjects; (ii) approximately [REDACTED]% of the [REDACTED], is expected to fund the bridging study for MENA registration, taking into account the fee quotes we obtained from local CRO companies based on our current clinical trial plan involving approximately 24 to 36 subjects. The PK bridging study is required because MENA regulatory authorities need local pharmacokinetic data to approve a product originally registered in China. For details, please see "Business — Commercialization — Overseas Markets — MENA License and Distribution Agreement with Cigalah Medpharm for Sebaloxavir Marboxil Oral Formulations;" and (iii) approximately [REDACTED]% of the [REDACTED], is expected to be primarily used for R&D staff costs. These R&D staff are expected to work solely for the development of our Core Product, including (i) [REDACTED]% for the clinical trial management; (ii) [REDACTED]% for the CMC-related R&D activities and (iii) [REDACTED]% for the registration, clinical pharmacology and efficacy R&D activities.
  - **For Core Product:** approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund our in-house sales and marketing efforts in China, particularly for our Core Product, sebaloxavir marboxil tablets, including marketing and academic promotion. We plan to undertake a range of academic promotion efforts in the Chinese mainland to enhance our brand awareness. Our key academic activities will include participation in major medical industry annual conferences and exhibitions, professional media placement and advertisements in specialized pharmaceutical magazines. These efforts are intended to showcase the clinical value of our Core Product to healthcare professionals, thereby strengthening its recognition and adoption across major healthcare markets in the Chinese mainland. We cooperate with Jumpcan Pharmaceutical to commercialize our Core Product, where Jumpcan Pharmaceutical handles on-the-ground promotion execution, hospital access and pharmacy distribution. Meanwhile, we retain control over core marketing strategy, including market planning, academic projects, and medical research, ensuring that commercialization remains aligned with our overall strategic direction. Cigalah Medpharm will be responsible for the commercialization activities in the MENA region; and

- **For sebaloxavir marboxil for suspension:** approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund for the following purposes: (i) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 3 clinical trial with sebaloxavir marboxil for suspension for post-exposure prophylaxis in children aged 2 to 11 years old. We plan to initiate the phase 3 clinical trial for sebaloxavir marboxil for suspension post-exposure prophylaxis in the fourth quarter of 2026, and complete such clinical trial in the second quarter of 2028, which is expected to enroll over 120 pediatric subjects; and (ii) approximately [REDACTED]% of the [REDACTED] is expected to be used for the development of alternative CDMO suppliers, and the R&D staff costs for clinical trial management for sebaloxavir marboxil for suspension.

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund the clinical development of ZX-8177 across different indications. In particular,

  - **For oncology indication:** approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund the clinical development of ZX-8177 for oncology indications in China: (i) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 1 clinical trial, which we initiated in December 2025; (ii) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 2 clinical trial, which is expected to enroll around 100 subjects and be initiated after 2027; and (iii) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 3 clinical trial and its registration in China, which is expected to enroll around 150 subjects and be initiated after 2029.

  - **For hypophosphatasia ("HPP") indication:** approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used to fund the clinical development of ZX-8177 for HPP indication: (i) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 1 clinical trial, which is expected to be initiated in 2027; (ii) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 2/3 clinical trial and its registration in China, which is expected to enroll around 115 subjects in total and be initiated in 2028.

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to fund the clinical development of ZX-12042B (i) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 1 clinical trial in China, which is expected to enroll around 20 subjects and be initiated in 2027; (ii) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 2 clinical trial in China, which is expected to enroll around 100 subjects and be initiated after 2027; and (iii) approximately [REDACTED]% of the [REDACTED] is expected to fund the phase 3 clinical trial and its registration in China, which is expected to enroll 300 subjects and be initiated after 2029.

- approximately [REDACTED]% of the [REDACTED], or approximately HK$[REDACTED], is expected to be used for our working capital and other general corporate purposes.

If the [REDACTED] is exercised in full, the [REDACTED] of the [REDACTED] would increase to approximately HK$[REDACTED] (based on the [REDACTED] of HK$[REDACTED] per Share). We intend to apply the additional [REDACTED] to the above uses in the proportion stated above.

FUTURE PLANS AND [REDACTED]

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to finance the remaining portions through a variety of means, including operating cash flows, bank loans and other borrowings.

If the [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will deposit the unutilized [REDACTED] into short-term interest-bearing accounts with licensed commercial banks or other authorized financial institutions, as defined under the Securities and Futures Ordinance ("**SFO**") or other applicable laws and regulations, until they are used for the intended purposes.

We will publish an appropriate announcement if there is any material change to the above proposed [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-47, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 征祥醫藥(南京)集團股份有限公司 ZENSHINE PHARMACEUTICALS (NANJING) GROUP CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of 征祥醫藥(南京)集團股份有限公司Zenshine Pharmaceuticals (Nanjing) Group Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-47, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2024 and 2025 and June 30, 2026, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements, for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 (the "**Track Record Period**"), and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-47 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [•] (the "**Document**") in connection with the [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at December 31, 2024 and 2025 and June 30, 2026, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Review of stub period corresponding financial information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six months ended June 30, 2025 and other explanatory information (the "**Stub Period Corresponding Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Corresponding Financial Information, for the purpose of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 29(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
[Date]

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in RMB)

		Year ended December 31,		Six months ended June 30,	
		2024	2025	2025	2026
	Note	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	4	**—**	**5,314**	**—**	**2,514**
Cost of sales		—	(479)	—	(756)
Gross profit		**—**	**4,835**	**—**	**1,758**
Other income	5(a)	26,598	306	222	13,507
Other net gain	5(b)	1,878	3,046	1,448	1,177
Selling expenses		(6,531)	(9,734)	(3,513)	(5,799)
Administrative and other operating expenses		(14,073)	(26,116)	(6,758)	(20,699)
Research and development costs		(100,003)	(112,121)	(64,325)	(42,789)
(Provision for)/reversal of impairment loss on receivables	6(c)	(1)	(23)	2	18
Loss from operations		**(92,132)**	**(139,807)**	**(72,924)**	**(52,827)**
Finance income	6(a)	214	416	166	207
Finance costs	6(a)	(2,590)	(3,500)	(1,448)	(1,041)
Net finance costs		(2,376)	(3,084)	(1,282)	(834)
Remeasurement of redemption liabilities	6(c)	**(50,887)**	**(66,293)**	**(31,233)**	**(37,115)**
Loss before taxation	6	(145,395)	(209,184)	(105,439)	(90,776)
Income tax	7	—	(84)	(15)	(17)
Loss for the year/period		**(145,395)**	**(209,268)**	**(105,454)**	**(90,793)**
Loss per share	10				
Basic and diluted (RMB)		(10.01)	(12.95)	(6.68)	(5.28)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss for the year/period	**(145,395)**	**(209,268)**	**(105,454)**	**(90,793)**
Other comprehensive income for the year/period (after tax)				
Item that may be reclassified subsequently to profit or loss:				
Exchange difference on translation of financial statements of a subsidiary with functional currency other than Renminbi	18	(24)	(4)	(32)
Other comprehensive income for the year/period	18	(24)	(4)	(32)
Total comprehensive income for the year/period	**(145,377)**	**(209,292)**	**(105,458)**	**(90,825)**

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at December 31, 2024 RMB'000	As at December 31, 2025 RMB'000	As at June 30, 2026 RMB'000
Non-current assets				
Property, plant and equipment	11	1,605	6,311	7,843
Right-of-use assets	12	—	8,552	7,840
Intangible assets	13	269	563	532
Prepayments, deposits and other receivables	17	277	680	689
		2,151	16,106	16,904
Current assets				
Inventories	15	8,928	10,704	16,785
Trade receivables	16	—	4,980	1,277
Prepayments, deposits and other receivables	17	13,907	8,867	14,326
Financial assets measured at fair value through profit or loss ("**FVPL**")	18	89,074	174,809	138,163
Time deposits	19	3,954	14,063	—
Cash and cash equivalents	20(a)	10,063	30,714	95,427
Taxation recoverable	27(a)	—	3	—
		125,926	244,140	265,978
Current liabilities				
Trade payables	21	12,791	18,830	22,525
Other payables and accruals	22	8,234	17,639	11,715
Bank loans	23	84,880	69,831	64,609
Lease liabilities	24	—	1,881	2,063
Current taxation	27(a)	—	13	—
Redemption liabilities	25	780,700	1,110,150	1,237,265
		886,605	1,218,344	1,338,177
Net current liabilities		(760,679)	(974,204)	(1,072,199)
Total assets less current liabilities		(758,528)	(958,098)	(1,055,295)
Bank loans	23	—	9,700	—
Lease liabilities	24	—	6,207	5,341
Other non-current liabilities	26	47,170	46,375	44,785
		47,170	62,282	50,126
NET LIABILITIES		(805,698)	(1,020,380)	(1,105,421)
CAPITAL AND DEFICITS				
Paid-in capital/share capital	29(c)	14,523	16,959	17,579
Reserves		(820,221)	(1,037,339)	(1,123,000)
TOTAL DEFICITS		(805,698)	(1,020,380)	(1,105,421)

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

	Note	As at December 31, 2024 RMB'000	As at December 31, 2025 RMB'000	As at June 30, 2026 RMB'000
Non-current assets				
Property, plant and equipment		1,642	1,094	863
Right-of-use assets		—	20	10
Intangible assets	13	269	563	532
Interests in subsidiaries	14	3,229	258,229	278,892
Prepayments, deposits and other receivables	17	277	277	277
		5,417	260,183	280,574
Current assets				
Inventories	15	8,928	10,704	16,826
Trade receivables	16	—	4,980	1,277
Prepayments, deposits and other receivables	17	13,907	14,456	10,800
Financial assets measured at FVPL	18	89,074	50,106	30,023
Time deposits	19	3,954	4,063	—
Cash and cash equivalents	20(a)	8,875	21,113	61,415
		124,738	105,422	120,341
Current liabilities				
Trade payables	21	12,791	18,555	24,899
Other payables and accruals	22	8,210	118,852	115,198
Bank loans	23	84,880	69,831	64,609
Lease liabilities		—	8	—
Redemption liabilities	25	780,700	1,110,150	1,237,265
		886,581	1,317,396	1,441,971
Net current liabilities		(761,843)	(1,211,974)	(1,321,630)
Total assets less current liabilities		(756,426)	(951,791)	(1,041,056)
Bank loans	23	—	9,700	—
Other non-current liabilities	26	47,170	46,375	44,785
		47,170	56,075	44,785
NET LIABILITIES		(803,596)	(1,007,866)	(1,085,841)
CAPITAL AND DEFICITS				
Paid-in capital/share capital	29(c)	14,523	16,959	17,579
Reserves		(818,119)	(1,024,825)	(1,103,420)
TOTAL DEFICITS		(803,596)	(1,007,866)	(1,085,841)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in RMB)

	Paid-in capital *RMB'000* *(Note 29(c))*	Capital reserve *RMB'000* *(Note 29(d)(i))*	Exchange reserve *RMB'000* *(Note 29(d)(ii))*	Accumulated losses *RMB'000*	Total deficits *RMB'000*
Balance at January 1, 2024	14,523	(57,367)	294	(617,771)	(660,321)
Changes in equity for 2024:					
Loss for the year	—	—	—	(145,395)	(145,395)
Other comprehensive income	—	—	18	—	18
Total comprehensive income	—	—	18	(145,395)	(145,377)
Balance at December 31, 2024	14,523	(57,367)	312	(763,166)	(805,698)

	Note	Paid-in capital *RMB'000* *(Note 29(c))*	Share capital *RMB'000* *(Note 29(c))*	Capital reserve *RMB'000* *(Note 29(d)(i))*	Exchange reserve *RMB'000* *(Note 29(d)(ii))*	Accumulated losses *RMB'000*	Total deficits
Balance at January 1, 2025		14,523	—	(57,367)	312	(763,166)	(805,698)
Changes in equity for 2025:							
Loss for the year		—	—	—	—	(209,268)	(209,268)
Other comprehensive income		—	—	—	(24)	—	(24)
Total comprehensive income		—	—	—	(24)	(209,268)	(209,292)
Capital contributions by investors with special rights, net of issuance costs	29(c)	2,079	—	255,331	—	—	257,410
Recognition of redemption liabilities	25	—	—	(263,157)	—	—	(263,157)
Capital injection received from an equity shareholder of the Company	29(c)	357	—	—	—	—	357
Conversion into a joint stock limited liability company	29(c)	(16,959)	16,959	(690,625)	—	690,625	—
Balance at December 31, 2025		—	16,959	(755,818)	288	(281,809)	(1,020,380)

The accompanying notes form part of the Historical Financial Information.

	Note	Share capital *RMB'000* *(Note 29(c))*	Capital reserve *RMB'000* *(Note 29(d)(i))*	Exchange reserve *RMB'000* *(Note 29(d)(ii))*	Accumulated losses *RMB'000*	Total deficits *RMB'000*
Balance at January 1, 2026		16,959	(755,818)	288	(281,809)	(1,020,380)
Changes in equity for the six months ended June 30, 2026:						
Loss for the period		—	—	—	(90,793)	(90,793)
Other comprehensive income		—	—	(32)	—	(32)
Total comprehensive income		—	—	(32)	(90,793)	(90,825)
Shares issued to investors with special rights, net of issuance costs	29(c)	620	87,546	—	—	88,166
Recognition of redemption liabilities	25	—	(90,000)	—	—	(90,000)
Equity settled share-based transactions	28	—	7,618	—	—	7,618
Balance at June 30, 2026		17,579	(750,654)	256	(372,602)	(1,105,421)

	Paid-in capital *RMB'000* *(Note 29(c))*	Capital reserve *RMB'000* *(Note 29(d)(i))*	Exchange reserve *RMB'000* *(Note 29(d)(ii))*	Accumulated losses *RMB'000*	Total deficits *RMB'000*
(unaudited)					
Balance at January 1, 2025	14,523	(57,367)	312	(763,166)	(805,698)
Changes in equity for the six months ended June 30, 2025:					
Loss for the period	—	—	—	(105,454)	(105,454)
Other comprehensive income	—	—	(4)	—	(4)
Total comprehensive income	—	—	(4)	(105,454)	(105,458)
Capital contributions by investors with special rights, net of issuance costs	1,597	189,231	—	—	190,828
Recognition of redemption liabilities	—	(193,157)	—	—	(193,157)
Balance at June 30, 2025	16,120	(61,293)	308	(868,620)	(913,485)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED CASH FLOW STATEMENTS

(Expressed in RMB)

	Note	Year ended December 31, 2024 RMB'000	Year ended December 31, 2025 RMB'000	Six months ended June 30, 2025 RMB'000 (unaudited)	Six months ended June 30, 2026 RMB'000
Operating activities					
Cash used in operations	20(b)	(106,049)	(129,763)	(67,640)	(52,536)
Tax paid	27(a)	—	(74)	(3)	(27)
Net cash used in operating activities		(106,049)	(129,837)	(67,643)	(52,563)
Investing activities					
Payment for the acquisition of property, plant and equipment		(20)	(2,384)	(54)	(4,159)
Proceeds from disposal of property, plant and equipment		1	3	—	—
Payment for the acquisition of intangible assets		(3)	(371)	—	(45)
Payment for new time deposits		(3,912)	(14,108)	—	—
Proceeds from redemption of time deposits		—	3,909	—	14,063
Payment for purchases of structured deposits and wealth management products		(370,810)	(1,590,310)	(910,510)	(435,000)
Proceeds from disposal of structured deposits and wealth management products		392,824	1,507,733	809,630	472,885
Interest received		214	416	166	207
Net cash generated from/(used in) investing activities		18,294	(95,112)	(100,768)	47,951
Financing activities					
Proceeds from bank loans	20(c)	117,700	80,000	40,000	24,770
Repayment of bank loans	20(c)	(72,900)	(85,322)	(54,800)	(39,678)
Interest paid	20(c)	(2,551)	(2,169)	(1,384)	(913)
Capital element of lease rental paid	20(c)	—	(1,989)	(1,008)	(981)
Interest element of lease rental paid	20(c)	—	(246)	(89)	(142)
Net proceeds from capital contributions by/shares issued to investors with special rights	29(c)	—	257,410	190,828	88,166
Capital advances received		—	40,000	40,000	—
Capital advances and related interest repaid		—	(41,112)	—	—
Payment of [REDACTED] expenses		—	(1,305)	—	(1,862)
Capital injection received from an equity shareholder of the Company	29(c)	—	357	—	—
Net cash generated from financing activities		42,249	245,624	213,547	69,360
Net (decrease)/increase in cash and cash equivalents		(45,506)	20,675	45,136	64,748
Cash and cash equivalents at the beginning of the year/period		55,551	10,063	10,063	30,714
Effect of foreign exchange rate changes		18	(24)	(4)	(35)
Cash and cash equivalents at the end of the year/period	20(a)	10,063	30,714	55,195	95,427

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

(Expressed in RMB unless otherwise indicated)

1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

征祥醫藥(南京)集團股份有限公司 Zenshine Pharmaceuticals (Nanjing) Group Co., Ltd. (the "**Company**") was established in the People's Republic of China (the "**PRC**") on May 14, 2020, as a limited liability company. The Company was converted from a limited liability company into a joint stock limited liability company under the PRC Company Law on December 31, 2025.

The Company and its subsidiaries (together, "**the Group**") are principally engaged in the research, development and commercialization of innovative therapeutics.

The statutory financial statements of the Company for the years ended December 31, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC (the "**PRC GAAP**"), audited by BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)) and Nanjing Hongqiao Accounting Firm (General Partnership) (南京宏僑會計師事務所(普通合夥)), respectively. The information of the Group's subsidiaries is set out in Note 14.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for Track Record Period are set out in Note 33.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net liabilities of RMB1,105,421,000 and net current liabilities of RMB1,072,199,000 as at June 30, 2026, which is primarily due to the recognition of redemption liabilities of RMB1,237,265,000 as current liabilities (see Note 25). All of the special rights granted to the investors would be terminated upon the Company's [REDACTED] and the redemption liabilities will be converted to equity resulting in a change from net current liabilities to net current assets. The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due and to sustain its operations for the foreseeable future after reviewing the Group's cash flow projection, taking into account the expected working capital requirements covering at least the next twelve months from June 30, 2026. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in preparation of the Historical Financial Information is the historical cost basis except that those assets and liabilities are stated at their fair value as explained in the accounting policies as set out below.

(b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the statements of financial position of the Company, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)(ii)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

(d) Non-equity investments

Non-equity investments are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments are classified into one of the following measurement categories:

— amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(r)(ii)(a)), and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

— fair value through other comprehensive income ("**FVOCI**") — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in other comprehensive income ("**OCI**"). When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

— FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(h)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

Laboratory equipment	5 years
Office and other equipment	5 years
Motor vehicles	4 years
Electronic equipment	3 years
Leasehold improvements	Shorter of the lease term or the estimated useful life of the asset

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Construction in progress is stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value) less impairment losses (see Note 2(h)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation polices specified above.

No depreciation is provided in respect of construction in progress.

(f) Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets, including trademark and software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any impairment losses (see Note 2(h)(ii)).

Amortization of intangible assets is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives are as follows:

Trademark	10 years
Software	5 years

The useful lives of the trademark and software are estimated with reference expected years of economic benefits.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(e) and 2(h)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortized cost (see Notes 2(r)(ii)(a) and 2(h)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statements of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("**ECLs**") on financial assets measured at amortized cost ((including cash and cash equivalents, time deposits, trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

— fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof; and

— variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

— 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

— lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECLs model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

— financial instruments that are determined to have low credit risk at the reporting date; and

— other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held).

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECLs amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

— significant financial difficulties of the debtor;

— a breach of contract, such as a default;

— it is probable that the debtor will enter bankruptcy or other financial reorganization; or

— the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs ").

The recoverable amount of an asset or CGUs is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGUs .

An impairment loss is recognized if the carrying amount of an asset or CGUs exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of the assets in the CGUs on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see Note 2(h)(i)).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value, with maturities within three months at acquisition. Cash and cash equivalents are assessed for ECLs (see Note 2(h)(i)).

(l) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(m) Redemption liabilities

A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company's obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognized in profit or loss. The carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty's redemption rights.

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(t).

(o) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity settled share-based payments granted to employees is measured by reference to the market price of the underlying shares or the valuer's valuation. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date. The equity amount is recognized in the capital reserve.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(p) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

— temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

— temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The Group recognizes deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(q) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue and other income recognition policies are as follows.

(i) Revenue from contracts with customers

Revenue is recognized when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sales of pharmaceutical products

Revenue is recognized when the customer takes possession of and accepts the products, depending on the terms set forth in the customer contracts. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

(b) Revenue from drug registration assistance service

Revenue from drug registration assistance service is recognized when the service is rendered.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognized using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Government grants

Government grants are recognized initially in the statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful life of the asset.

(s) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve.

(t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(u) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgement:

Research and development costs

Development costs incurred on the Group's pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalization. All development costs were expensed when incurred during the Track Record Period.

(b) Key sources of estimation uncertainty

Notes 28(b) and 30 contain information about the assumptions and their risk factors relating to the fair value of restricted share units granted and the fair value of financial instruments. Other key source of estimation uncertainty is as follows:

Recognition of deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and cumulative tax losses. As those deferred tax assets can only be recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognized if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are mainly engaged in the research, development and commercialization of innovative therapeutics.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers is as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sales of pharmaceutical products	—	4,959	—	2,168
Drug registration assistance service	—	355	—	346
	—	5,314	—	2,514

The Group's revenue for the year ended December 31, 2025 and the six months ended June 30, 2026 were recognized at point in time.

Revenue from each major customer, including revenue from a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group's revenue during the Track Record Period is set out below. Details of concentrations of credit risk arising from the customers are set out in Note 30(a).

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Customer A	—	2,312	—	991
Customer B	—	2,300	—	687
Customer C	—	N/A	—	346
Customer D	—	N/A	—	272

N/A represented the revenue of the customer less than 10% of the Group's revenue during the respective reporting period.

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods and services such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods and services that had an expected duration of one year or less.

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

IFRS 8, *Operating Segments*, requires identification and disclosure of information about an entity's geographical areas, regardless of the entity's organization (i.e. even if the entity has a single reportable segment). The Group operates within one geographical location because primarily all of its revenue was generated in the Chinese Mainland and primarily all of its non-current operating assets and capital expenditure were located/incurred in the Chinese Mainland. Accordingly, no geographical information is presented.

5 OTHER INCOME AND OTHER NET GAIN

(a) Other income

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Government grants *(Note)*	26,470	195	112	13,410
Others	128	111	110	97
	26,598	306	222	13,507

Note:

During the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the Group has received unconditional government grants of RMB25,270,000, RMB195,000, RMB112,000 (unaudited) and RMB13,410,000, respectively, as incentives for the Group's effort in research and development activities and contribution to regional economic development.

During the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, the Group also recognized conditional government grants as incentives for the Group's effort in research and development activities of RMB1,200,000, nil, nil (unaudited) and nil, respectively, in the consolidated statements of profit or loss when related conditions were satisfied.

(b) Other net gain

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net foreign exchange gain/(loss)	27	(113)	(26)	(58)
Net realized and unrealized gains on financial assets measured at FVPL	2,041	3,158	1,474	1,239
Net (loss)/gain on disposal of property, plant and equipment	(190)	1	—	(4)
	1,878	3,046	1,448	1,177

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest income from bank deposits	(214)	(416)	(166)	(207)
Finance income	(214)	(416)	(166)	(207)
Interest expenses on bank loans	2,590	2,142	1,359	899
Interest expenses on capital advances	—	1,112	—	—
Interest expenses on lease liabilities	—	246	89	142
Finance costs	2,590	3,500	1,448	1,041
Net finance costs	2,376	3,084	1,282	834

(b) Staff costs

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, wages and other benefits	40,298	40,178	19,857	23,006
Contributions to defined contribution retirement plan	2,471	2,524	1,225	1,352
Equity settled share-based payment expenses *(Note 28)*	—	—	—	7,618
	42,769	42,702	21,082	31,976

Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government in the PRC. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees. The Group remits all the defined contribution retirement scheme contributions to the respective social security offices, which are responsible for the payments and liabilities relating to the defined contribution retirement scheme. The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

The Group has no other material obligation for the payment of retirement benefits associated with the schemes beyond the contributions described above.

(c) Other items

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of inventories recognized as expenses *(Note)*	—	479	—	756
Depreciation and amortization — property, plant and equipment *(Note 11)*	3,412	849	533	626
— right-of-use assets *(Note 12)*	—	1,525	528	1,009
— intangible assets *(Note 13)*	69	77	35	76
Provision for/(reversal of) impairment loss on receivables	1	23	(2)	(18)
Provision for write-down of inventories	—	—	—	561
Remeasurement of redemption liabilities *(Note 25)*	50,887	66,293	31,233	37,115
[REDACTED] expenses	—	9,415	—	9,198

Note:

Cost of inventories recognized as expenses includes amounts relating to depreciation and amortization expenses and provision for write-down of inventories, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current tax:				
Provision for PRC Corporate Income Tax for the year/period	—	84	15	—
Under-provision in respect of prior years/periods	—	—	—	17
	—	84	15	17

Notes:

(i) The Company and subsidiaries were all established in the PRC. The Company and subsidiaries are subject to the PRC Corporate Income Tax ("**CIT**") at a statutory income tax rate of 25% unless otherwise specified.

(ii) According to Announcement [2023] No. 12, "The Announcement of Further Implementation of Income Tax Incentives for Micro and Small Enterprises" issued by Ministry of Finance of the PRC and National Tax Bureau, for small and micro profit enterprises that meet the three conditions of annual taxable income not exceeding RMB3 million, number of employees not exceeding 300 people, and total assets not exceeding RMB50 million, a reduction of 25% shall be included in the taxable income, and enterprise income tax shall be paid at a rate of 20%, which shall continue to be implemented until December 31, 2027.

According to the new tax incentive policies promulgated by the State Tax Bureau of Chinese Mainland in March 2023, effective from January 1, 2023, an additional 100% of qualified research and development expenses incurred is allowed to be deducted from taxable income.

(iii) The Company's subsidiary incorporated in the United States of America (the "**USA**") is subject to Federal Tax at a rate of 21% and State Profits Tax at a rate of 8.84%. Operations in the USA have incurred net accumulated operating losses for income tax purposes, and no income tax provisions had been made for the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before taxation	(145,395)	(209,184)	(105,439)	(90,776)
Notional tax on loss before taxation, calculated using the PRC statutory tax rate of 25%	(36,349)	(52,295)	(26,360)	(22,694)
Tax effect of differential tax rates	(4)	(30)	(5)	(1)
Tax effect of non-deductible expenses *(Note)*	333	320	138	1,939
Tax effect of bonus deduction for research and development costs	(24,438)	(27,265)	(15,347)	(9,912)
Tax effect of non-deductible remeasurement of redemption liabilities	12,722	16,573	7,808	9,279
Tax effect of tax losses and temporary differences not recognized	47,736	62,781	33,781	21,389
Under-provision in respect of prior years/periods	—	—	—	17
Actual tax expense	—	84	15	17

Note:

Tax effect of non-deductible expenses mainly represented the tax effect of equity settled share-based payment expenses and other non-deductible expenses.

8 DIRECTORS' AND SUPERVISOR'S EMOLUMENTS

Directors' and supervisor's emoluments disclosed are as follows:

	Year ended December 31, 2024				
	Directors' and supervisor's fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Yang Jinfu	—	1,189	641	—	1,830
Hao Xiaolin	—	1,445	475	47	1,967
Zhang Chuanbao	—	958	144	47	1,149
Non-executive directors					
Cheng Qibin	—	316	42	37	395
Zhang Jingyu	—	—	—	—	—
Li Yanpei	—	—	—	—	—
Chen Renhai	—	—	—	—	—
Zou Hua	—	—	—	—	—
Yi Hua	—	—	—	—	—
Yuan Quanhong	—	—	—	—	—
Zhang Xieyi	—	—	—	—	—
Supervisor					
Shi Kaikai	—	—	—	—	—
	—	3,908	1,302	131	5,341

	Year ended December 31, 2025				
	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Yang Jinfu	—	1,189	641	—	1,830
Hao Xiaolin	—	1,445	475	49	1,969
Zhang Chuanbao (resigned on December 31, 2025)	—	916	635	44	1,595
Xu Ming (appointed on December 31, 2025)	—	—	—	—	—
Non-executive directors					
Cheng Qibin	—	347	43	40	430
Wang Ying (appointed on January 17, 2025)	—	266	35	33	334
Zhang Jingyu	—	—	—	—	—
Li Yanpei	—	—	—	—	—
Chen Renhai	—	—	—	—	—
Zou Hua	—	—	—	—	—
Yi Hua	—	—	—	—	—
Yuan Quanhong	—	—	—	—	—
Zhang Xieyi	—	—	—	—	—
Jiang Zhangke (appointed on January 17, 2025)	—	—	—	—	—
Zhou Chenjun (appointed on August 25, 2025 and resigned on December 31, 2025)	—	—	—	—	—
Yang Wenkai (appointed on August 25, 2025)	—	—	—	—	—
Yu Haonan (appointed on December 31, 2025)	—	—	—	—	—
Supervisors					
Shi Kaikai (resigned on August 25, 2025)	—	—	—	—	—
Cheng Yilang (appointed on August 25, 2025 and resigned on December 31, 2025)	—	—	—	—	–
	—	4,163	1,829	166	6,158

	Six months ended June 30, 2025 (unaudited)				
	Directors' and supervisor's fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Yang Jinfu	—	594	321	—	915
Hao Xiaolin	—	721	237	24	982
Zhang Chuanbao	—	469	318	23	810
Non-executive directors					
Cheng Qibin	—	163	22	20	205
Wang Ying (appointed on January 17, 2025)	—	128	17	16	161
Zhang Jingyu	—	—	—	—	—
Li Yanpei	—	—	—	—	—
Chen Renhai	—	—	—	—	—
Zou Hua	—	—	—	—	—
Yi Hua	—	—	—	—	—
Yuan Quanhong	—	—	—	—	—
Zhang Xieyi	—	—	—	—	—
Jiang Zhangke (appointed on January 17, 2025)	—	—	—	—	—
Supervisor					
Shi Kaikai	—	—	—	—	—
	—	2,075	915	83	3,073

	Six months ended June 30, 2026						
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments *(Note)*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors							
Yang Jinfu	—	594	321	—	915	918	1,833
Hao Xiaolin	—	722	237	24	983	102	1,085
Xu Ming (resigned on January 21, 2026)	—	133	21	3	157	58	215
Non-executive directors							
Cheng Qibin (resigned on January 21, 2026)	—	18	2	2	22	8	30
Wang Ying (resigned on January 21, 2026)	—	15	3	2	20	8	28
Zhang Jingyu (resigned on January 21, 2026)	—	—	—	—	—	—	—
Li Yanpei (resigned on January 21, 2026)	—	—	—	—	—	—	—
Chen Renhai	—	—	—	—	—	—	—
Zou Hua (resigned on January 21, 2026)	—	—	—	—	—	—	—
Yi Hua	—	—	—	—	—	—	—
Yuan Quanhong (resigned on January 21, 2026)	—	—	—	—	—	—	—
Zhang Xieyi (resigned on January 21, 2026)	—	—	—	—	—	—	—
Jiang Zhangke (resigned on January 21, 2026)	—	—	—	—	—	—	—
Yang Wenkai (resigned on January 21, 2026)	—	—	—	—	—	—	—
Yu Haonan (resigned on January 21, 2026)	—	—	—	—	—	—	—
Independent non-executive directors							
Lam Ka Tak (appointed on January 21, 2026)	138	—	—	—	138	—	138
Ma Dawei (appointed on January 21, 2026)	138	—	—	—	138	—	138
Wang Zhengping (appointed on January 21, 2026)	138	—	—	—	138	—	138
	414	1,482	584	31	2,511	1,094	3,605

Note:

These represent the estimated value of share-based payment granted to the directors under the Group's employee incentive scheme as set out in Note 28. The value of share-based payment is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(o)(ii). The details of these benefits in kind, including the principal terms and number of awards granted, are disclosed in Note 28.

During the Track Record Period, all the executive directors are key management personnel of the Group and their remuneration disclosed above include those for services rendered by them as key management personnel.

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors and supervisor as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 2, 2, 2 (unaudited) and 1 are directors during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid non-director and non-supervisor individuals are as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	5,628	5,636	2,813	4,328
Discretionary bonuses	1,289	1,289	644	687
Retirement scheme contributions	184	187	92	94
Share-based payments	—	—	—	1,889
	7,101	7,112	3,549	6,998

The emoluments of the 3, 3, 3 (unaudited) and 4 highest paid non-director and non-supervisor individuals during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, are within the following bands:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	Number of individuals	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
Hong Kong Dollar ("**HK$**") nil to HK$1,000,000	—	—	1	—
HK$1,000,001 to HK$1,500,000	—	—	1	1
HK$1,500,001 to HK$2,000,000	1	1	1	—
HK$2,000,001 to HK$2,500,000	—	—	—	3
HK$2,500,001 to HK$3,000,000	1	1	—	—
HK$3,000,001 to HK$3,500,000	1	1	—	—

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares deemed to be in issue during the Track Record Period.

As set out in Note 29(c)(iii), the Company was converted into a joint stock limited liability company and 16,959,201 shares with par value of RMB1 each were issued on December 31, 2025. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock limited liability company was determined assuming the conversion into a joint stock limited liability company had occurred since January 1, 2024, at the exchange ratio established on December 31, 2025.

The weighted average number of ordinary shares has not considered the impact of the share subdivision that will become effective immediately prior to the [REDACTED] of the Company's H shares as disclosed in Note 29(c)(iv).

Loss for the year/period attributable to ordinary equity shareholders of the Company

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss for the year/period attributable to all equity shareholders of the Company	(145,395)	(209,268)	(105,454)	(90,793)
Allocation of loss for the year/period attributable to capital contributions with special rights *(Note 25)*	110,008	162,592	81,834	70,258
Loss for the year/period attributable to ordinary equity shareholders of the Company	(35,387)	(46,676)	(23,620)	(20,535)

Weighted average number of ordinary shares deemed to be in issue

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
			(unaudited)	
Ordinary shares deemed to be in issue at the beginning of the year/period	14,522,776	14,522,776	14,522,776	16,959,201
Effect of deemed issue of shares *(Note 29(c))*	—	1,566,126	1,257,555	247,389
Effect of ordinary shares issued *(Note 29(c))*	—	69,463	—	—
Effect of capital contributions with special rights *(Note 25)*	(10,988,176)	(12,554,302)	(12,245,731)	(13,314,890)
Weighted average number of ordinary shares deemed to be in issue at the end of the year/period	3,534,600	3,604,063	3,534,600	3,891,700

(b) Diluted loss per share

Capital contributions with special rights (Note 25) were excluded from the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the Track Record Period were the same as basic loss per share.

11 PROPERTY, PLANT AND EQUIPMENT

The Group	Laboratory equipment	Office and other equipment	Motor vehicles	Electronic equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At January 1, 2024	2,031	253	487	880	6,307	—	9,958
Additions	—	—	—	20	—	—	20
Disposals	(326)	(27)	—	(36)	—	—	(389)
At December 31, 2024 and January 1, 2025	1,705	226	487	864	6,307	—	9,589
Additions	58	—	—	260	—	5,239	5,557
Disposals	—	—	—	(35)	—	—	(35)
At December 31, 2025 and January 1, 2026	1,763	226	487	1,089	6,307	5,239	15,111
Additions	—	—	—	118	—	2,044	2,162
Transfers	—	—	—	—	7,283	(7,283)	—
Disposals	—	—	—	(80)	—	—	(80)
At June 30, 2026	1,763	226	487	1,127	13,590	—	17,193
Accumulated depreciation:							
At January 1, 2024	706	103	39	442	3,480	—	4,770
Charge for the year	399	40	116	247	2,610	—	3,412
Written back on disposals	(155)	(13)	—	(30)	—	—	(198)
At December 31, 2024 and January 1, 2025	950	130	155	659	6,090	—	7,984
Charge for the year	359	35	116	122	217	—	849
Written back on disposals	—	—	—	(33)	—	—	(33)
At December 31, 2025 and January 1, 2026	1,309	165	271	748	6,307	—	8,800
Charge for the period	178	15	57	85	291	—	626
Written back on disposals	—	—	—	(76)	—	—	(76)
At June 30, 2026	1,487	180	328	757	6,598	—	9,350
Net book value:							
At December 31, 2024	755	96	332	205	217	—	1,605
At December 31, 2025	454	61	216	341	—	5,239	6,311
At June 30, 2026	276	46	159	370	6,992	—	7,843

12 RIGHT-OF-USE ASSETS

The Group	Properties held for own use
	RMB'000
Cost:	
At January 1, 2024, December 31, 2024 and January 1, 2025	—
Additions	10,077
At December 31, 2025 and January 1, 2026	10,077
Additions	297
At June 30, 2026	10,374
Accumulated depreciation:	
At January 1, 2024, December 31, 2024 and January 1, 2025	—
Charge for the year	1,525
At December 31, 2025 and January 1, 2026	1,525
Charge for the period	1,009
At June 30, 2026	2,534
Net book value:	
At December 31, 2024	—
At December 31, 2025	8,552
At June 30, 2026	7,840

The analysis of expense items in relation to leases recognized in the Group's consolidated statements of profit or loss is as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:				
Properties held for own use *(Note)*	—	1,525	528	1,009
Interest expenses on lease liabilities *(Note 6(a))*	—	246	89	142
Expense relating to short-term leases	127	137	64	72

Note:

During the Track Record Period, the Group leased certain office properties through tenancy agreements, which do not contain variable lease payment terms. The leases typically run for a period of 3 to 5 years.

Details of total cash outflow for leases, the maturity analysis of lease liabilities and the future cash outflows arising from leases are set out in Notes 20(d), 24 and 30(b), respectively.

13 INTANGIBLE ASSETS

The Group and the Company	Trademark *RMB'000*	Software *RMB'000*	Total *RMB'000*
Cost:			
At January 1, 2024	—	335	335
Additions	3	—	3
At December 31, 2024	3	335	338
Additions	—	371	371
At December 31, 2025	3	706	709
Additions	—	45	45
At June 30, 2026	3	751	754
Accumulated amortization:			
At January 1, 2024	—	—	—
Charge for the year	—*	69	69
At December 31, 2024 and January 1, 2025	—*	69	69
Charge for the year	1	76	77
At December 31, 2025 and January 1, 2026	1	145	146
Charge for the period	—*	76	76
At June 30, 2026	1	221	222
Net book value:			
At December 31, 2024	3	266	269
At December 31, 2025	2	561	563
At June 30, 2026	2	530	532

* The balance represents amount less than RMB1,000.

14 INTERESTS IN SUBSIDIARIES

As at June 30, 2026 and the date of this report, the Company has direct interest in the following subsidiaries, all of which are limited liability companies established in the PRC and the USA:

Name of company	Place and date of establishment and business	Particulars of registered and paid-up capital	Proportion of ownership interest		Principal activities
			Held by the Company	Held by a subsidiary	
Zenshine Pharmaceuticals Inc. *(Note (b))*	The USA August 17, 2021	USD500,000/ USD500,000	100%	—	Research and development of pharmaceutical products
Zenshine Pharmaceuticals (Hangzhou) Co., Ltd. (征祥醫藥(杭州)有限公司) *(Notes (a) and (c))*	The PRC January 22, 2025	RMB100,000,000/ RMB100,000,000	100%	—	Research and development and manufacturing of pharmaceutical products
Zenshine Pharmaceuticals (Yangzhou) Co., Ltd. (征祥醫藥(揚州)有限公司) *(Notes (a) and (c))*	The PRC January 21, 2025	RMB120,000,000/ RMB120,000,000	100%	—	Research and development and manufacturing of pharmaceutical products
Zenshine Pharmaceuticals (Changchun) Co., Ltd. (征祥醫藥(長春)有限公司) *(Notes (a) and (c))*	The PRC September 17, 2025	RMB55,000,000/ RMB55,000,000	100%	—	Research and development and manufacturing of pharmaceutical products

Notes:

(a) The official names of these entities are in Chinese. The English translation of the names is for identification only.

(b) No audited statutory financial statements were prepared by this entity during the Track Record Period.

(c) No audited financial statements for the year ended December 31, 2024 have been prepared for these entities as they were established in 2025. The statutory financial statements of these entities for the period from the date of incorporation to December 31, 2025 are audited by Nanjing Hongqiao Accounting Firm (General Partnership) (南京宏僑會計師事務所(普通合夥)).

All companies now comprising the Group have adopted 31 December as their financial year end date.

15 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

The Group	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	823	2,336	2,138
Work in progress	8,105	5,908	12,954
Finished goods	—	2,460	2,254
	8,928	10,704	17,346
Write-down of inventories	—	—	(561)
	8,928	10,704	16,785

The Company	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	823	2,336	1,854
Work in progress	8,105	5,908	13,279
Finished goods	—	2,460	2,254
	8,928	10,704	17,387
Write-down of inventories	—	—	(561)
	8,928	10,704	16,826

(b) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	As at December 31,		As at June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Carrying amount of inventories sold	—	479	—	195
Provision for write-down of inventories	—	—	—	561
	—	479	—	756

All inventories are expected to be recovered within one year.

16 TRADE RECEIVABLES

The Group and the Company

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	—	5,005	1,284
Less: loss allowance	—	(25)	(7)
Trade receivables, net	—	4,980	1,277

All of the trade receivables are expected to be recovered within one year.

Aging analysis

As at the end of each reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 30 days	—	4,978	1,196
Over 30 days but within 90 days	—	2	81
	—	4,980	1,277

Trade receivables are due within 30–90 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 30(a).

17 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Prepayments	8,949	4,632	4,396
VAT recoverable	4,557	2,578	6,413
Other deposits and receivables	404	1,657	3,517
	13,910	8,867	14,326
Less: loss allowance	(3)	—	—
	13,907	8,867	14,326
Non-current portion			
Other deposits and receivables	277	680	689
	277	680	689

The Company	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current portion			
Prepayments	8,949	4,036	2,602
VAT recoverable	4,557	1,687	4,717
Amounts due from subsidiaries	—	7,099	—
Other deposits and receivables	403	1,634	3,481
	13,909	14,456	10,800
Less: loss allowance	(2)	—	—
	13,907	14,456	10,800
Non-current portion			
Other deposits and receivables	277	277	277
	277	277	277

All of prepayments, deposits and other receivables current balances are expected to be recovered or recognized as expense within one year.

18 FINANCIAL ASSETS MEASURED AT FVPL

The Group	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVPL			
— Structured deposits and wealth management products	89,074	174,809	138,163

The Company	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVPL			
— Structured deposits and wealth management products	89,074	50,106	30,023

The current balances of financial assets measured at FVPL mainly represent structured deposits and wealth management products issued by various financial institutions in the PRC with a floating rate of return. The analysis on the fair value measurement of the above financial assets is disclosed in Note 30(e).

19 TIME DEPOSITS

The Group	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Time deposits	3,954	14,063	—

The Company	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Time deposits	3,954	4,063	—

20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

The Group	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	10,063	30,714	95,427

The Company	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	8,875	21,113	61,415

As at December 31, 2024 and 2025 and June 30, 2026, cash and cash equivalents of the Group held in banks and financial institutions in Chinese Mainland amounted to RMB8,875,000, RMB29,674,000 and RMB94,433,000, respectively. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of loss before taxation to cash used in operations:

		Year ended December 31,		Six months ended June 30,	
		2024	2025	2025	2026
	Note	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before taxation		(145,395)	(209,184)	(105,439)	(90,776)
Adjustments for:					
Depreciation of property, plant and equipment	6(c)	3,412	849	533	626
Depreciation of right-of-use assets	6(c)	—	1,525	528	1,009
Amortization of intangible assets	6(c)	69	77	35	76
Provision for/(reversal of) impairment loss on receivables	6(c)	1	23	(2)	(18)
Net foreign exchange (gain)/loss		(42)	90	17	3
Finance income	6(a)	(214)	(416)	(166)	(207)
Finance costs	6(a)	2,590	3,500	1,448	1,041
Net loss/(gain) on disposal of property, plant and equipment	5(b)	190	(1)	—	4
Provision for write-down of inventories	6(c)	—	—	—	561
Net realized and unrealized gains on financial assets measured at FVPL	5(b)	(2,041)	(3,158)	(1,474)	(1,239)
Remeasurement of redemption liabilities	6(c)	50,887	66,293	31,233	37,115
Equity settled share-based payment expenses	6(b)	—	—	—	7,618
Changes in working capital:					
Increase in inventories		(8,330)	(1,776)	(4,990)	(6,642)
(Increase)/decrease in trade receivables		—	(5,005)	—	3,721
(Increase)/decrease in prepayments, deposits and other receivables		(766)	5,944	2,003	(3,606)
(Decrease)/increase in trade payables		(6,023)	6,039	11,007	3,695
(Decrease)/increase in other payables and accruals		(387)	6,232	(2,373)	(3,927)
Decrease in other non-current liabilities		—	(795)	—	(1,590)
Cash used in operations		(106,049)	(129,763)	(67,640)	(52,536)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 23)	*RMB'000 (Note 24)*	*RMB'000 (Note 25)*	*RMB'000*
At January 1, 2024	40,041	—	729,813	769,854
Changes from financing cash flows:				
Proceeds from bank loans	117,700	—	—	117,700
Repayment of bank loans	(72,900)	—	—	(72,900)
Interest paid	(2,551)	—	—	(2,551)
Total changes from financing cash flows	42,249	—	—	42,249
Other changes:				
Remeasurement of redemption liabilities *(Note 6(c))*	—	—	50,887	50,887
Interest expenses *(Note 6(a))*	2,590	—	—	2,590
Total other changes	2,590	—	50,887	53,477
At December 31, 2024	84,880	—	780,700	865,580

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 23)	*RMB'000 (Note 24)*	*RMB'000 (Note 25)*	*RMB'000*
At January 1, 2025	84,880	—	780,700	865,580
Changes from financing cash flows:				
Proceeds from bank loans	80,000	—	—	80,000
Repayment of bank loans	(85,322)	—	—	(85,322)
Interest paid	(2,169)	—	—	(2,169)
Capital element of lease rentals paid	—	(1,989)	—	(1,989)
Interest element of lease rentals paid	—	(246)	—	(246)
Capital contributions by investors with special rights	—	—	263,200	263,200
Total changes from financing cash flows	(7,491)	(2,235)	263,200	253,474
Other changes:				
Increase in lease liabilities from entering into new leases during the year	—	10,077	—	10,077
Change of redemption liabilities arising from the transfer between investors	—	—	(43)	(43)
Remeasurement of redemption liabilities *(Note 6(c))*	—	—	66,293	66,293
Interest expenses *(Note 6(a))*	2,142	246	—	2,388
Total other changes	2,142	10,323	66,250	78,715
At December 31, 2025	79,531	8,088	1,110,150	1,197,769

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000 (Note 23)	*RMB'000 (Note 24)*	*RMB'000 (Note 25)*	*RMB'000*
At January 1, 2026	79,531	8,088	1,110,150	1,197,769
Changes from financing cash flows:				
Proceeds from bank loans	24,770	—	—	24,770
Repayment of bank loans	(39,678)	—	—	(39,678)
Interest paid	(913)	—	—	(913)
Capital element of lease rentals paid	—	(981)	—	(981)
Interest element of lease rentals paid	—	(142)	—	(142)
Shares issued to investors with special rights	—	—	90,000	90,000
Total changes from financing cash flows	(15,821)	(1,123)	90,000	73,056
Other changes:				
Increase in lease liabilities from entering into new leases during the period	—	297	—	297
Remeasurement of redemption liabilities *(Note 6(c))*	—	—	37,115	37,115
Interest expenses *(Note 6(a))*	899	142	—	1,041
Total other changes	899	439	37,115	38,453
At June 30, 2026	64,609	7,404	1,237,265	1,309,278

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating cash flows	127	137	64	72
Within financing cash flows	—	2,235	1,097	1,123
	127	2,372	1,161	1,195

These amounts relate to the following:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Lease rentals paid	127	2,372	1,161	1,195

21 TRADE PAYABLES

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	12,791	18,830	22,525

The Company

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to subsidiaries	—	—	8,030
Amounts due to third parties	12,791	18,555	16,869
	12,791	18,555	24,899

All of the trade payables are expected to be settled within one year or repayable on demand.

As at the end of each reporting period, the ageing analysis of the Group's trade payables based on the invoice date, is as follows:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	12,791	18,830	22,525

22 OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Accrued staff costs	7,035	8,493	6,066
Other tax payables	690	651	554
Payables for acquisition of property, plant and equipment	—	3,173	1,176
Payables for [REDACTED] expenses	—	3,960	2,672
Other payables	509	1,362	1,247
	8,234	17,639	11,715

The Company

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Accrued staff costs	7,035	7,999	5,661
Other tax payables	690	575	521
Amount due to subsidiaries	—	105,000	105,145
Payables for [REDACTED] expenses	—	3,960	2,672
Other payables	485	1,318	1,199
	8,210	118,852	115,198

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

23 BANK LOANS

The maturity profile for the interest-bearing bank loans of the Group and the Company at the end of the reporting period is as follows:

The Group and the Company

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Unsecured bank loans			
— within 1 year	84,880	69,831	64,609
— after 1 year but within 2 years	—	9,700	—
	84,880	79,531	64,609

Further details of the Group's management of liquidity risk are set out in Note 30(b).

24 LEASE LIABILITIES

At the end of each reporting period, the lease liabilities were repayable as follows:

The Group

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	—	1,881	2,063
After 1 year but within 2 years	—	2,002	2,137
After 2 years but within 5 years	—	4,205	3,204
	—	6,207	5,341
	—	8,088	7,404

25 REDEMPTION LIABILITIES

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	729,813	780,700	1,110,150
Proceeds from capital contributions by/shares issued to investors with special rights *(Note 29(c))*	—	263,200	90,000
Change of redemption liabilities arising from the transfer between investors	—	(43)	—
Remeasurement of redemption liabilities	50,887	66,293	37,115
At the end of the year/period	780,700	1,110,150	1,237,265

Since 2018, the Company entered into several capital increase and share transfer agreements with certain investors ("**Pre-[REDACTED] Investors**"), pursuant to which the Pre-[REDACTED] investors acquired the equity interests of the Company by making capital contributions totaling RMB942,200,000 and also acquired the shareholdings held by certain existing shareholders.

In accordance with the shareholders' agreement, the Pre-[REDACTED] Investors were granted certain special rights as follows:

Redemption rights

The capital held by the Pre-[REDACTED] Investors are redeemable by the Company and Dr. Yang Jinfu, Dr. Hao Xiaolin and Nanjing Zhengxiang Jiwan Enterprise Management Partnership (Limited Partnership) 南京徵祥濟萬企業管理合夥企業(有限合夥) ("**Zhengxiang Jiwan**") upon occurrence of certain events, including but not limited to (i) a qualified [REDACTED] has not occurred on or prior to [REDACTED]; (ii) a material breach by the Company or any of its subsidiaries or the management. The redemption price is determined as the applicable capital contribution amount plus interest at 8% or 10% per annum. The Company shall be jointly and severally liable for the redemption obligation undertaken by Dr. Yang Jinfu, Dr. Hao Xiaolin and Zhengxiang Jiwan.

Liquidation Preferences

In the event of a liquidation, dissolution, winding up, sale or transfer of all or a significant portion of assets, intellectual properties or business of the Group, or a change in control of the Company, the Pre-[REDACTED] Investors shall receive an amount equal to the higher of:

(i) the proportionate share of the Company's net assets as extracted from the audited financial statements legally available for distribution; and

(ii) the applicable capital contribution amount adjusted by certain times or plus interest at 8% or 10% per annum.

After the distribution to Pre-[REDACTED] Investors have been paid in full, the remaining assets and funds of the Company available for distribution shall be ratably distributed among all shareholders.

The Company recognized financial liabilities arising from redemption rights and liquidation preferences in accordance with the accounting policies set out in Note 2(m).

On October 27, 2025, the Company, Pre-[REDACTED] Investors and other shareholders entered into a shareholders' agreement. Pursuant to the agreement: (i) the redemption rights granted to the Pre-[REDACTED] Investors against the Company were permanently and irrevocably terminated, with the effect that the parties' positions were restored as if the provisions regarding the redemption rights exercisable against the Company had never been agreed upon; (ii) the liquidation preferences granted to the Pre-[REDACTED] Investors against the Company would be terminated upon the Company's [REDACTED].

Other special rights granted by Dr. Yang Jinfu, Dr. Hao Xiaolin and Zhengxiang Jiwan

In addition to the redemption rights and liquidation preferences mentioned above, the Pre-[REDACTED] Investors were also granted other customary special rights, such as anti-dilution right, against Dr. Yang Jinfu, Dr. Hao Xiaolin and Zhengxiang Jiwan. The directors of the Company have confirmed that (i) the Company does not have any obligation to fulfil these other special rights granted by those shareholders to the Pre-[REDACTED] Investors; and (ii) the Company has not provided any guarantee for these other rights granted by those shareholders in the event of their default. Accordingly, no financial liability has been recognized in the Historical Financial Information with respect to these other special rights granted by those shareholders.

26 OTHER NON-CURRENT LIABILITIES

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	47,170	47,170	46,375
Amortization during the year/period	—	(795)	(1,590)
At the end of the year/period	47,170	46,375	44,785

On August 5, 2023, the Group entered into a collaboration agreement with a third party company (the "**Collaborator**") established in Chinese Mainland, pursuant to which the Collaborator agreed to promote and commercialize the Group's certain innovative drug product in Chinese Mainland as an exclusive promotion service supplier of the Group for a period of fifteen years. The Group received a non-refundable upfront payment of RMB50,000,000 (VAT inclusive), or RMB47,170,000 (VAT exclusive), and would further receive milestone payments upon reaching certain regulatory milestones of up to RMB70,000,000 (VAT inclusive), while the Group shall pay promotion service fees to the Collaborator based on the promotion and commercialization results. Other non-current liabilities are amortised on a straight-line basis over the remaining effective period of the collaboration agreement. The amortization is credited in the consolidated statements of profit for loss as a deduction of selling expenses.

27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year/period	—	—	10
Provision for PRC Corporate Income Tax for the year/period	—	84	17
Tax paid	—	(74)	(27)
At the end of the year/period	—	10	—
Represented by:			
Taxation recoverable	—	(3)	—
Taxation payable	—	13	—
	—	10	—

(b) Deferred tax assets and liabilities recognized:

The components of deferred tax assets and liabilities recognized in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Deductible tax losses	Lease liabilities	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024, December 31, 2024 and January 1, 2025	—	—	—	—
Credited/(charged) to profit or loss	116	2,022	(2,138)	—
At December 31, 2025 and January 1, 2026	116	2,022	(2,138)	—
(Charged)/credited to profit or loss	(7)	(171)	178	—
As at June 30, 2026	109	1,851	(1,960)	—

(c) Deferred tax assets not recognized:

As at December 31, 2024 and 2025 and June 30, 2026, the Group has not recognized deferred tax assets of RMB256,199,000, RMB318,980,000 and RMB340,369,000 in respect of cumulative tax losses and temporary differences of certain entities, respectively, in accordance with the accounting policy set out in Note 2(p), as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On January 5, 2026, an employee incentive scheme was adopted, pursuant to which, up to 651,650 restricted share units ("**RSUs**") would be granted to the directors of the Company, key management and employees of the Group (the "**Participants**"). Each RSU gives the Participants the entitlement of one ordinary share of the Company through a partnership established in the PRC as intermediate holding vehicle.

The terms and conditions of the grants are as follows:

Grant date	Number of RSUs	Vesting condition	Consideration per RSU
			RMB
January 5, 2026 . .	81,600	Vest of 60%, 20% and 20% on the third, fourth and fifth anniversary from the date of grant, respectively and subject to performance conditions	1.00
January 5, 2026 . .	570,050	Vest of 60%, 20% and 20% on the third, fourth and fifth anniversary from the date of grant, respectively and subject to performance conditions	7.25

(a) A summary of RSUs outstanding for the end of each reporting period:

	Year ended December 31,		Six months ended June 30,
	2024	2025	2026
	Number of RSUs	*Number of RSUs*	*Number of RSUs*
Balance at the beginning of the year/period	—	—	—
Granted during the year/period	—	—	651,650
Balance at the end of the year/period	—	—	651,650

(b) Fair value of RSUs and assumptions

The fair value of services received in return for RSUs granted is measured by reference to the fair value of RSUs granted. The estimate of the fair value of the RSUs granted is measured based on an equity allocation model. The fair value of the underlying equity interests of the Company was measured by management with the assistance of an independent professional valuer.

The key assumptions used in measurement of fair value of the RSUs at the grant date are as follows:

Risk-free interest rate	1.27%
Expected volatility	49.49%
Expected dividend yield	0.00%

Share-based payment expenses of RMB7,618,000 are recognized as staff costs in the consolidated statements of profit or loss for the six months ended June 30, 2026.

The fair value of the RSUs was RMB87.09 per RSU at the grant date.

29 CAPITAL, OTHER RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated deficits is set out in the consolidated statements of changes in equity. Details of the changes in the Company's individual components of equity during the Track Record Period are set out below:

The Company	Paid-in capital	Share capital	Capital reserve	Accumulated losses	Total deficits
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2024	14,523	—	(87,006)	(585,792)	(658,275)
Changes in equity for 2024:					
Loss and total comprehensive income for the year	—	—	—	(145,321)	(145,321)
Total comprehensive income	—	—	—	(145,321)	(145,321)
Balance at December 31, 2024 and January 1, 2025	14,523	—	(87,006)	(731,113)	(803,596)
Changes in equity for 2025:					
Loss and total comprehensive income for the year	—	—	—	(198,880)	(198,880)
Total comprehensive income	—	—	—	(198,880)	(198,880)
Capital contributions by investors with special rights, net of issuance costs	2,079	—	255,331	—	257,410
Recognition of redemption liabilities	—	—	(263,157)	—	(263,157)
Capital injection received from an equity shareholder of the Company	357	—	—	—	357
Conversion into a joint stock limited liability company	(16,959)	16,959	(690,625)	690,625	—
Balance at December 31, 2025 and January 1, 2026	—	16,959	(785,457)	(239,368)	(1,007,866)
Changes in equity for the six months ended June 30, 2026:					
Loss and total comprehensive income for the period	—	—	—	(83,759)	(83,759)
Total comprehensive income	—	—	—	(83,759)	(83,759)
Shares issued to investors with special rights, net of issuance costs	—	620	87,546	—	88,166
Recognition of redemption liabilities	—	—	(90,000)	—	(90,000)
Equity settled share-based transactions	—	—	7,618	—	7,618
Balance at June 30, 2026	—	17,579	(780,293)	(323,127)	(1,085,841)

(b) Dividends

No dividends were paid or declared by the Company during the Track Record Period.

(c) Registered capital and paid-in capital/share capital

	Registered capital	Paid-in capital	No. of shares *(Note iv)*	Share capital
	RMB'000	*RMB'000*	*('000)*	*RMB'000*
At January 1, 2024 and December 31, 2024	14,880	14,523	—	—
Capital contributions by investors with special rights *(Note i)*	2,079	2,079	—	—
Capital injection received from an equity shareholder of the Company *(Note ii)*	—	357	—	—
Conversion into a joint stock limited liability company *(Note iii)*	—	(16,959)	16,959	16,959
At December 31, 2025 and January 1, 2026	16,959	—	16,959	16,959
Shares issued to investors with special rights *(Note i)*	620	—	620	620
At June 30, 2026	17,579	—	17,579	17,579

Notes:

(i) In January 2025, the Company entered into Series D capital financing agreements with certain investors, pursuant to which investors agreed to made a gross capital contribution of RMB193,200,000 (with issuance costs of RMB2,372,000), to the Company by subscribing the Company's registered capital of RMB1,597,107.

In August 2025, the Company entered into Series D+ capital financing agreements with certain investors, pursuant to which investors agreed to made a gross capital contribution of RMB70,000,000 (with issuance costs of RMB3,418,000), to the Company by subscribing the Company's registered capital of RMB482,218.

In January 2026, the Company entered into Series D++ capital financing agreements with certain investors, pursuant to which investors agreed to made a gross capital contribution of RMB20,000,000 (with issuance costs of RMB943,000), to the Company by subscribing 137,777 ordinary shares of the Company.

In May 2026, the Company entered into Series D+++ capital financing agreements with certain investors, pursuant to which investors agreed to made a gross capital contribution of RMB70,000,000 (with issuance costs of RMB891,000), to the Company by subscribing 482,218 ordinary shares of the Company.

(ii) On October 22, 2025, capital contribution of RMB357,100 was received from Zhengxiang Jiwan.

(iii) Pursuant to the shareholders' resolutions dated December 1, 2025, the then existing shareholders of the Company agreed to convert the Company into a joint stock limited liability company with the registered capital of RMB16,959,000. Pursuant to the shareholders' resolutions, out of the net asset value of the Company as of October 31, 2025, RMB16,959,201 has been converted into 16,959,201 shares with a par value of RMB1 per share and the remaining amounts was converted to capital reserve of the Company. The Company's conversion into a joint stock limited liability company was completed on December 31, 2025.

(iv) Pursuant to the shareholders' resolutions dated January 21, 2026 and June 30, 2026, the Company approved a share subdivision, pursuant to which each share with a nominal value of RMB1.00 is subdivided into ten shares with a nominal value of RMB0.10 each, immediately prior to the [REDACTED] of the Company's H shares.

(d) Nature and purpose of other reserves

(i) Capital reserve

The capital reserve mainly represents: (i) the amount arises from the reclassification of financial instruments with special rights as redemption liabilities; (ii) the difference between consideration received for capital contributions net of any transaction costs directly attributable to the subscription and the par value of the registered capital of the Company; (iii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company; and (iv) the accumulated share based payments for the RSUs under the share incentive scheme that has been recognized in accordance with the accounting policy adopted for share-based payments in Note 2(o)(ii).

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policy as set out in Note 2(s).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents and time deposits is limited because the counterparties are banks and financial institutions in the PRC with high credit standing, for which the Group considers to have low credit risk.

The Group does not provide any guarantees which would expose the Group to credit risk.

Credit risk arising from trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2025 and June 30, 2026, 52.2% and 60.5% of the total trade receivables were due from the Group's largest customer, respectively, 99.9% and 93.7% of the total trade receivables were due from the Group's five largest customers, respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and June 30, 2026:

	As at 31 December 2025		
	Average expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.5%	5,003	25
Less than 3 months past due	1.0%	2	—*
		5,005	25

	At June 30, 2026		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.5%	1,202	6
Less than 3 months past due	1.0%	82	1
		1,284	7

* *The balance represents amount less than RMB1,000.*

The Group had no historical loss experience in respect of the trade receivables during the past and no significant change in forward-looking information including the macroeconomics environment and industry development in the PRC, in which the Group's principal business operates. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movements in the loss allowance in respect of trade receivables during the Track Record Period are as follows:

	As at 31 December		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	—	—	25
Provision for/(reversal of) impairment loss	—	25	(18)
Balance at the end of the year/period	—	25	7

Credit risk arising from other receivables

Management has assessed that during the Track Record Period, other receivables have not had a significant increase in credit risk since initial recognition. Thus, a 12-month expected credit loss approach that results from possible default event within 12 months of each reporting date is adopted by management. The management of the Company expect the occurrence of losses from non-performance by counterparties of other receivables to be remote and a loss allowance provision for other receivables to be immaterial.

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	As at December 31, 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	86,062	—	—	—	86,062	84,880
Trade payables	12,791	—	—	—	12,791	12,791
Other payables and accruals	8,234	—	—	—	8,234	8,234
Redemption liabilities	780,700	—	—	—	780,700	780,700
	887,787	—	—	—	887,787	886,605

	As at December 31, 2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	70,595	9,816	—	—	80,411	79,531
Trade payables	18,830	—	—	—	18,830	18,830
Other payables and accruals	17,639	—	—	—	17,639	17,639
Lease liabilities	2,146	2,199	4,383	—	8,728	8,088
Redemption liabilities	1,110,150	—	—	—	1,110,150	1,110,150
	1,219,360	12,015	4,383	—	1,235,758	1,234,238

	As at June 30, 2026					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans	65,236	—	—	—	65,236	64,609
Trade payables	22,525	—	—	—	22,525	22,525
Other payables and accruals	11,715	—	—	—	11,715	11,715
Lease liabilities	2,301	2,236	3,310	—	7,847	7,404
Redemption liabilities	1,237,265	—	—	—	1,237,265	1,237,265
	1,339,042	2,236	3,310	—	1,344,588	1,343,518

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest-bearing financial instruments at variable rates at the end of each reporting period are the cash at bank, and the cash flow interest risk arising from the change of market interest rate on these balances is not considered significant. Overall speaking, the Group's exposure to interest rate risk is not significant.

(d) Currency risk

The Group's businesses are principally conducted in RMB and most of the Group's monetary assets and liabilities are denominated in RMB. Accordingly, the directors consider the Group's exposure to foreign currency risk is not significant.

(e) Fair value measurement

Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

Analysis on fair value measurement of financial instruments as at December 31, 2024 and 2025 and June 30, 2026 are as follows:

	Fair value at December 31, 2024	Fair value measurement at December 31, 2024 categorized into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVPL				
— Structured deposits and wealth management products	89,074	—	—	89,074

	Fair value at December 31, 2025	Fair value measurement at December 31, 2025 categorized into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVPL				
— Structured deposits and wealth management products	174,809	—	—	174,809

	Fair value at June 30, 2026	Fair value measurement at June 30, 2026 categorized into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Assets:				
Financial assets measured at FVPL				
— Structured deposits and wealth management products	138,163	—	—	138,163

During the Track Record Period, there were no transfers between Level 1 and Level 2 or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of each of the reporting period in which they occur.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Structured deposits and wealth management products	Discounted cash flow *(Note)*	Expected return rate

Note: The fair value of structured deposits and wealth management products is calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value measurement is negatively correlated to expected return rate. As at December 31, 2024 and 2025 and June 30, 2026, it is estimated that with all other variables held constant, an increase/decrease in fair value of structured deposits and wealth management products by 5% would have decreased/increased the Group's loss for the year by RMB4,454,000, RMB7,977,000 and RMB6,908,000, respectively.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Financial assets:			
At the beginning of the year/period	109,047	89,074	174,809
Net realized and unrealized gains on financial assets measured at FVPL	2,041	3,158	1,239
Purchases	370,810	1,590,310	435,000
Sales and settlements	(392,824)	(1,507,733)	(472,885)
At the end of the year/period	89,074	174,809	138,163

The gains arising from the remeasurement of the structured deposits and wealth management products are presented in the "Other net gain" line item in the consolidated statements of profit or loss.

31 COMMITMENTS

Commitments outstanding at December 31, 2024 and 2025 and June 30, 2026 not provided for in the Historical Financial Information were as follows:

The Group	As at December 31,		As at June 30,
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Contracted for acquisition of property, plant and equipment	—	2,114	—

32 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisor as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended December 31,		Six months ended June 30,	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Short-term employee benefits	13,117	14,219	6,940	7,766
Contributions to defined contribution retirement plans	361	409	201	170
Equity settled share-based payment expenses	—	—	—	4,180
	13,478	14,628	7,141	12,116

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Other transactions with related parties

Except for the disclosure in Note 32(a), the Group did not enter into other material related party transactions during the Track Record Period.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR TRACK RECORD PERIOD

Up to the date of this report, the IASB has issued a number of new or amended IFRS Accounting Standards, which are not yet effective for the Track Record Period and which have not been adopted in preparing the Historical Financial Information. These developments include:

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *Translation to a hyperinflationary presentation currency*	January 1, 2027
IFRS 18, *Presentation and Disclosure in Financial Statements*	January 1, 2027
IFRS 19, *Subsidiaries without Public Accountability: Disclosures*	January 1, 2027
Amendments to IAS 28, *Amendments to the fair value option for investments in associates and joint ventures*	January 1, 2027
IFRS 20, *Regulatory assets and regulatory liabilities*	January 1, 2029
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

IFRS 18, *Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1, *Presentation of Financial Statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and position of the Group.

34 SIGNIFICANT NON-ADJUSTING EVENTS AFTER THE TRACK RECORD PERIOD

[Subsequent to June 30, 2026, there is no significant subsequent event.]

SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to June 30, 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

This appendix contains a summary of the principal provisions of the Articles of Association of the Company (draft) adopted by the Company on January 21, 2026 and subsequently re-adopted on June 30, 2026 without substantive amendment, which will take effect from [REDACTED] and [REDACTED] of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide [REDACTED] with an overview of the Company's Articles of Association. As the following data is a summary, it does not contain all the information that may be important to you.

SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates. In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange where the Company's shares are listed.

The Company shall have ordinary shares, which include domestic shares and H Shares (shares issued by the Company and listed in Hong Kong). If necessary, the Company may issue shares of a class with rights different from those of the ordinary shares in accordance with the relevant requirements of laws, administrative regulations, the CSRC and the stock exchange where the Company's shares are listed, including shares applied to preferential or inferior distribution of profits or surplus property and other classes of shares prescribed by the State Council.

The issuance of shares by the Company shall adhere to the principles of openness, fairness and justice, and each share of the same class shall carry the same rights. Shares of the same class and in the same issuance shall be issued on the same conditions and at the same price. Any subscriber shall pay the same price for each of the shares it or he/she subscribes for.

Domestic unlisted shares (defined as shares issued by the Company but not listed or quoted for trading on any domestic or overseas trading venue) and overseas listed shares issued by the Company shall rank *pari passu* over any distribution in the form of dividend (including distributions in cash and in kind) or any other forms of distribution. The Company shall not exercise any of its rights to freeze or otherwise prejudice any of the rights attaching to any shares of the Company only by reason that persons who are interested directly or indirectly therein have failed to disclose their interests in the Company.

All or part of the Company's domestic unlisted shares may be converted into overseas listed shares upon filing with the CSRC and approval by the Hong Kong Stock Exchange and other regulatory authorities, and the converted overseas listed shares may be listed and traded on the Hong Kong Stock Exchange. It is unnecessary to hold a shareholders' meeting to vote on conversion of the aforesaid unlisted shares into overseas listed shares and listing and trading of the converted shares on the Hong Kong Stock Exchange. The listing and trading of the converted shares on the Hong Kong Stock Exchange shall also comply with the regulatory procedures, rules and requirements of the jurisdiction where the Hong Kong Stock Exchange is located.

All shares issued by the Company shall be par value shares, with each share having a par value of RMB[0.1].

The domestic unlisted shares issued by the Company shall be centrally deposited with China Securities Depository and Clearing Corporation Limited; H Shares issued by the Company shall be centrally put under custody of [REDACTED], and may also be held by shareholders in their own names.

Increase and Decrease of Shares

The Company may, based on its operational and developmental needs, increase its capital by any of the following methods in accordance with the requirements of laws, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and relevant regulatory authorities, and subject to a resolution of the shareholders' meeting:

(I) offering of shares to non-specific objects;

(II) offering of shares to specific objects;

(III) distribution of bonus shares to existing shareholders;

(IV) conversion of funds in the capital reserve to share capital;

(V) other methods stipulated by the laws, administrative regulations and the Hong Kong Listing Rules and approved by the securities regulatory authorities of the place where the Company's shares are listed, the Hong Kong Stock Exchange and the CSRC.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed, it shall be made in accordance with the procedures set out in the relevant national laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed.

The Company may reduce its registered capital. The reduction of the registered capital by the Company shall follow the procedures set forth in the Company Law and other relevant regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed as well as the provisions of the Articles of Association.

Increase or decrease of the registered capital of the Company shall be registered with the companies registration authority according to law.

Repurchase of Shares

The Company may, in the following circumstances, repurchase its shares pursuant to laws, administrative regulations, departmental rules and the Articles of Association:

(I) reducing the registered capital of the Company;

(II) merging with another company holding shares in the Company;

(III) using shares for the employee stock ownership plan or equity incentives;

(IV) acquiring the shares of shareholders (upon their request) who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company;

(V) using shares for converting corporate bonds issued by the Company that can be converted to shares;

(VI) acquiring shares in a manner as necessary for maintenance of the Company's value and shareholders' rights and interests;

(VII) other circumstances as permitted by the laws, administrative regulations, departmental rules and the regulatory rules of the place where the Company's shares are listed.

The repurchase of its own shares by the Company shall be conducted according to the relevant laws and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed as well as the Articles of Association.

The Company may repurchase its own shares through public centralized trading or other ways approved by the relevant laws and regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, and the CSRC (if required).

The Company's repurchase of its own shares under the circumstances set forth in items (III), (V) and (VI) above shall be made through public centralized trading in compliance with the applicable securities regulatory rules and guidelines of the place where the Company's shares are listed.

Where the Company repurchases its own shares under the circumstances set out in items (I) and (II) above, a resolution shall be passed at the shareholder's meeting. In the event that the Company repurchases its own shares under the circumstances set forth in items (III), (V) and (VI) above, a resolution shall be passed at a Board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization of the shareholders' meeting.

After the Company has repurchased its own shares in accordance with the foregoing provisions, the following requirements shall apply: in the case of a repurchase under item (I), such shares shall be cancelled within 10 days from the date of repurchase; in the case of a repurchase under items (II) and (IV), such shares shall be transferred or cancelled within six months; and in the case of a repurchase under items (III), (V) and (VI), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares repurchased shall be transferred or cancelled within three years.

Following the repurchase by the Company of its own shares, the Company shall fulfill its information disclosure obligations in accordance with relevant laws and regulations, the Hong Kong Listing Rules and other relevant provisions. Where the relevant regulatory rules of the place where the Company's shares are listed and the regulations of the stock exchange where the Company's shares are listed provide otherwise for matters pertaining to share repurchases (including the subsequent resale of treasury shares), such provisions shall prevail. The Company's repurchase of its overseas listed foreign shares shall comply with the Hong Kong Listing Rules, as well as other relevant laws, regulations, and regulatory provisions of the place where the Company's overseas listed foreign shares are listed.

Transfer of Shares

The shares of the Company shall be transferred in accordance with the law.

Restriction, reduction and other changes of shares held by shareholders, directors and senior management members of the Company shall comply with the Company Law, the Securities Law, the Hong Kong Listing Rules and the requirements of the CSRC and relevant regulatory rules of the place where the Company's shares are listed in respect of changes of the Company's shares.

All transfers of H Shares shall be effected by written instruments of transfer in an general or ordinary form or in any other forms acceptable to the Board (including the standard transfer format or form of transfer that the Hong Kong Stock Exchange may provide from time to time); such instruments of transfer may only be signed by hand or (where the transferor or transferee is a corporation) by the valid corporate seal. If the transferor or the transferee is a recognized clearing house or its nominee as defined in the relevant ordinances in force from time to time under Hong Kong laws, the instruments of transfer may be signed by hand or in a machine-printed form. All instruments of transfer shall be kept at the legal address of the Company or other place designated by the Board of Directors from time to time.

The Company shall not accept its own shares as pledge object.

Shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the day on which the shares of the Company are listed and traded on the stock exchange. If laws, administrative regulations or the securities regulatory authorities have other provisions on the transfer of the shares of the Company held by shareholders or actual controllers of the Company, such provisions shall prevail.

The directors and senior management members of the Company shall declare to the Company their shareholdings in the Company and the changes thereof and shall not transfer more than 25% of the total number of shares of the Company they hold per annum during their terms of office as determined at the time of taking office, except for those shareholding changes arising from judicial enforcement, inheritance, bequest and partition of property in accordance with laws. The shares they hold in the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The shares of the Company held by the aforesaid personnel shall not be transferred within half a year after they terminate service with the Company.

If the shares are pledged within the transfer restriction period stipulated in laws and administrative regulations, the pledgee shall not exercise the pledge right within the transfer restriction period.

Where it is otherwise provided in the relevant provisions of the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed in respect of restrictions on transfer of overseas listed shares, such provisions shall prevail.

In the event that any director, senior management member or shareholder holding more than 5% of the shares of the Company (excluding any recognized clearing house or its nominee as defined in the relevant ordinances in force from time to time under Hong Kong laws) sell the Company's shares or other equity securities held by them within six months after buying the same or buy the Company's shares or other equity securities within six months after selling the same, the earnings arising therefrom shall belong to the Company and shall be forfeited by the Board of the Company. However, if the securities companies hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or there arise other circumstances stipulated by the securities regulatory authorities of the State Council, the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed and other relevant regulatory authorities, the sale of such shares shall not be subject to the 6-month time restriction. The aforesaid shareholders holding more than 5% of the Company's shares exclude the recognized clearing houses and their nominees as defined in the relevant ordinances in force from time to time under Hong Kong laws.

The shares or other equity securities held by a director, a senior management member, or a natural person shareholder as mentioned in the preceding paragraph shall include the shares or other equity securities of the Company held by his/her spouse, parents, and children and held through any other person's account.

If the Board of the Company does not observe the provisions in paragraph 1 of this article, the shareholders shall have the right to require the Board of Directors to execute the provisions within 30 days. If the Board of the Company fails to take such action within the aforesaid period, the shareholders shall have the right to directly institute legal proceedings to the people's court in their own names in the interest of the Company.

If the Board of the Company does not observe the provisions in paragraph 1 of this article, the responsible directors shall bear several and joint liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration and settlement authorities and in accordance with the laws, regulations, regulatory documents and the Hong Kong Listing Rules. The register of shareholders shall be the sufficient evidence for the shareholders' shareholding in the Company. Shareholders shall be entitled to relevant rights and assume the relevant obligations in accordance with the class of shares they hold; shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

The assignment and transfer of shares shall be entered into the register of shareholders. The Company may keep overseas the register of holders of overseas listed shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the competent securities authorities of the State Council and the overseas securities regulatory authorities. The original register of holders of H Shares of the Company shall be kept in Hong Kong, while the duplicate register of holders of H Shares shall be kept at the address of the Company. Where the original and duplicate copies of the register of holders of H Shares are inconsistent, the original shall prevail. The register of holders of H Shares must be available for inspection by shareholders. However, the Company may be allowed to close the register of shareholders on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the securities regulatory rules of the place where the Company's shares are listed.

When the Company convenes a shareholders' meeting, distributes dividends, conducts liquidation or performs other activities that require the confirmation of the identity of the shareholders, the Board or the convener of the shareholders' meeting shall determine the record date, and shareholders entitled to the relevant rights and interests shall be determined according to the register of shareholders. Where the laws, administrative regulations, departmental rules, regulatory documents, and the regulations of the stock exchange or the regulatory authorities in the place where the Company's shares are listed have provisions on the period of closure of the register of shareholders prior to the date of the shareholders' meeting or before the base date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

The shareholders of the Company shall have the following rights:

(I) to obtain dividends and other forms of profit distribution in proportion to the number of shares held;

(II) to legally require, convene, preside over, attend or appoint a shareholder proxy to attend the shareholders' meeting, and speak and exercise corresponding voting right at the shareholders' meeting (unless individual shareholders are required to abstain from voting on specific matters in accordance with the securities regulatory rules of the place where the Company's shares are listed or applicable laws and regulations);

(III) to supervise, present suggestions on or make inquiries about the business operation of the Company;

(IV) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;

(V) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of Board meetings, and financial and accounting reports, while the eligible shareholders may inspect the Company's accounting books and vouchers; where the securities regulatory rules of the place where the Company's shares are listed have other provisions, such provisions shall prevail.

(VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of shares held by them;

(VII) With respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company, to demand the Company to acquire the shares held by them, subject to compliance with the procedural requirements for the Company to repurchase its shares as stipulated in the Articles of Association, relevant laws and regulations, and by the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed.

(VIII) to enjoy other rights stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Where any shareholder is required to waive his/her voting right or is restricted to cast only affirmative or dissenting vote on a certain resolution, any vote cast by such shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted.

Where shareholders request to inspect or copy the relevant materials of the Company, they shall do so in accordance with the provisions of the Company Law, the Securities Law and other relevant laws and administrative regulations. Where any shareholders propose to inspect the relevant information of the Company or ask for any materials, they shall provide the Company with written documents evidencing the class and number of shares of the Company held by them. Upon verification of the shareholders' identity, the Company shall provide the information as required by the shareholders. Shareholders shall have a duty of confidentiality regarding any relevant information or materials received from the Company that have not yet been publicly disclosed by the Company. Any shareholder violating the duty of confidentiality and incurring losses to the Company shall be liable for compensation.

Shareholders severally or jointly holding 3% or more shares of the Company for over 180 consecutive days may request to inspect the Company's accounting books and vouchers. A shareholder requesting to inspect the Company's accounting books and vouchers shall submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to believe that the shareholder's request to inspect the Company's accounting books and vouchers serves an improper purpose and may harm the Company's legitimate interests, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within 15 days from the date of the shareholder's written request, stating the reasons therefor. If the Company refuses to provide access for inspection, the shareholder may file a lawsuit with the people's court.

Shareholders may appoint intermediary institutions such as accounting firms or law firms to carry out the inspection of the materials as stipulated above.

When shareholders or their authorized accounting firms, law firms, or other intermediary institutions inspect or copy relevant materials, they shall comply with laws and administrative regulations relating to the protection of state secrets, trade secrets, personal privacy, and personal information.

If any resolution of the shareholders' meeting or the Board of Directors includes content that violates any laws or administrative regulations, shareholders may request the people's court to declare it invalid.

If the convening procedure or voting method of the shareholders' meetings or Board meetings violates the laws, administrative regulations or the Articles of Association or the contents of a resolution run counter to the Articles of Association, the shareholders shall have the right to request

the people's court to cancel such resolution within 60 days after adoption of the resolution, unless there is only a slight defect in the convening procedure or voting method of shareholders' meetings or Board meetings, which has no substantive impact on the resolution.

Where the Board, shareholders and other relevant parties dispute the validity of the resolution of the shareholders' meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgment or ruling, the relevant parties shall implement the resolution of the shareholders' meeting, and no party shall refuse to implement the resolution of the shareholders' meeting on the grounds that such resolution is invalid. The Company, its directors and senior management members shall effectively perform their duties to ensure the normal operation of the Company.

Where the people's court renders a judgment or ruling on relevant matters, the Company shall fulfill the information disclosure obligation in accordance with laws, administrative regulations, the Hong Kong Listing Rules, and the regulations of the CSRC and other securities regulatory rules of the place where the Company's shares are listed, fully explain the impact, and actively cooperate with the execution after the judgment or ruling takes effect. Where rectification of previous executed matters is involved, such rectification shall be promptly processed and the information disclosure obligation shall be fulfilled accordingly.

Shareholders who have not been notified to attend the shareholders' meeting may, within 60 days from the date when they know or should have known that the resolution of the shareholders' meeting has been made, request the people's court to revoke it; if they do not exercise the right of revocation within one year from the date when the resolution is made, the right of revocation is extinguished.

Under any of the following circumstances, a resolution of the shareholders' meeting or the Board of Directors of the Company shall not be formed:

(I) A resolution is adopted without holding a Shareholders' meeting or a meeting of the Board of Directors;

(II) The matters resolved are not voted on at a shareholders' meeting or a meeting of the Board of Directors;

(III) The number of persons present at a meeting or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association;

(IV) The number of persons voting for the matters resolved or the number of voting rights held by them is less than the number of persons or the number of voting rights held as prescribed in the Company Law or the Articles of Association.

If any director or senior management member other than a member of the Audit Committee violates the laws, administrative regulations or the Articles of Association in fulfilling his/her official duties, thereby incurring any loss of the Company, he/she shall be liable for compensation according to law. The shareholders individually or jointly holding 1% or more shares of the Company for more than 180 days consecutively shall have the right to request the Audit Committee in writing to institute legal proceedings to the people's court; if any member of the Audit Committee violates the laws, administrative regulations or the Articles of Association in fulfilling his/her official duties, thereby incurring any loss of the Company, he/she shall be liable for compensation according to law. The aforesaid shareholders may request the Board in writing to institute legal proceedings to the people's court.

If the Audit Committee or the Board refuses to institute legal proceedings after receipt of the written request from the shareholders as specified in the preceding paragraph or does not institute legal proceedings within 30 days after receipt of the said request, or if the failure to immediately file

an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names in the interests of the Company.

Where any other person infringes upon the lawful rights and interests of the Company and causes losses thereto, the shareholders specified in paragraph 1 of this article may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

Where a director, supervisor, or senior management member of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the Articles of Association in fulfilling his/her duties, thereby causing losses to the Company, or where any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the Company, thereby causing losses, the shareholders individually or jointly holding 1% or more shares of the Company for more than 180 days consecutively may, in accordance with the first three paragraphs of Article 189 of the Company Law, request in writing the supervisory committee or the board of directors of the wholly-owned subsidiary to institute an action in a people's court, or directly institute an action in a people's court in their own names. Where the wholly-owned subsidiary of the Company does not set up a supervisory committee or supervisors, but sets up an audit committee, the above provisions shall apply.

If any director or senior management member violates the laws, administrative regulations or the Articles of Association, thereby damaging the interests of the shareholders, the shareholders may institute legal proceedings to the people's court.

The shareholders of the Company shall have the following obligations:

(I) to observe the laws, administrative regulations and the Articles of Association;

(II) to pay subscription funds as per the shares subscribed and the method of subscription;

(III) not to withdraw their capital contributions unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status or shareholders' limited liability to damage the interests of the Company's creditors;

(V) to assume other obligations as provided by the laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law. Shareholders of the Company who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

If any shareholder holding more than 5% voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date of occurrence of the fact.

General Provisions on Shareholders' Meeting

The shareholders' meeting is the organ of authority of the Company, and shall exercise the following functions and powers pursuant to the law:

(I) to elect and replace directors and to decide on matters relating to the remuneration of directors;

(II) to consider and approve the reports of the Board of Directors;

(III) to consider and approve the profit distribution plans and loss recovery plans of the Company;

(IV) to make resolutions on increase or decrease of the registered capital of the Company;

(V) to make resolutions on the Company's issue of bonds or other securities and listing;

(VI) to make resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to make resolutions on the appointment, removal or non-reappointment by the Company of any accounting firm as well as its remuneration;

(IX) to consider and approve guarantees stipulated in Article 43;

(X) to consider matters regarding the purchase or disposal of material assets by the Company of a value exceeding 30% of the Company's latest audited total assets within one year;

(XI) to consider and approve matters relating to the changes in the use of proceeds;

(XII) to consider equity incentive schemes and employee stock ownership plans;

(XIII) to consider the Company's repurchase of its own shares in accordance with the Articles of Association;

(XIV) to consider other matters which should be decided by the shareholders' meeting as stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the regulations of the CSRC, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Except as otherwise provided by laws, administrative regulations, departmental rules, the regulations of the CSRC, and the regulatory rules of the place where the Company's shares are listed, the aforesaid functions and powers of the shareholders' meeting shall not be exercised by the Board of Directors or any other institution or individual on its behalf by means of authorization.

The following external guarantees of the Company shall be considered and approved by the shareholders' meeting:

(I) any guarantee provided after the total amount of external guarantee provided by the Company and subsidiaries in which it has controlling interest has exceeded 50% of the latest audited net assets;

(II) any guarantee provided after the total amount of external guarantee provided by the Company has exceeded 30% of the latest audited total assets;

(III) any guarantee provided by the Company within one year with a guaranteed amount exceeding 30% of the latest audited total assets of the Company;

(IV) guarantee offered to any party whose gearing ratio has exceeded 70%;

(V) a single guarantee whose amount exceeds 10% of the latest audited net assets;

(VI) any guarantee provided to shareholders, actual controllers and their connected persons;

(VII) other guarantees that should be considered by the shareholders' meeting as stipulated by the laws, administrative regulations, rules, regulatory documents, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

External guarantees subject to consideration and approval by the shareholders' meeting shall be examined and approved by the Board of Directors before submission to the shareholders' meeting for approval.

Except for matters requiring consideration and approval by the shareholders' meeting as stipulated above, all other external guarantees of the Company shall be examined and approved by the Board of Directors.

When the shareholders' meeting deliberates on a proposal for provision of guarantees to a shareholder, an actual controller and any of their connected persons (as defined in the Hong Kong Listing Rules), such shareholder or any shareholder controlled by such actual controller shall abstain from voting on such proposal. The proposal shall be subject to approval by more than half of the voting rights of the other shareholders attending the shareholders' meeting.

Where the Company provides guarantees to connected persons (as defined in the Hong Kong Listing Rules), it shall comply with the applicable provisions of the Hong Kong Listing Rules (unless exempted by the Hong Kong Stock Exchange).

Shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once every year within six months from the end of the preceding fiscal year.

In any of the following circumstances, the Company shall convene an extraordinary shareholders' meeting within two months from the date on which the circumstance occurs:

(I) when the number of directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(II) when the Company's unrecovered losses reach one-third of the total paid-up share capital;

(III) when shareholders individually or jointly holding 10% or more of the Company's shares (on the one-share, one-vote basis) request to convene the meeting;

(IV) when deemed necessary by the Board;

(V) when proposed by the Audit Committee;

(VI) when there arise other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing rules and other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The venue of shareholders' meeting of the Company is the address of the Company or other place designated by the convener of the shareholders' meeting. A shareholders' meeting shall be convened in the manner recognized or required by the securities regulatory authorities of the place where the Company's shares are listed. The Company may also provide convenience for shareholders to attend shareholders' meetings through the Internet, video conferencing, teleconference, or other methods in accordance with the provisions of laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed. Shareholders who attend the shareholders' meeting through the above-mentioned methods shall be deemed to have attended the meeting. If the shareholders remotely participate in the shareholders' meeting through the Internet, video conferencing, teleconference, or other methods, they shall complete the registration and identity verification in accordance with the notice of the shareholders' meeting in advance, send their personal information to the Company, and use the network link and password provided by the Company to participate in the shareholders' meeting.

Without prejudice to the normal convening of the shareholders' meeting, the Board of Directors and the chairman of the meeting shall arrange for shareholders who remotely participate in the shareholders' meeting to speak and ask questions during the meeting. The Company will provide online voting to facilitate the participation of the shareholders in the shareholders' meeting, provided it does not contravene any applicable laws, administrative regulations, departmental rules, regulatory documents, or the Hong Kong Listing Rules.

If laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed explicitly mandate the presence of lawyers for the convening of a shareholders' meeting by the Company and the issuance of relevant legal opinions, the Company will engage lawyers to attend the shareholders' meeting and advise on the following issues with announcements made thereon:

(I) whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;

(II) whether the qualifications of the attendees and the convener of the meeting are lawful and valid;

(III) whether the voting procedure and results of the meeting are lawful and valid;

(IV) legal opinions on other relevant matters upon request by the Company.

Convening of the Shareholders' Meeting

The Board shall convene shareholders' meetings in a timely manner within the periods specified.

With the approval of a simple majority of all independent non-executive directors, the independent non-executive directors shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and such proposal shall be submitted to the Board of Directors in writing. Where independent non-executive directors propose to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within five days after the resolution is passed by the Board of Directors. If the Board of Directors does not agree to hold the extraordinary shareholders' meeting, it shall give the reasons and make an announcement in respect thereof.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary shareholders' meeting, and such proposal shall be submitted to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, a notice on the convening of the shareholders' meeting shall be issued within five days after the resolution is passed by the Board of Directors, and the changes made to the original proposal in the notice shall be approved by the Audit Committee.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to reply within 10 days upon the receipt of the proposal, the Board of Directors shall be deemed as not being able to perform or failing to perform its duty to convene the shareholders' meeting, and the Audit Committee may convene and preside over such meeting on its own.

Shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and such request shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with the laws, administrative regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, reply in writing on whether or not to approve the convening of an extraordinary shareholders' meeting within 10 days upon the receipt of the request.

Where the Board of Directors agrees to convene the extraordinary shareholders' meeting, a notice on the convening of the meeting shall be issued within 5 days after the resolution is passed by the Board of Directors, and the changes made to the original request in the notice shall be approved by relevant shareholders. Where it is otherwise provided in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

If the Board refuses to convene an extraordinary shareholders' meeting or fails to give a response within 10 days after receiving the request, shareholders who individually or jointly hold more than 10% of the Company's shares (on a one-share-one-vote basis) have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit such request to the Audit Committee in writing.

Where the Audit Committee agrees to convene the extraordinary shareholders' meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. Any change to the original proposal set forth in the notice shall be subject to approval by relevant shareholders.

If the Audit Committee fails to serve the notice of shareholders' meeting within the prescribed period, it shall be deemed as failing to convene and preside over the shareholders' meeting, and the shareholders severally or jointly holding more than 10% shares of the Company for consecutively 90 days may convene and preside over the meeting by themselves.

If the Audit Committee or shareholders decide to convene a shareholders' meeting on their own, they must notify the Board of Directors in writing.

Prior to the announcement of the resolution of the shareholders' meeting, the shareholding of shareholders who convene the meeting shall not be less than 10%. The convening shareholder shall disclose an announcement no later than when the notice of the shareholders' meeting is issued, and commit that during the period from the proposal to convene the shareholders' meeting to the date of the meeting, their shareholding ratio shall not be less than 10% of the Company's total shares.

Where it is otherwise provided in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

For the shareholders' meeting convened by the Audit Committee or shareholders on their own, the Board of Directors and the secretary to the Board shall provide cooperation. The Board of Directors shall provide the register of shareholders as of the equity registration date. The register of shareholders obtained by the convener shall not be used for other purposes except for the shareholders' meeting.

For shareholders' meetings convened by the Audit Committee or shareholders on their own, the Company shall bear the necessary expenses for the meeting.

Proposals and Notices of Shareholders' Meetings

The content of a proposal shall fall within the scope of the shareholders' meeting's powers, have a clear topic and specific resolution items, and comply with relevant provisions of laws, administrative regulations, Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where the Company convenes a shareholders' meeting, the Board, Audit Committee, and shareholder(s) individually or jointly holding more than 1% shares of the Company may make proposals to the Company.

The shareholders individually or jointly holding more than 1% of the shares of the Company may raise a provisional proposal and submit it to the convener in writing 10 days before the shareholders' meeting is held. The provisional proposal shall cover specific topics for discussion and specific issues to be resolved. The convener shall issue a supplementary notice of the shareholders' meeting within two days of receiving the proposal, announcing the content of the provisional proposal, and submit the provisional proposal to the shareholders' meeting for deliberation, except where the provisional proposal violates laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or falls outside the scope of the powers of the shareholders' meeting.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of shareholders' meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of shareholders' meeting or not complying with the Articles of Association shall not be voted on or resolved at the of shareholders' meeting.

The convener shall notify (including by way of an announcement) shareholders of annual shareholders' meeting at least 21 days in advance, and shall notify (including by way of an announcement) shareholders of extraordinary shareholders' meeting at least 15 days in advance.

The aforesaid period counted by the Company shall not include the day on which the meeting is convened, but shall include the day on which the notice is issued. If the laws, administrative regulations, Hong Kong Listing Rules and the securities regulatory authorities of the place where the Company's shares are listed have other provisions, such provisions shall apply.

The written notice of a shareholders' meeting shall specify:

(I) time, venue and duration of the meeting;

(II) matters and proposals submitted for consideration at the meeting;

(III) a clear statement that all shareholders whose names appear on the register of shareholders on the equity registration date are entitled to attend the shareholders' meeting and appoint proxies in writing to attend and vote at such meeting and that such proxies need not be shareholders of the Company;

(IV) the equity registration date of shareholders entitled to attend the shareholders' meeting;

(V) name and telephone number of the contact person of the meeting;

(VI) where a shareholders' meeting is held via online or other means, the voting time and voting procedure of such means;

(VII) other matters specified by laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are listed.

The notice of the shareholders' meeting and any supplementary notice shall include the content required by the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, and shall fully and completely disclose all specific details of all proposals.

Where the opinions of an independent director are required on the matters to be discussed, such opinions and reasons thereof shall be disclosed when the notices or supplementary notices of shareholders' meetings are served.

If a shareholders' meeting is held over network or other means, the notice of shareholders' meeting shall specify the voting time and voting procedure over network or other means.

The interval between equity registration date and the date of the meeting shall not be more than 7 working days. The equity registration date shall not be changed once confirmed.

Where the elections of directors are intended to be discussed at the shareholders' meeting, the notice of the shareholders' meeting shall sufficiently disclose the particulars of the candidates for directors, and shall include at least the following content:

(I) personal particulars, including educational background, work experience, and part-time jobs;

(II) whether one has any connected relations with the Company, its controlling shareholders and actual controllers;

(III) the amount of shares of the Company one holds;

(IV) whether one has been punished by the securities regulatory authorities or any other relevant authority or the reprimand of the stock exchange;

(V) whether one meets the qualifications for the position as required by laws, administrative regulations, departmental rules, regulatory documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, as well as other details that should be disclosed.

Unless a director is elected via the cumulative voting system, each candidate for director shall be proposed via a single proposal.

After the notice of shareholders' meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation of the meeting, the convener shall make an announcement and give the reasons therefor at least two working days prior to the date on which the meeting is originally scheduled. Where a shareholders' meeting is postponed, the announcement shall also specify the new convening date.

Where the Hong Kong Listing Rules have special requirements for the aforesaid matters, such requirements shall apply.

Holding of Shareholders' Meetings

The Board of Directors or any other convener shall take necessary measures to ensure the proper order of the shareholders' meeting. The Board of Directors or any other convener shall take measures to stop any act disturbing the shareholders' meeting, seeking trouble or infringing upon the legitimate rights and interests of shareholders, and shall timely report such act to relevant departments for investigation.

All shareholders recorded in the register of shareholders on the equity registration date or their proxies shall have the right to attend shareholders' meetings, and they are entitled to exercise the right to vote in accordance with the relevant laws, regulations, Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association (unless individual shareholders are required by the securities regulatory rules of the place where the Company's shares are listed to abstain from voting on specific matters).

According to applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution matter, or is restricted to only vote in favor of (or against) a resolution matter, the votes cast by such shareholders or their representatives in violation of relevant regulations or restrictions shall not be counted.

The Company shall hold its annual shareholders' meeting within 6 months following the end of its financial year. The shareholders may attend shareholders' meetings and exercise voting rights either in person or by proxy. Each shareholder is entitled to appoint one or more persons as their proxy for the shareholders' meeting, and such proxy need not be a shareholder of the Company. The said proxy may exercise the following rights as granted by the said shareholder:

(I) to exercise shareholder's right to speak at the shareholders' meeting;

(II) to severally or jointly request to vote by ballot;

(III) unless otherwise provided by relevant laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed, or other securities laws and regulations, to exercise voting rights by a show of hands or by ballot.

If an individual shareholder attends the meeting in person, they shall present their ID card or other valid certificates or documents that can prove their identity. A proxy attending the meeting on behalf of an individual shareholder shall present their ID card and the power of attorney from the shareholder.

Corporate shareholders or other institutional shareholders shall be represented at the meeting and vote by their legal representative/executing partner or a proxy appointed by the legal representative/executing partner. If a corporate shareholder has sent a representative to attend any meeting, it shall be deemed to be present in person. If the legal representative/executing partner attends the meeting, he/she shall present their identification card and valid proof of their qualification as the legal representative/executing partner. If a proxy is appointed to attend the meeting, the proxy shall present their identification card and a written power of attorney issued by the legal representative/executing partner of the corporate shareholder unit/institutional shareholder unit in accordance with the law. A corporate shareholder may execute a proxy form by a person duly authorized by it.

Shareholders without independent legal personality shall be represented at the meeting by the person in charge (for a partnership enterprise, the executive partner, general partner, or a representative appointed by the executive partner) or by a proxy appointed by the person in charge.

If the shareholder is a recognized clearing house (or its agent) as defined in the relevant regulations in force from time to time under Hong Kong laws, the said shareholder may authorize one or more persons as it deems appropriate to act on its behalf at any shareholders' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and class of shares involved in the authorization for each such person. The power of attorney shall be signed by a person authorized by the recognized clearing house. Persons so authorized may attend the meeting on behalf of the recognized clearing house (or its agent) and exercise rights (including the right to speak and vote) without presenting shareholding certificates, notarized authorizations and/or further evidence to prove their formal authorization, as if such persons were individual shareholders of the Company.

The power of attorney used by shareholders to appoint proxies to attend the shareholders' meeting shall contain the following information:

(I) name or title of the principal and the class and number of the Company's shares held by the principal;

(II) name or title of the proxy;

(III) the proxy matters and scope of authorization, specific instructions from the shareholder, including instructions to vote in favor, against, or abstain on each matter on the agenda of the shareholders' meeting; specific instructions on whether voting rights exist for any provisional proposals that may be included in the shareholders' meeting agenda, and if voting rights exist, the specific manner in which such voting rights should be exercised;

(IV) the date of issue and validity period of the power of attorney;

(V) signature (or seal) of the principal. If the principal is a corporate shareholder, the power of attorney shall be affixed with corporate seal or signed by an eligible person.

The power of attorney shall indicate whether the shareholder proxy may vote at their own discretion if the shareholder does not provide specific instructions. A proxy need not be a shareholder the Company. The proxy shall exercise the voting rights within the scope of authorization. If no specific instructions are provided, it shall be deemed that the proxy has the authority to vote according to their own discretion.

Where the Hong Kong Listing Rules have special requirements for the power of attorney, such requirements shall apply.

Where a power of attorney for proxy voting is signed by a person authorized by the principal, the letter of authorization authorizing signature or other authorization documents shall be notarized. The notarized letter of authorization and other authorization documents shall, together with the power of attorney for proxy voting, be deposited at the Company's domicile or at such other place as specified in the notice of the meeting.

Where the principal is a non-natural person shareholder, its legal representative (person-in-charge) or a person authorized by resolution of its board of directors or other decision-making body shall attend the Company's shareholders' meeting as its representative.

If the shareholder is a recognized clearing house (or its agent) as defined by the relevant regulations from time to time in effect in the place where the Company's shares are listed, such shareholder shall have the right to appoint one or more proxies or corporate representatives to attend shareholders' meetings and creditors' meetings. These proxies or corporate representatives shall enjoy statutory rights equivalent to those of other shareholders, including the right to speak and vote. If two or more persons are authorized, the proxy form or authorization document shall specify the number and class of shares involved in the authorization for each such person. Persons authorized in this manner may exercise rights on behalf of the recognized clearing house (or its agent) as defined by the relevant regulations from time to time in effect in the place where the Company's shares are listed without presenting shareholding certificates, notarized authorizations and/or further evidence to prove their formal authorization, as if such persons were individual shareholders of the Company.

Attendees register shall be prepared by the Company. The register shall, amongst other matters, contain the names (or corporate names) of the attendees, their identity card numbers, the number of voting shares held or represented by them, and the names (or corporate names) of the proxies.

The convener and the lawyer (if any) appointed by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of voting shares held by them. The registration for a meeting shall be completed before the presider announces the number of shareholders and proxies that attend the meeting and the total number of their voting shares.

If the shareholders' meeting requires the directors and senior management members to be present at the meeting, the directors and senior management members shall attend the meeting as observers and subject themselves to the inquiries of the shareholders.

The shareholders' meetings shall be presided over by the chairman of the Board of Directors. Where the chairman cannot or does not fulfill the duty thereof, more than half of the directors may jointly elect a director to preside over the meeting.

A shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. When the convener of the Audit Committee is unable to perform their duties or fails to perform their duties, one member of the Audit Committee jointly recommended by more than half of the Audit Committee members shall preside over the meeting.

For a shareholders' meeting convened by shareholders on their own, it shall be presided over by the convener or a representative recommended by the convener.

When a shareholders' meeting is held and the presider violates the rules of procedure, which makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the presider to continue the meeting, subject to the approval of more than half of the attending shareholders with voting rights.

The Company shall formulate rules of procedure for shareholders' meetings defining in details the convening and voting procedure of shareholders' meetings, covering notification, registration, consideration of proposal, voting, counting of votes, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, as well as the authorization principles of shareholders' meetings to the Board of Directors. The content of such authorizations shall be clear and specific. The rules of procedure for shareholders' meetings shall be appendix to the Articles of Association and shall be formulated by the Board and approved by the shareholders' meeting.

At the annual shareholders' meeting, the Board of Directors shall report to the shareholders' meeting on its work over the past year. Every independent non-executive director shall also make his/her work reports.

Except for information involving the Company's trade secrets that cannot be disclosed at the shareholders' meeting, the directors and senior management members shall provide explanations and clarifications at the meeting in response to inquiries and suggestions from shareholders.

The presider of the meeting shall, prior to voting, announce the number of shareholders and proxies present in person at the meeting and the total number of voting shares represented by them, but the figures recorded in the meeting registration records will prevail.

The shareholders' meeting shall have minutes, which shall be the responsibility of the secretary to the Board.

The minutes of the meeting shall specify:

(I) time, venue and agenda of the meeting, and the name of the convener;

(II) the names of the presider, and the directors and senior management members attending the meeting or present at the meeting as observers;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares they represent and the proportion of these shares to the total number of shares of the Company;

(IV) the consideration process, summaries of speeches and voting result for each proposal;

(V) inquiries or suggestions of the shareholders, and the corresponding responses or explanations;

(VI) the names of the lawyer (if any), counting officer and monitoring officer;

(VII) other content that shall be recorded in the minutes as deemed necessary by the shareholders' meeting or in accordance with the provisions of the Articles of Association or the securities regulatory rules of the place where the Company's shares are listed.

The convener shall ensure that the minutes are truthful, accurate and complete. The attending directors, secretary to the Board, convener or representative thereof, and presider shall sign the minutes of the meeting. The minutes of the meeting, the signed attendance record of those shareholders on the spot, the power of attorney for attendance by proxy, and the valid information relating to voting by other means shall be kept for at least ten 10 years.

The convener shall ensure that the shareholders' meeting does not end until a final resolution is made. If the shareholders' meeting is terminated or fails to reach any resolution due to force majeure or for other special reasons, the convener shall take necessary measures to resume the shareholders' meeting as soon as possible or directly terminate the shareholders' meeting and make a responsive announcement pursuant to laws, regulations or provisions of the securities regulatory authorities of the place where the Company's shares are listed.

Voting and Resolutions at Shareholders' Meetings

Resolutions of a shareholders' meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the shareholders' meeting.

Special resolutions shall be passed by votes representing more than two thirds of voting rights held by shareholders (including proxies thereof) attending the shareholders' meeting.

The following matters shall be approved by ordinary resolutions at a shareholders' meeting:

(I) work reports of the Board of Directors;

(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(III) appointment and dismissal of the members of the Board of Directors, their remunerations and the method of payment thereof;

(IV) appointment, dismissal, or non-renewal of an accounting firm and its remuneration;

(V) the Company's annual reports;

(VI) other issues than those that should be passed by special resolutions pursuant to relevant laws, administrative regulations, Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following issues shall be approved by special resolutions at a shareholders' meeting:

(I) increase or decrease of the registered capital of the Company;

(II) division, split, merger, dissolution and liquidation (including voluntary liquidation) of the Company;

(III) amendment to the Articles of Association;

(IV) the Company's acquisition or disposal of major assets, or provision of guarantees to third parties within one year with the amount exceeding 30% of the latest audited total assets of the Company;

(V) share incentives schemes; and

(VI) any other issue specified in the laws, administrative regulations, Hong Kong Listing Rules, others securities regulatory rules of the place where the Company's shares are listed or the Articles of Association and confirmed by an ordinary resolution at a shareholders' meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

Shareholders (including proxies thereof) shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote. In voting, shareholders (including proxies thereof) entitled to two or more votes need not cast all his/her votes in the same way of pros, cons or abstention.

Votes for medium and small investors shall be separately counted when any material matter affecting their interests is considered at the shareholders' meeting. The separate counting results shall be disclosed responsively and publicly.

The Company has no voting right for its own shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' meeting.

If a shareholder purchases the Company's voting shares in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the shareholders' meeting.

The Company's Board of Directors, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or provisions of the securities regulatory authorities of the place where the Company's shares are listed may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, full disclosure of specific voting intentions and other information shall be provided to the solicited persons. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

If the Company has other shares outstanding, it shall be specified whether they carry voting rights.

When the shareholders' meeting deliberates matters related to connected transactions (as defined in the Hong Kong Listing Rules), connected shareholders (as defined in the Hong Kong Listing Rules) may make appropriate statements regarding such connected transaction but shall not participate in voting. The number of voting shares represented by them shall not be included in the total number of valid votes.

Before the shareholders' meeting deliberates on connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant national laws and regulations, the Hong Kong Listing Rules, and the regulatory requirements of the securities regulatory authorities of the place where the Company's shares are listed. Connected shareholders or their authorized representatives may attend the shareholders' meeting and may, in accordance with the meeting procedures, explain their views to the attending shareholders, but shall abstain from voting when it comes to voting. When a shareholders' meeting resolves matters related to connected transactions, connected shareholders shall proactively abstain from voting. If connected shareholders do not proactively abstain from voting, other shareholders attending the meeting have the right to request that connected shareholders abstain from voting.

After connected shareholders abstain, other shareholders shall vote based on their voting rights, and the corresponding resolutions shall be passed in accordance with the provisions of the Articles of Association. The abstention and voting procedures for connected shareholders shall be announced by the presider of the shareholders' meeting and recorded in the meeting minutes.

Resolutions on connected transactions passed at the shareholders' meeting shall be valid only if approved by more than half of the voting rights held by non-connected shareholders present at the meeting. However, if such connected transactions involve matters requiring approval by special resolution as stipulated in the Articles of Association, resolutions at the shareholders' meeting shall be valid only if approved by two-thirds or more of the voting rights held by non-connected shareholders present at the meeting. If connected shareholders fail to disclose their connected relationship or abstain from voting in accordance with the aforementioned procedures, all resolutions regarding such connected matters shall be invalid and shall be re-voted. If an announcement is required, the announcement of the shareholders' meeting resolution shall fully disclose the voting status of non-connected shareholders (subject to the requirements of the Hong Kong Stock Exchange). According to applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to abstain from voting on a resolution matter, or is restricted to only voting in favor of (or against) a resolution matter, the votes cast by such shareholder or its representative in violation of relevant regulations or restrictions shall not be counted.

Connected transactions between the Company and connected parties shall be governed by written agreements. Such agreements shall be entered into on the principles of equality, voluntariness, equivalence, and compensation, and their content shall be clear and specific.

If the Hong Kong Listing Rules stipulate that any shareholder must waive voting rights or is restricted to voting only in favor of (or against) other resolution matters, any votes cast by such shareholder or its representative in violation of the relevant provisions or restrictions on such matters shall not be counted.

Except under special circumstances such as a crisis in the Company, the Company shall not enter into a contract that delegates the management of all or significant business operations of the Company to any person other than directors, the general manager or other senior management member, unless such contract is approved by the shareholders' meeting through a special resolution.

The list of director candidates shall be submitted to the shareholders' meeting for voting in the form of a proposal.

The method and procedure for nominating director candidates are:

(I) When the Board of Directors is to be re-elected or incumbent directors are to be supplemented, the incumbent Board of Directors, or shareholders individually or collectively holding 1% or more of the shares may nominate candidates for directors to be represented by shareholders in the next Board of Directors or candidates for supplementary directors, provided that the number of nominees does not exceed the number of positions to be filled.

(II) Independent non-executive directors shall be nominated by the incumbent Board of Directors, or shareholders individually or collectively holding 1% or more of the Company's issued and outstanding shares.

(III) Shareholders shall submit the resumes and basic information of their nominated director and independent non-executive director candidates to the incumbent Board of Directors. The incumbent Board of Directors shall conduct qualification reviews. Candidates who meet the qualifications for director positions after review shall be submitted to the shareholders' meeting for election.

(IV) Before nominating a director candidate, the nominator shall obtain a written commitment from the candidate confirming their acceptance of the nomination and undertaking that the information disclosed about the director candidate is true, complete, and that they will diligently fulfill the duties of a director upon election.

When the shareholders' meeting votes on the election of directors, cumulative voting may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting. If a single shareholder and its concerted parties collectively hold 30% or more of the Company's shares with vested interests, cumulative voting shall be implemented.

Cumulative voting mentioned in the preceding paragraph refers to a system used in the election of directors at a shareholders' meeting, where each share carries the same number of voting rights as the number of directors to be elected, and the shareholders' voting rights may be used in a concentrated manner. The Board shall provide shareholders with the brief biographies and background information of the candidates for directors.

When cumulative voting is implemented at the shareholders' meeting, the following principles shall apply:

(I) The number of director candidates may exceed the number of directors to be elected at the shareholders' meeting. However, the number of candidates each shareholder votes for shall not exceed the number of directors to be elected, and the total number of votes allocated shall not exceed the number of voting rights held by the shareholder. Otherwise, the vote shall be invalid.

(II) The final elected directors shall be determined based on the order of the number of votes received, provided that the minimum number of votes required for each elected director must exceed half of the total number of shares held by shareholders (including shareholder proxies) present at the shareholders' meeting. If the number of elected directors is less than the number of directors to be elected at the shareholders' meeting, a re-vote shall be conducted for the remaining positions among all director candidates who did not receive sufficient votes. If the positions remain unfilled, they shall be filled at the Company's next shareholders' meeting. If two or more director candidates receive the same number of votes but only a limited number of them can be elected due to the quota of positions to be filled, a separate re-vote shall be conducted for these director candidates with the same number of votes.

Save under the cumulative voting system, the shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on in the order of time at which they are submitted. Unless the shareholders' meeting is suspended or a resolution cannot be made due to special reasons including force majeure, the shareholders' meeting shall not put off the proposals or refuse to vote on the proposals.

No amendment shall be made to a proposal when it is considered at a shareholders' meeting, otherwise, the relevant amendment shall be deemed as a new proposal and shall not be voted on at the current shareholders' meeting.

The same voting right can only be exercised in only one form: onsite, over the network, or otherwise. Where the same voting right is exercised more than once, the voting result of the first time shall prevail.

Shareholders' meetings shall adopt voting by registered ballot.

When proposals are voted on at the shareholders' meeting, two shareholders' representatives shall be appointed to count, and monitor counting of, the votes. Where any shareholder has connections with any issue considered, the said shareholder or proxy thereof shall not participate in counting and monitoring of votes.

When proposals are voted on at the shareholders' meeting, the lawyer (if any) and shareholders' representative shall be jointly responsible for the counting and monitoring of the votes according to the Hong Kong Listing Rules, and shall announce the voting results on the spot, which voting results shall be recorded in the meeting minutes.

Shareholders or proxies thereof voting over the network or by other means shall have the right to check their voting results via the corresponding voting system.

A shareholders' meeting shall not conclude earlier at the venue than over the network or otherwise, and the presider shall announce the voting result of every proposal and announce whether the proposal is passed or not according to the voting result.

Prior to the official announcement of the voting results, all relevant parties involved in the shareholders' meeting — whether on-site, online, or through other voting methods — including the Company, vote counters, vote supervisors, shareholders, and online service providers, shall maintain confidentiality regarding the voting proceedings.

Shareholders who are present at the shareholders' meeting shall adopt one of the following stances when a proposal is put forward for voting: for, against or abstention. The securities registration and clearing organization shall be the nominal holder of shares under the Mainland China and Hong Kong Stock Connect scheme, except where declaration is made in accordance with the actual holder's intent.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

If, according to the stock exchange where the Company's shares are listed, any shareholder is required to vote "abstain" on any specific resolution or is restricted to voting only in favor of or against a resolution, any votes cast by such shareholder or its representative in violation of such requirement or restriction shall not be counted.

If the presider has any doubt regarding the voting results of a resolution submitted for voting, they may arrange for a recount of the votes. If the presider does not conduct a recount, shareholders or shareholder proxies present at the meeting who disagree with the results announced by the presider shall have the right to immediately request a recount after the announcement of the voting results, and the presider shall promptly arrange for such a recount.

Resolutions of the shareholders' meeting shall be announced in a timely manner in accordance with laws, regulations, or the provisions of the securities regulatory authorities in the place where the Company's shares are listed. The announcement shall list the number of attending shareholders and their proxies, the total number of voting shares held by them and the proportion of these shares to the total number of voting shares of the Company, the voting method, the voting result for each proposal, the details of each resolution passed, and any other matters required to be included by the Hong Kong Listing Rules.

If a proposal is not adopted or if the current shareholders' meeting amends a resolution of a previous shareholders' meeting, a special notice shall be included in the of the resolution of the shareholders' meeting.

If the shareholders' meeting passes a proposal regarding the election of directors, the term of office for the newly elected directors shall commence from the time specified in the resolution of the shareholders' meeting. If the resolution of the shareholders' meeting does not specify the commencement of the term, the newly elected directors shall assume their positions from the date when the resolution of the shareholders' meeting is passed. However, in the case of an election for a change of Board members, if the terms of the current Board members have not yet expired, the new Board members shall assume their positions from the date when the terms of the current Board members expire.

If the shareholders' meeting passes a proposal concerning cash dividends, bonus share issues, or capital reserve conversion into share capital, the Company shall implement the specific plan within two months after the conclusion of the shareholders' meeting. If, due to the provisions of applicable

laws, regulations, or securities regulatory rules of the place where the Company's shares are listed, the specific plan cannot be implemented within two months, the implementation date of the specific plan may be adjusted accordingly in accordance with such provisions and the actual circumstances.

BOARD OF DIRECTORS

General Provisions on Directors

Directors of the Company shall be natural persons. A person with any of the following circumstances shall not serve as a director of the Company:

(I) Having no capacity for civil conduct or limited capacity for civil conduct;

(II) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(III) Having served as a director, factory director, or general manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(IV) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(V) Having a large-amount debt but unpaid upon maturity and being listed as a person subject to enforcement for bad credit by the people's court;

(VI) Having been subject to measures restricting access to the securities market by the CSRC, or the stock exchange where the Company's shares are listed or other regulatory authorities, where the time limit has not expired;

(VII) Other contents specified by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

Elections, appointments or engagements of directors that violate the provisions of this article shall be invalid. If a director becomes subject to any of the circumstances listed in this article during his/her tenure, the Company shall terminate his/her position.

Directors shall be elected or replaced by the shareholders' meeting and may be removed from their positions by the shareholders' meeting before the expiration of their term. Each director shall hold office for a term of three years. Directors are eligible for re-election upon the expiration of their term, subject to the securities regulatory rules of the place where the Company's shares are listed.

The term of a director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the term of office of a director expires without timely re-election, or if a director's resignation during his/her term of office causes the number of Board members to fall below the statutory minimum, or the Company's failure to meet other requirements of the Hong Kong Listing Rules, the original director shall continue to perform his/her duties as a director in accordance with the relevant laws, administrative regulations, departmental rules, and the Articles of Association, until the newly elected director takes office.

Any person appointed as a director by the Board to fill any casual vacancy on the Board or to increase the size of the Board shall stand for election by the shareholders at the first annual shareholders' meeting held after his/her appointment. Such appointed director shall hold office only until the first annual shareholders' meeting of the Company following his/her appointment, and shall then be eligible for re-election. Where the applicable securities regulatory rules of the place where the Company's shares are listed have special provisions regarding the re-election of directors, such provisions shall prevail.

A director may also hold the position of general manager or other senior management positions, but the total number of directors who also serve as the general manager or other senior management positions shall not exceed half of the total number of directors of the Company.

The Company shall have no employee representative director.

Directors shall comply with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall owe a duty of loyalty to the Company, and take measures to avoid conflicts between their own interests and the Company's interests, and shall not seek any improper interests by taking advantage of their official powers.

Directors shall owe the following duties of loyalty to the Company:

(I) not to embezzle the property or misappropriate the funds of the Company;

(II) not to open in their own names or in others' names any bank account for the purpose of depositing any of the Company's monies;

(III) not to abuse their official powers to offer bribes or accept other unlawful income;

(IV) not to directly or indirectly conclude a contract or conduct a transaction with the Company, without reporting to the Board of Directors or the shareholders' meeting, or obtaining an approval by resolutions of the Board of Directors or the shareholders' meeting according to the Articles of Association;

(V) not to take advantage of their positions to seek any business opportunity that belongs to the Company for themselves or any other person, unless they have reported to the Board of Directors or the shareholders' meeting and have been approved by a resolution of the shareholders' meeting, or the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations, or the Articles of Association;

(VI) not to engage in any business that is similar to that of the Company for themselves or for any other person, without reporting to the Board of Directors or the shareholders' meeting, or obtaining an approval by resolutions of the Board of Directors or the shareholders' meeting according to the Articles of Association;

(VII) not to take as their own any commission for any transaction between the Company and others;

(VIII) not to disclose the confidential information of the Company without authorization;

(IX) not to use their connected relations to damage the interests of the Company;

(X) other duties of loyalty as prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Any income obtained by a director in violation of this article shall be surrendered to the Company; if losses are caused to the Company, the director shall be liable for compensation.

The provisions of item (IV) of paragraph 2 of this article shall apply when a close relative of a director or senior management member, an enterprise directly or indirectly controlled by a director, senior management member or their close relatives, or a connected individual having other connected relationships with a director or senior management member enters into a contract or conducts a transaction with the Company.

Directors shall comply with laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall owe a duty of diligence to the Company and, in performing their duties, shall exercise reasonable care that a manager would normally exercise for the best interests of the Company.

Directors shall owe the following duties of diligence to the Company:

(I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business activities of the Company comply with the national laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;

(II) to treat all shareholders fairly;

(III) to keep abreast of the Company's business operations and management status;

(IV) to sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;

(V) to honestly provide the Audit Committee with relevant information and materials, and not to prevent the Audit Committee from exercising its functions and powers;

(VI) other duties of diligence as prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the Board of Directors shall suggest that the shareholders' meeting dismiss the said director.

A director may resign before the expiration of his/her term of office. The resignation of a director shall be submitted to the Board of Directors in the form of a written resignation report. A director's resignation shall take effect on the date the Company receives the written resignation report, and the Board of Directors shall disclose the relevant information within two days. In the event that the resignation of any director results in the number of members of the Board of Directors of the Company falling below the statutory minimum requirement, or if the resignation of an independent non-executive director results in the number or proportion of independent non-executive directors on the Board of Directors of the Company or its special committees not meeting the laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed, or if there are no individuals among the independent non-executive directors who meet the regulatory requirements for appropriate professional qualifications or appropriate accounting or relevant financial management expertise, the original director shall continue to perform his/her duties as a director in accordance with the relevant laws, administrative regulations, departmental rules, and the Articles of Association, until the newly elected director takes office.

If the resignation of a director takes effect, if his/her term of office expires, or if he/she is removed from office, the said director shall properly complete all handover procedures with the Board of Directors. His/her duty of loyalty to the Company and its shareholders shall not automatically terminate upon the conclusion of his/her term of office and shall continue to be in effect for a period of two years after his/her resignation becomes effective or his/her term of office expires. The director's obligation to keep the Company's trade secrets confidential shall remain in

force after his/her resignation becomes effective or his/her term of office expires, until such secrets become public information. The liability of a director for actions performed in the execution of his/her duties during the term of office shall not be exempted or terminated upon his/her departure.

The shareholders' meeting may resolve to remove a director, and the removal shall take effect on the date the resolution is adopted.

If a director is removed prior to the expiration of his/her term without just cause, the director may require the Company to provide compensation.

Save as specified in the Articles of Association or legally authorized by the Board, no director shall act on behalf of the Company or the Board in his/her personal name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board, the said director shall make a prior statement of his/her standpoint and capacity.

When a director, in the performance of his/her duties for the Company, causes damage to any other party, the Company shall bear the liability for compensation. If the director is found to have acted with intent or gross negligence, he/she shall also be liable for compensation.

Where directors, in the performance of their duties to the Company, violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company, they shall be liable for compensation.

Board of Directors

Article 1 The Company shall establish a Board of Directors, which is accountable to the shareholders' meeting.

Article 2 The Board of Directors shall consist of seven directors, of whom three shall be independent non-executive directors. The Board of Directors shall have one chairman. At all times, more than one-third of the members of the Board of Directors shall be independent non-executive directors, with the total number of independent non-executive directors being no less than three. At least one of these independent non-executive directors shall be a financial and accounting professional and meet the requirements of Rule 3.10(2) of the Hong Kong Listing Rules.

Article 3 The Board of Directors shall exercise the following functions and powers:

(I) to convene the shareholders' meeting and submit work reports to the shareholders' meeting;

(II) to implement resolutions of the shareholders' meeting;

(III) to decide on the Company's business plans and investment proposals, and to decide on the Company's entry into business areas outside its principal business scope or on change of its existing principal business;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;

(VI) to draft plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(VII) to decide on matters such as the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, within the scope authorized by the shareholders' meeting;

(VIII) to decide on the establishment of the Company's internal management structure;

(IX) to appoint or dismiss the Company's general manager and secretary to the Board; based on the general manager's nomination, to appoint or dismiss the Company's deputy general manager, chief financial officer and other senior management members, and to determine their remuneration and matters of reward and punishment;

(X) to formulate the Company's basic management system;

(XI) to formulate proposals for the amendment of the Articles of Association;

(XII) to manage the Company's information disclosure matters;

(XIII) to propose to the shareholders' meeting the appointment or replacement of the accounting firm for the Company's audit;

(XIV) to listen to the work reports of the Company's general manager and to review the work of the general manager;

(XV) to formulate and review the Company's corporate governance policies and practices, and make recommendations to the Board;

(XVI) to review and monitor the training and continuous professional development of directors and senior management members;

(XVII) to review and monitor the Company's policies and practices regarding compliance with legal and regulatory requirements;

(XVIII) to formulate, review, and monitor the code of conduct and compliance manual (if any) for employees and directors;

(XIX) to review the Company's compliance with the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules) and its disclosure in the Corporate Governance Report;

(XX) to approve transactions that should be approved by the Board of Directors according to laws, regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, provisions of the relevant regulatory authorities and the Articles of Association;

(XXI) other functions and powers granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, the Articles of Association, or the shareholders' meeting.

Issues beyond the scope authorized by the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

Article 4 The Board of Directors of the Company shall make explanations to the shareholders' meeting in relation to the non-standard audit opinions produced by certified public accountants on the financial reports of the Company.

Article 5 The Board shall formulate rules of procedure for meetings of the Board of Directors to ensure implementation of resolutions passed by the shareholders' meeting, enhance operational efficiency, and guarantee scientific decision-making.

The rules of procedure for meetings of the Board of Directors shall stipulate the convening and voting procedures for meetings of the Board of Directors, and shall be attached as an appendix to the Articles of Association, drafted by the Board of Directors and approved by the shareholders' meeting.

To ensure the implementation of the responsibilities of the Board of Directors, the Board of Directors shall establish three special committees: the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. The special committees shall be composed entirely of directors. The composition of the members shall comply with relevant requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed or relevant regulatory authorities. The Board of Directors shall be responsible for formulating the working rules for each special committee and standardizing their operations.

Each of the aforementioned special committees may engage intermediaries to provide professional advice, with the related expenses borne by the Company.

Each special committee shall be accountable to the Board of Directors, and the proposals of each special committee shall be submitted to the Board of Directors for review and decision.

Article 6 The Board of Directors shall determine the authority for external investments, acquisition and disposal of assets, asset mortgages, external guarantees, entrusted wealth management, connected transactions, and external donations, and shall establish stringent review and decision-making procedures. Matters beyond the authority of the Board of Directors or the scope of authorization granted by the shareholders' meeting shall be reported to the shareholders' meeting for approval.

Article 7 The chairman of the Board of Directors shall be elected by a majority of all members of the Board.

Article 8 The chairman of the Board of Directors shall exercise the following functions and powers:

(I) to preside over the shareholders' meeting, and to convene and preside over Board meetings;

(II) to supervise and inspect the implementation of Board resolutions;

(III) to sign the Company's shares, corporate bonds, and other securities;

(IV) to sign important documents of the Board of Directors and other documents that should be signed by the chairman of the Board of Directors of the Company;

(V) to exercise the powers of the legal representative;

(VI) in emergency situations of force majeure, such as major natural disasters, to exercise special powers to manage the Company's affairs in accordance with legal provisions and the Company's interests, and to report to the Board of Directors and the shareholders' meeting afterwards;

(VII) other functions and powers granted by the Board of Directors.

Article 9 Board meetings shall be categorized into regular meetings and extraordinary meetings. The Board of Directors shall hold at least four meetings each year, approximately once per quarter, convened by the chairman. A notice (including by personal delivery, fax, or email) of a regular Board meeting shall be given to all directors at least 14 days prior to the meeting. Regular Board meetings shall not include obtaining the approval of the Board of Directors by circulating written resolutions. The chairman shall hold at least one meeting annually with the independent non-executive directors without the attendance of any other executive directors.

Article 10 Shareholders representing more than one-tenth of the voting rights, one-third of the directors, or the Audit Committee may propose the convening of an extraordinary Board meeting. The chairman shall convene and preside over the Board meeting within 10 days of receiving such a proposal.

Article 11 Notices for extraordinary Board meetings shall be served by personal delivery, letter, fax, email, or telephone; the notice period shall be no later than three days prior to the convening of the extraordinary Board meeting.

However, the notice period for an extraordinary Board meeting convened for specially urgent matters may be exempted from the restrictions of the preceding paragraph with the unanimous consent of all directors.

Article 12 The notice of a Board meeting shall specify:

(I) the date and venue of the meeting;

(II) duration of the meeting;

(III) reasons and topics for discussion; and

(IV) date on which the notice is sent.

Article 13 A Board meeting shall be held only if a majority of the directors are present. Unless otherwise provided by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, any resolution of the Board shall require approval by a majority of all the directors.

Each director shall have one vote on Board resolutions.

Article 14 Where a director has a connected relationship (as defined in the Hong Kong Listing Rules) with an enterprise involved in the matter to be resolved on at a Board meeting, such director shall promptly make a written report to the Board. The director with such a relationship shall not vote on the resolution or act as a proxy for another director to vote. The Board meeting may proceed with the attendance of a majority of the non-connected directors, and resolutions of the Board shall require the approval of a majority of the non-connected directors. If the number of non-connected directors attending the Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for consideration.

Article 15 Voting on Board resolutions may be conducted by open ballot, a show of hands, fax, email, letter, or telephone. Where fax, email, letter, or telephone is used, the Company shall retain the corresponding fax copies, emails, letters, dispatch receipts, and telephone recordings for a period of 10 years. However, if any director requests a voting by ballot, the voting shall be conducted by ballot. If the laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed have any additional restrictions on directors' participation in Board meetings and voting by ballot, such provisions shall prevail.

Board meetings shall, as a general principle, be convened in the form of a physical meeting. Extraordinary Board meetings may be convened and resolutions may be made via fax, email, letter, or telephone, provided that the directors can fully express their opinions. All participating directors shall then sign the resolutions.

When Board meetings are convened by non-physical means, the number of directors present at the meeting shall be calculated based on directors shown present via video, directors who express opinions during a teleconference, and valid voting proxies received via fax or email within the stipulated timeframe.

When a Board meeting is conducted simultaneously by physical and non-physical means, the number of directors deemed present shall be confirmed based on the sum of the counts in accordance with paragraphs 2 and 3 of this article.

Article 16 Board meetings shall be attended by directors in person. If a director is unable to attend for any reason, he/she may appoint another director in writing to attend on his/her behalf. An independent non-executive director shall appoint another independent non-executive director to attend on his/her behalf. The letter of appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing director. Directors shall not make or accept an appointment of proxy without voting intention, an appointment with full discretion or an appointment with unclear scope of authorization. The proxy shall exercise the director's rights within the scope of authority. If a director does not attend the Board meeting and does not appoint a proxy to attend, he/she shall be deemed to have waived his/her voting rights at that meeting.

A director shall not accept appointments to represent more than two other directors at any single Board meeting. Independent non-executive directors shall not appoint non-independent non-executive directors to attend meetings on their behalf. When connected transactions are considered, non-connected directors shall not appoint connected directors to attend meetings on their behalf.

Article 17 The Board shall prepare minutes for the decisions made on matters discussed at the meeting, and directors attending the meeting shall sign the minutes. If a director has a dissenting opinion on the minutes or the resolution record, he/she may provide a written statement when signing.

The minutes of Board meetings shall be kept as archives of the Company for at least 10 years.

Article 18 The minutes of a Board meeting shall specify:

(I) the date and venue of the meeting, as well as the name of the convener;

(II) the names of the attending directors and the names of directors (proxies) attending the Board meeting on behalf of others;

(III) the agenda of the meeting;

(IV) key points of directors' speeches;

(V) the voting method and results for each resolution (the voting results shall specify the number of votes in favor, against, or abstained).

Independent Non-executive Directors

Independent non-executive directors shall, in accordance with the provisions of laws, administrative regulations, the CSRC, stock exchanges, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, conscientiously perform their duties, play the role of participation in decision-making, supervision and checks and balances, and professional consulting in the Board of Directors, so as to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

The tenure, nomination, election, resignation, and other matters concerning independent non-executive directors shall be subject to the provisions of laws, administrative regulations, other regulatory documents, the securities regulatory rules of the place where the Company's shares are listed, and the relevant management rules of the Company.

Independent non-executive directors shall remain independent. The following persons shall not serve as independent non-executive directors:

(I) persons who hold positions in the Company or its subsidiaries and their spouses, parents, children and major social relations;

(II) natural person shareholders who directly or indirectly hold more than 1% of the issued shares of the Company or are among the top 10 shareholders of the Company and their spouses, parents and children;

(III) persons who hold positions in shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or the top five shareholders of the Company and their spouses, parents and children;

(IV) persons who hold positions in subsidiaries of the controlling shareholders or actual controllers of the Company and their spouses, parents and children;

(V) persons who have major business dealings with the Company and its controlling shareholders or actual controllers or their respective subsidiaries, or persons who hold positions in the entities with major business dealings and their controlling shareholders or actual controllers;

(VI) persons who provide financial, legal, consulting, sponsorship and other services for the Company and its controlling shareholders, actual controllers or their respective subsidiaries, including but not limited to all the project team members of the intermediary agencies providing services, review persons at all levels, persons signing reports, partners, directors, senior management members and principal persons in charge;

(VII) persons who have had any of the circumstances listed in items (I) to (VI) within the last 12 months (or such other applicable period as prescribed by the Hong Kong Listing Rules);

(VIII) other persons who are not independent as stipulated by laws, administrative regulations, the provisions of the CSRC, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Independent non-executive directors shall conduct annual self-assessments of their independence and submit the results to the Board of Directors. The Board of Directors shall annually assess the independence of incumbent independent non-executive directors and issue a specific opinion, which shall be disclosed together with the annual report.

An independent non-executive director shall:

(I) be qualified as a director of listed companies in accordance with laws, administrative regulations and other relevant provisions;

(II) comply with the independence requirements stipulated in the Articles of Association and the Hong Kong Listing Rules;

(III) possess basic knowledge of the operation of listed companies and be familiar with relevant laws, regulations and rules;

(IV) possess more than five years of working experience in law, accounting or economics, which is necessary for performing the duties of an independent non-executive director;

(V) have good personal character and no bad record such as major dishonesty record;

(VI) serve as an independent director simultaneously in no more than three listed companies;

(VII) comply with any other conditions stipulated by laws, administrative regulations, the provisions of the CSRC, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

Independent non-executive directors shall exercise the following special functions and powers:

(I) to independently engage an intermediary organization to audit, consult or verify specific matters of the listed company;

(II) to propose the convening of an extraordinary shareholders' meeting to the Board of Directors;

(III) to propose the convening of a Board meeting;

(IV) to publicly solicit shareholders' rights from shareholders in accordance with the law;

(V) to issue independent opinions on matters that could potentially harm the interests of the listed company or minority shareholders;

(VI) any other functions and powers stipulated by laws, regulations, relevant rules of the Shanghai Stock Exchange, and the Articles of Association.

Where independent non-executive directors exercise the functions and powers referred to in Items (I) to (III) of the preceding paragraph, they shall seek the consent of more than half of all independent non-executive directors.

Where independent non-executive directors exercise the functions and powers listed in the first paragraph of this article, the listed company shall promptly disclose such exercise. If the aforementioned functions and powers cannot be exercised normally, the listed company shall disclose the specific circumstances and reasons.

The following matters shall be submitted to the Board of Directors for consideration after approval by more than half of all independent non-executive directors of the Company:

(I) connected transactions that are required to be disclosed;

(II) plans for the alteration or waiver of commitments by the Company and relevant parties;

(III) decisions made and measures taken by the board of directors of the target company in response to a takeover;

(IV) other matters stipulated by laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

The Company shall regularly or irregularly convene meetings attended solely by independent directors (hereinafter referred to as "Independent Directors' Special Meetings"). The matters listed in Items (I) to (III) of paragraph 1 of Article 128 of the Articles of Association, and in this article shall be considered by the Independent Non-executive Directors' Special Meetings.

Independent Non-executive Directors' Special Meetings may, as needed, study and discuss other matters of the Company.

The Independent Non-executive Directors' Special Meetings shall be convened and presided over by an independent non-executive director jointly nominated by more than half of the independent non-executive directors; if the convener does not perform or is unable to perform his/her duties, two or more independent directors may convene the meeting on their own and nominate a representative to preside over the meeting.

Meeting minutes shall be kept for the Independent Non-executive Directors' Special Meetings in accordance with regulations, and the opinions of the independent non-executive directors shall be recorded in the meeting minutes. Independent non-executive directors shall sign and confirm the meeting minutes.

The Company shall provide convenience and support for the convening of the Independent Non-executive Directors' Special Meetings.

Special Committees of the Board of Directors

The Board of Directors of the Company shall establish the Audit Committee to exercise the functions and powers of the Supervisory Committee as stipulated in the Company Law.

The Audit Committee shall consist of three members, who shall be non-executive directors not holding senior management positions in the Company. The majority of these members shall be independent non-executive directors, and at least one independent non-executive director on the committee shall be a financial accounting professional and satisfy the requirements of Rule 3.10(2) of the Hong Kong Listing Rules.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for consideration upon approval by a majority of all Audit Committee members:

(I) disclosure of financial information in financial and accounting reports and periodic reports, and internal control evaluation reports;

(II) engagement or dismissal of the accounting firm responsible for the Company's audit business;

(III) appointment or removal of the Company's chief financial officer;

(IV) changes to accounting policies or accounting estimates, or correction of material accounting errors, due to reasons other than changes in accounting standards;

(V) other matters as stipulated by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The Audit Committee shall hold at least two meetings every year. Extraordinary meetings may be convened upon the proposal of two or more members or if the convener deems it necessary. A meeting of the Audit Committee may only be held if at least two-thirds of its members are present.

Resolutions of the Audit Committee shall require the approval of more than half of its members.

Each member shall have one vote on Audit Committee resolutions.

Meeting minutes shall be prepared for the Audit Committee resolutions in accordance with the relevant requirements, and the members of the Audit Committee attending the meeting shall sign the minutes.

The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors of the Company shall establish other special committees including the Remuneration and Appraisal Committee and the Nomination Committee, which shall perform their duties in accordance with the Articles of Association, the authorization of the Board of Directors and the Hong Kong Listing Rules. Proposals of the special committees shall be submitted to the Board of Directors for consideration and decision. The working procedures of these special committees shall be formulated by the Board of Directors. The Remuneration and Appraisal Committee shall comprise at least three directors, the majority of whom shall be independent non-executive directors. The chairperson (convener) shall be an independent non-executive director. The Nomination Committee shall comprise at least three directors, the majority of whom shall be independent non-executive directors, and shall include at least one director of a different gender. The chairperson (convener) shall be an independent non-executive director or the chairman of the Board.

The principal duties of the Remuneration and Appraisal Committee and the Nomination Committee are as follows:

The Remuneration and Appraisal Committee shall be responsible for formulating appraisal standards for directors and senior management members and conducting such appraisals, formulating and reviewing remuneration policies and plans for directors and senior management members, and making recommendations to the Board of Directors on relevant matters. The Nomination Committee shall be responsible for formulating the selection criteria and procedures for directors and senior management members, selecting and reviewing candidates for directors and senior management members and their qualifications, and making recommendations to the Board of Directors on relevant matters. The specific authorities and duties of each special committee of the Board of Directors shall be separately stipulated in the relevant rules of procedure formulated by the Board of Directors.

Where the Board of Directors does not adopt, or does not fully adopt, the recommendations of the Remuneration and Appraisal Committee or the Nomination Committee, the opinions of such special committee and the specific reasons for non-adoption shall be recorded in the resolutions of the Board of Directors and disclosed.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

The Company shall appoint one general manager, who shall be appointed or dismissed by the Board of Directors.

According to the needs of operation and management, the Company may appoint several deputy general managers, who shall be appointed or dismissed by the Board of Directors.

The general manager, deputy general managers, chief financial officer and the secretary to the Board of Directors shall constitute the senior management members of the Company.

The circumstances under which a person shall not serve as a director as set out in Article 97 of the Articles of Association shall also apply to senior management members.

The provisions on the duty of loyalty of directors set out in Article 99 and the duty of diligence set out in Article 100 of the Articles of Association shall also apply to senior management members.

Any person who holds administrative positions in the controlling shareholder of the Company other than director or supervisor shall not serve as a senior management member of the Company. Senior management members of the Company shall receive remuneration only from the Company, and their remuneration shall not be paid on their behalf by the controlling shareholder.

The term of office of the general manager shall be three years. Upon re-appointment, the general manager may serve consecutive terms.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers and functions:

(I) presiding over the Company's production, operation and management activities, organizing the implementation of the resolutions of the Board of Directors, and reporting to the Board of Directors on his/her work;

(II) organizing the implementation of the Company's annual operating plan and investment plan;

(III) formulating proposals on the establishment of the Company's internal management structure;

(IV) formulating the Company's basic management systems;

(V) formulating the Company's specific rules and regulations;

(VI) proposing to the Board of Directors the appointment or dismissal of the deputy general managers and the chief financial officer of the Company;

(VII) deciding on the appointment or dismissal of managerial personnel other than those whose appointment or dismissal shall be decided by the Board of Directors;

(VIII) examining and approving transaction matters other than those required by laws and regulations or the Articles of Association to be examined and approved by the shareholders' meeting or the Board of Directors;

(IX) other powers and functions conferred by the Articles of Association or the Board of Directors.

The general manager shall attend meetings of the Board of Directors as a non-voting attendee.

The general manager shall formulate the detailed rules for the work of the general manager, which shall be implemented upon approval by the Board of Directors.

The detailed rules for the work of the general manager shall include the following:

(I) the conditions, procedures and participants for convening meetings of the general manager;

(II) the specific duties and division of responsibilities of the general manager and other senior management members;

(III) the authority over the use of the Company's funds and assets, the execution of material contracts, and the reporting system to the Board of Directors;

(IV) other matters deemed necessary by the Board of Directors.

The general manager may resign prior to the expiration of his/her term of office. The specific procedures and arrangements relating to the resignation of the general manager shall be governed by the service contract between the general manager and the Company.

Deputy general managers shall be accountable to the general manager and assist the general manager in carrying out work in accordance with the division of responsibilities in operation and management; upon authorization by the Board of Directors or the general manager, they may exercise part of the powers of the general manager on his/her behalf; they shall be responsible for the management of the departments under their respective charge. Their specific powers and functions shall be separately stipulated.

The Company shall appoint a secretary to the Board of Directors, who shall be responsible for the preparation of meetings of the shareholders' meeting and the Board of Directors, custody of documents, management of shareholders' information, handling information disclosure matters and other related affairs. The Board of Directors and other senior management members shall support the work of the secretary to the Board of Directors. No organization or individual shall interfere with the secretary to the Board of Directors in the normal performance of his/her duties.

The secretary to the Board of Directors shall comply with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the relevant provisions of the Articles of Association.

Where senior management members, in the performance of their duties, cause damage to others, the Company shall bear the compensation liability; where such senior management members act with intent or gross negligence, they shall also bear compensation liability.

Where senior management members, in the performance of their duties, violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and thereby cause losses to the Company, they shall bear compensation liability.

Senior management members of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders.

Where senior management members, due to failure to faithfully perform their duties or breach of their duty of good faith, cause damage to the interests of the Company and public shareholders, they shall bear compensation liability in accordance with law.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION, INTERNAL AUDIT AND APPOINTMENT OF ACCOUNTING FIRMS

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the provisions of the relevant national authorities. Where the securities regulatory authority of the place where the Company's shares are listed has otherwise prescribed, such provisions shall prevail.

The Company shall disclose its annual report from the end date of each accounting year, and disclose its interim report within three months from the end date of the first six months of each accounting year.

The above annual reports and interim reports shall be prepared and published in accordance with relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and other securities regulatory rules of the place where the Company's shares are listed.

In addition to statutory accounting books, the Company shall not establish any other accounting books. The Company's assets shall not be deposited in accounts opened in the name of any individual.

Profit Distribution

When distributing after-tax profits of the current year, the Company shall set aside 10% of such profits as the Company's statutory surplus reserve. Where the cumulative amount of the statutory surplus reserve has reached more than 50% of the Company's registered capital, the Company may cease making such appropriation.

Where the Company's statutory surplus reserve is insufficient to cover losses of previous years, the Company shall first use the profits of the current year to make up such losses before making the appropriation to the statutory surplus reserve in accordance with the preceding paragraph.

After setting aside the statutory surplus reserve from after-tax profits, the Company may, upon resolution of the shareholders' meeting, set aside discretionary surplus reserves from after-tax profits.

The remaining after-tax profits after making up losses and setting aside surplus reserves shall be distributed in proportion to the shares held by the shareholders, except where the Articles of Association provide otherwise.

Where the shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return to the Company the profits distributed in violation of such provisions; where losses are caused to the Company, the shareholders and the responsible directors and senior management members shall bear compensation liability.

Shares of the Company held by the Company shall not participate in profit distribution.

The Company's surplus reserves shall be used to make up losses of the Company, expand the Company's production and operation, or be converted into an increase in the Company's capital. Where surplus reserves are used to make up losses of the Company, discretionary surplus reserves and statutory surplus reserves shall be used first; where such reserves are still insufficient, capital surplus reserves may be used in accordance with regulations.

Where the statutory surplus reserve is converted into an increase in registered capital, the balance of such surplus reserve retained shall be no less than 25% of the Company's registered capital prior to such conversion.

The Company's profit distribution shall emphasize providing shareholders with reasonable investment returns, and the profit distribution policy shall maintain continuity and stability.

The Company's profit distribution policy is to distribute dividends in proportion to the shares held by shareholders, and to adopt cash dividends, share dividends, a combination of both, or other methods permitted by laws, administrative regulations, departmental rules and the regulatory rules of the place where the Company is listed, with cash dividends being the preferred method.

The specific conditions for cash dividends of the Company are as follows:

(I) The distributable profits realized by the Company for the relevant year or interim period (i.e., the remaining after-tax profits after making up losses and setting aside surplus reserves) are positive and the cash flow is sufficient, and the implementation of cash dividends will not affect the Company's subsequent sustainable operation; the Company's accumulated distributable profits are positive;

(II) The audit institution has issued a standard unqualified audit opinion on the Company's financial report for the relevant year;

(III) The Company has no material investment plans or material cash expenditures (excluding projects funded by proceeds from fund raising). Material investment plans or material cash expenditures refer to cumulative expenditures on external investments, asset acquisitions or equipment purchases proposed by the Company within the next twelve months reaching or exceeding 30% of the Company's latest audited net assets; provided that where the Company has material investment plans or material cash expenditures and the cash dividend proposal has been approved by the shareholders' meeting, the Company may distribute cash dividends.

Subject to satisfaction of the conditions for cash dividends and on the premise of ensuring the Company's normal operation and long-term development, the Company shall, in principle, conduct one cash dividend distribution each year after the annual shareholders' meeting. The Board of Directors may propose that the Company distribute interim cash dividends based on the Company's profitability and funding needs.

Where there is any shareholder's unlawful occupation of the Company's funds, the Company shall deduct the cash dividends distributable to such shareholder to repay the occupied funds.

Cash and other payments made by the Company to holders of domestic shares shall be paid in Renminbi. Cash dividends and other payments made by the Company to holders of H Shares shall be denominated and declared in Renminbi and paid in foreign currency. The foreign currency required for the payment of cash dividends and other payments to holders of H Shares shall be handled in accordance with relevant state foreign exchange administration regulations.

When distributing dividends to shareholders, the Company shall withhold and remit on behalf of shareholders the taxes payable on dividend income in accordance with the provisions of PRC tax laws.

After the shareholders' meeting has resolved on a profit distribution plan, the Board of Directors shall complete the distribution of dividends (shares) within two months after the shareholders' meeting.

The specific conditions for the Company to distribute share dividends are as follows:

(I) the Company is in sound operating condition;

(II) the Company's share price is not commensurate with the scale of its share capital, and the distribution of share dividends is conducive to the overall interests of all shareholders of the Company;

(III) the conditions for cash dividends are satisfied;

(IV) other conditions prescribed by laws, regulations and normative documents.

Before the shareholders' meeting deliberates on a specific cash dividend proposal, the Company shall proactively communicate and exchange views with shareholders, in particular minority shareholders, through various channels, fully solicit the opinions and demands of minority shareholders, and promptly respond to matters of concern to minority shareholders.

Where it is necessary to adjust the profit distribution policy due to force majeure events such as war or natural disasters, or based on factors including investment plans, the Company's actual operating conditions, the cost of social funds, the external operating and financing environment, shareholders' wishes and requirements, and material changes in production and operation, the Board of Directors shall, in light of actual circumstances, propose an adjustment plan for the profit distribution policy. The adjusted profit distribution policy shall be based on the protection of shareholders' rights and interests and shall not violate the relevant provisions of laws and regulations, the Hong Kong Listing Rules, or other securities regulatory rules of the place where the Company's shares are listed.

The Company shall appoint one or more receiving agents in Hong Kong for shareholders holding overseas listed shares. Such receiving agents shall be responsible for receiving dividends declared by the Company in respect of shares listed in Hong Kong and other amounts payable, and for holding such amounts on behalf of such shareholders pending payment to such holders. The receiving agents appointed by the Company shall comply with the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed.

Internal Audit

The Company shall implement an internal audit system, clearly defining the leadership structure, responsibilities and authorities of internal audit work, staffing, funding guarantee, utilization of audit results and accountability.

The Company's internal audit system shall be implemented upon approval by the Board of Directors and shall be disclosed.

The Company's internal audit institution shall supervise and examine the Company's business activities, risk management, internal control, financial information and other matters, and shall be staffed with full-time audit personnel.

The internal audit institution shall be accountable to the Board of Directors.

In the course of supervising and examining the Company's business activities, risk management, internal control and financial information, the internal audit institution shall be subject to the supervision and guidance of the Audit Committee. Where the internal audit institution discovers any material issues or leads, it shall immediately report directly to the Audit Committee.

The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. Based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee, the Company shall issue an annual internal control evaluation report.

When the Audit Committee communicates with external audit institutions such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and assistance.

The Audit Committee shall participate in the appraisal of the person in charge of internal audit.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed to conduct audits of financial statements, verification of net assets and other related consultancy services. The term of engagement shall be one year, commencing from the approval at the Company's annual shareholders' meeting until the conclusion of the next annual shareholders' meeting, and may be renewed.

The engagement or dismissal of an accounting firm by the Company shall, upon approval by a majority of all members of the Audit Committee, be submitted to the Board of Directors for deliberation and decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm prior to a decision by the shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse, conceal or make false reports.

The audit fees of the accounting firm shall be determined by the shareholders' meeting, which shall authorize the chairman of the Board of Directors to handle the matter.

Where the Company dismisses or does not renew the engagement of an accounting firm, it shall give prior notice to the accounting firm 10 days in advance and shall, at least 10 business days prior to the convening of the shareholders' meeting, dispatch to shareholders the circular proposing the dismissal or non-renewal of the accounting firm together with any written representations from the accounting firm (if any). When the shareholders' meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its views.

Where an accounting firm proposes to resign, it shall explain to the shareholders' meeting whether there are any improper circumstances on the part of the Company.

NOTICES AND ANNOUNCEMENTS

Notices

Notices of the Company shall be given in the following forms:

(I) delivery by hand;

(II) delivery by mail;

(III) by way of announcement;

(IV) by facsimile;

(V) by electronic mail;

(VI) by telephone;

(VII) subject to compliance with laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed, by publication on the websites designated by the Company and the Hong Kong Stock Exchange;

(VIII) other forms recognized by the securities regulatory authority of the place where the Company's shares are listed or as provided in the Articles of Association.

With respect to the manner in which the Company provides or sends corporate communications to holders of H Shares in accordance with the requirements of the Hong Kong Listing Rules, subject to compliance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, the Company may provide or send corporate communications to holders of H Shares by publication on the websites designated by the Company and Hong Kong Stock Exchange, or by electronic means.

Unless a shareholder has expressly requested to receive printed copies, the Company may, in accordance with the Hong Kong Listing Rules, deem that a shareholder has agreed to receive corporate communications by means of website access (implied consent). For corporate communications that require action, the Company shall send such communications to shareholders separately in accordance with the requirements of the Hong Kong Listing Rules.

For the purpose of the preceding paragraph, "corporate communications" refer to any document issued or to be issued by the Company for the reference of, or for action by, any holders of H Shares of the Company or other persons as required by the Hong Kong Listing Rules, including but not limited to:

1. the Company's annual report (including the report of the Board of Directors, the Company's annual accounts, the audit report and the financial summary report (if applicable));
2. the Company's interim report and interim summary report (if applicable);
3. notices of meetings;
4. listing documents;
5. circulars;
6. proxy forms (proxy forms shall have the meaning ascribed to them under the Hong Kong Listing Rules).

Where notices are given by way of announcement in the exercise of powers/rights provided under the Articles of Association, such announcements shall be published in the manner prescribed by the Hong Kong Listing Rules.

Where the listing rules of the securities exchange of the place where the Company's shares are listed require the Company to send, mail, distribute, issue, publish or otherwise provide relevant Company documents in both English and Chinese, and where the Company has made appropriate arrangements to ascertain whether its shareholders wish to receive only the English version or only the Chinese version, then, to the extent permitted by and in accordance with applicable laws and regulations, the Company may (in accordance with the wishes expressed by shareholders) send only the English version or only the Chinese version to the relevant shareholders.

Where notices issued by the Company are given by way of announcement, upon publication of such announcement, all relevant persons shall be deemed to have received such notice.

Notices convening meetings of the shareholders' meeting shall be given by way of announcement.

Notices convening meetings of the Board of Directors shall be given by hand delivery, mail, facsimile, electronic mail or other such means, except as otherwise provided in the Articles of Association for interim meetings of the Board of Directors convened due to emergency matters.

Where notices are delivered by hand, the date of delivery shall be the date on which the recipient signs (or affixes a seal) on the acknowledgment of receipt; where notices are sent by mail, the date of delivery shall be the third working day from the date of delivery to the post office or courier company; where notices are sent by facsimile, the date recorded on the facsimile transmission sheet shall be the date of delivery; where notices are sent by electronic mail, the date of sending the electronic mail shall be the date of delivery; where notices are given by telephone, the date of the call record shall be the date of delivery; where notices are given by way of announcement, the date of the first publication of the announcement shall be the date of delivery.

Any accidental omission to give notice to, or the failure of receipt of notice by, any person entitled to receive notice shall not invalidate the meeting or the resolutions adopted thereat.

Announcements

The Company shall, in accordance with laws, regulations, rules and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed, formulate an information disclosure system, and shall disclose information in a standardized manner in accordance with the principles of truthfulness, accuracy, completeness, comparability and timeliness.

The Company shall issue announcements and conduct information disclosure to shareholders through information disclosure newspapers and websites designated or recognized by laws, administrative regulations, relevant domestic regulatory authorities or the securities exchange of the place where the Company's shares are listed. Information disclosed by the Company through other public media shall not precede disclosure through the designated newspapers and websites, nor shall press releases, press briefings or responses to media inquiries be used in place of Company announcements.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may be effected by way of absorption merger or merger by establishment of a new company.

Where one company absorbs other companies, it shall be an absorption merger, and the absorbed companies shall be dissolved. Where two or more companies merge to establish a new company, it shall be a merger by establishment of a new company, and all parties to the merger shall be dissolved.

Where the consideration paid for a merger by the Company does not exceed 10% of the net assets of the Company, a resolution of the shareholders' meeting shall not be required, unless otherwise provided in the Articles of Association.

Where a merger is carried out without a resolution of the shareholders' meeting pursuant to the preceding paragraph, it shall be subject to a resolution of the Board of Directors.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days from the date on which the merger resolution is adopted, and shall make an announcement within 30 days in newspapers or through the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement where no notice has been received, require the Company to repay the debts or provide corresponding security.

Upon a merger, the claims and debts of the parties to the merger shall be succeeded to by the surviving company or the newly established company after the merger.

Where the Company is divided, its assets shall be divided accordingly.

In the event of a division, the Company shall prepare a balance sheet and a list of assets. The Company shall notify its creditors within 10 days from the date on which the division resolution is adopted, and shall make an announcement within 30 days in newspapers or through the National Enterprise Credit Information Publicity System.

The debts incurred prior to the division shall be jointly and severally borne by the companies after the division, except where the Company has entered into a written agreement with its creditors prior to the division regarding debt repayment.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and a list of assets.

The Company shall notify its creditors within 10 days from the date on which the resolution on reduction of registered capital is adopted, and shall make an announcement within 30 days in the information disclosure newspapers designated by the Company. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement where no notice has been received, require the Company to repay the debts or provide corresponding security.

In the event of a reduction of registered capital, the Company shall reduce the capital contribution or shares in proportion to the shares held by shareholders, unless otherwise provided by laws or the Articles of Association.

Where the Company reduces its registered capital in accordance with Article 225 of the Company Law, the provisions of paragraph 2 of Article 183 shall not apply; however, the Company shall make an announcement within 30 days from the date on which the shareholders' meeting adopts the resolution on reduction of registered capital.

After the Company reduces its registered capital pursuant to the preceding paragraph, it shall not distribute profits until the cumulative amount of the statutory surplus reserve and discretionary surplus reserve reaches 50% of the Company's registered capital.

Where the registered capital is reduced in violation of the Company Law or other relevant provisions, the shareholders shall return the funds they have received, and any reduction or exemption of shareholders' capital contributions shall be restored to the original status; where losses are caused to the Company, the shareholders and the responsible directors and senior management members shall bear compensation liability.

Where the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, unless otherwise provided in the Articles of Association or resolved by the shareholders' meeting that shareholders shall have such pre-emptive subscription rights.

Where a merger or division of the Company results in changes to registered particulars, the Company shall apply for registration of changes with the company registration authority in accordance with law; where the Company is dissolved, it shall apply for deregistration in accordance with law; where a new company is established, it shall apply for establishment registration in accordance with law.

Where the Company increases or reduces its registered capital, it shall apply for registration of changes with the company registration authority in accordance with law.

Dissolution and Liquidation

The Company shall be dissolved for any of the following reasons:

(I) the occurrence of circumstances for dissolution as stipulated in the Articles of Association;

(II) dissolution by resolution of the shareholders' meeting;

(III) dissolution required due to a merger or division of the Company;

(IV) revocation of the business license in accordance with law, an order to close down, or revocation;

(V) where serious difficulties arise in the operation and management of the Company, and the continued existence of the Company would cause material losses to the interests of shareholders and such difficulties cannot be resolved through other means, shareholders holding more than 10% of the total voting rights of all shareholders of the Company may petition the people's court to dissolve the Company.

Where any of the dissolution causes set out in the preceding paragraph arises, the Company shall, within 10 days, publicize the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the Company falls under the circumstances set out in item (I) or item (II) of Article 188 of the Articles of Association and has not yet distributed its property to shareholders, it may continue to exist by amending the Articles of Association or by resolution of the shareholders' meeting.

Any amendment to the Articles of Association pursuant to the preceding paragraph shall be approved by shareholders representing more than two-thirds of the voting rights held by shareholders present at the shareholders' meeting.

Where the Company is dissolved pursuant to item (I), item (II), item (IV) or item (V) of Article 188 of the Articles of Association, it shall, within 15 days from the date on which the cause of dissolution arises, establish a liquidation committee and commence liquidation.

The liquidation committee shall be composed of directors or other persons determined by the shareholders' meeting.

Where a liquidation committee is not established to carry out liquidation within the prescribed time limit, or where liquidation is not carried out after the liquidation committee has been established, interested parties may apply to the people's court to designate relevant persons to form a liquidation committee to conduct liquidation.

During the liquidation period, the liquidation committee shall exercise the following powers and duties:

(I) to liquidate the Company's assets and prepare a balance sheet and a list of assets separately;

(II) to notify and make announcements to creditors;

(III) to handle the Company's outstanding business related to the liquidation;

(IV) to settle taxes owed and taxes incurred during the liquidation process;

(V) to settle claims and debts;

(VI) to dispose of the remaining assets of the Company after settlement of debts;

(VII) to represent the Company in civil litigation activities.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and shall make an announcement within 60 days in newspapers or through the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no notice has been received, declare their claims to the liquidation committee.

When declaring claims, creditors shall specify the relevant particulars of the claims and provide supporting evidence. The liquidation committee shall register the claims.

During the period for declaration of claims, the liquidation committee shall not make any repayment to creditors.

After liquidating the Company's assets and preparing the balance sheet and the list of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, settlement of outstanding taxes, and repayment of the Company's debts, the remaining assets of the Company shall be distributed in proportion to the shares held by the shareholders.

During the liquidation period, the Company shall continue to exist, but shall not engage in business activities unrelated to the liquidation.

The Company's assets shall not be distributed to shareholders before settlement in accordance with the preceding paragraph.

Where, after liquidating the Company's assets and preparing the balance sheet and the list of assets, the liquidation committee discovers that the Company's assets are insufficient to repay its debts, it shall, in accordance with law, apply to the people's court for a declaration of bankruptcy.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for deregistration of the Company and make an announcement of the Company's termination.

Members of the liquidation committee shall, in performing their liquidation duties, owe duties of loyalty and diligence.

Where members of the liquidation committee neglect to perform their liquidation duties and cause losses to the Company, they shall bear compensation liability; where losses are caused to creditors due to intentional misconduct or gross negligence, they shall bear compensation liability.

Where the Company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

(I) where, after the amendment of the Company Law or relevant laws, administrative regulations, the Hong Kong Listing Rules or other securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association are inconsistent with the amended laws or administrative regulations;

(II) where changes occur in the Company's circumstances that are inconsistent with the matters recorded in the Articles of Association;

(III) where the shareholders' meeting resolves to amend the Articles of Association.

Where matters relating to amendments to the Articles of Association as approved by resolution of the shareholders' meeting are subject to approval by the competent authorities, such amendments shall be submitted for approval; where the amendments involve matters of company registration, the relevant change registration shall be completed in accordance with law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the shareholders' meeting on the amendments and the approval opinions of the relevant competent authorities.

Where the amendment matters fall within the scope of information required to be disclosed under laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, such matters shall be announced in accordance with the relevant provisions.

SUPPLEMENTARY PROVISIONS

Definitions

(I) "Controlling Shareholder" means a shareholder whose shareholding accounts for more than 50% of the total share capital of a joint stock limited company; or a shareholder whose shareholding ratio does not exceed 50% but whose voting rights attached to its shares are sufficient to exert a material influence on the resolutions of the shareholders' meeting; or as otherwise defined under the Hong Kong Listing Rules.

(II) "Actual Controller" means a natural person, legal person or other organization that is able to actually control the Company's conduct through investment relationships, agreements or other arrangements.

(III) "Connected Relationship", "Connected Transaction" and "Connected Person" shall have the meanings as defined under the Hong Kong Listing Rules.

The Board of Directors may, in accordance with the provisions of the Articles of Association, formulate the detailed rules of the Articles of Association. Such detailed rules shall not conflict with the provisions of the Articles of Association.

The Articles of Association are written in Chinese. In the event of any discrepancy or inconsistency between the Articles of Association and versions in any other language or different versions, the Chinese version of the Articles of Association most recently approved and registered with the market supervision administration shall prevail.

In the Articles of Association, the terms "above" and "within" shall include the given number, while the terms "less than", "outside", "below", "more than", "exceed" and "greater than" shall exclude the given number.

Where any other agreements among shareholders (if any) are inconsistent with or conflict with the Articles of Association, the Articles of Association shall prevail.

The Board of Directors of the Company shall be responsible for the interpretation of the Articles of Association.

Matters not covered by the Articles of Association shall be handled and implemented in accordance with relevant national laws, regulations, departmental rules, normative documents, the Hong Kong Listing Rules, the relevant regulations of the Hong Kong securities regulatory authorities, and in light of the Company's actual circumstances. Where the provisions of the Articles of Association are inconsistent with laws, regulations, departmental rules, normative documents, the

Hong Kong Listing Rules or the relevant regulations of the Hong Kong securities regulatory authorities promulgated or amended by the state in the future, the latter shall prevail, and the Articles of Association shall be amended in a timely manner.

The Articles of Association and their appendices shall, upon being considered and approved by the shareholders' meeting, take effect and be implemented from the date on which the Company's [REDACTED] of H Shares is [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange, and shall be timely filed with the market supervision administration for record. From the effective date of the Articles of Association, the original Articles of Association of Zhengxiang Pharmaceuticals (Nanjing) Group Co., Ltd. shall be automatically repealed.

FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

Incorporation

Our Company was established as a limited liability company in the PRC on May 14, 2020, and further converted into a joint stock company with limited liability on December 31, 2025.

As of the date of this document, our registered office and head office are located at 1st Floor, Light of Life Building A, No. 141 Longshan South Road, Jiangbei New Area, Nanjing, Jiangsu Province, the PRC. Accordingly, our Company's corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix III — Summary of Articles of Association." A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Regulatory Overview."

Our Company has established a principal place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. We were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on January 26, 2026. Mr. Wong Chun Wing Samuel, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of the service of process on behalf of the Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

Changes in Share Capital of Our Company

Save as disclosed in "History and Corporate Structure", there has been no alteration in our share capital within two years immediately preceding the date of this document.

Changes in the Share Capital of Our Subsidiaries

Save as disclosed below, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

On March 17, 2026, the registered capital of Zenshine Changchun was increased from RMB35,000,000 to RMB55,000,000.

Shareholders' Resolutions

At the general meetings of our Company held on January 21, 2026 and June 30, 2026, among other things, the following resolutions, were passed by the Shareholders:

(i) the [REDACTED] by our Company of H Shares of the nominal value of RMB0.10 each and such H Shares be [REDACTED] on the Stock Exchange;

(ii) the subdivision of each Share with a nominal value of RMB1.00 into ten Shares with a nominal value of RMB0.10 each, effective immediately prior to the [REDACTED], and the [REDACTED] and [REDACTED] of H Shares with a nominal value of RMB0.10 each on the Stock Exchange;

(iii) the number of H Shares to be issued pursuant to the [REDACTED] (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised) shall be no more than [REDACTED]% of the enlarged share capital of our Company;

(iv) subject to the completion of filing with the CSRC, upon completion of the [REDACTED], 174,758,635 Unlisted Shares (taking into account the Share Subdivision) in aggregate held by our Shareholders will be converted into H Shares on a one-for-one basis;

(v) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to allot and issue H Shares (including any sale or transfer of treasury Shares of the Company) at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to handle the approval or filing of the CSRC, the Stock Exchange and/or other relevant regulatory authorities with respect to in the aforementioned general mandate in accordance with the relevant laws and regulations, provided that, the number of H Shares to be issued shall not exceed 20% of the number of Shares in issue (excluding treasury Shares, if any) as of the [REDACTED];

(vi) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the H Shares in issue (excluding any treasury shares, if any) as of the [REDACTED];

(vii) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED]; and

(viii) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares.

Explanatory Statement on Repurchase of Our H Shares

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our H Shares.

(a) Reasons for Repurchase

The Board considered that the repurchase of the H Shares would be beneficial to and in the best interests of our Company and its Shareholders as a whole. It can strengthen the investors' confidence in our Company and promote a positive effect on maintaining our Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit our Company and its Shareholder as a whole.

(b) Registered Capital

Immediately following completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised), the Shares of our Company in issue will be [REDACTED], comprising 1,033,325 Unlisted Shares and [REDACTED] H Shares.

(c) Exercise of the General Mandate to Repurchase H Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase H Shares at annual general meetings, the Board will be granted general mandate to repurchase H Shares until the end of the relevant period. The general mandate to repurchase H Shares would expire on the earlier of:

(i) the conclusion of the next annual general meeting of our Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;

(ii) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of our Company; or

(iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of our Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual H Share repurchase under the general mandate, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of [REDACTED] H Shares being repurchased by our Company during the relevant period, being the maximum of 10% of the total H Shares in issue as of the [REDACTED].

(d) Source of Funds

In repurchasing the Shares, our Company intends to apply funds from our Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

Our Company is empowered by its Articles of Association to repurchase its H Shares. Any repurchases by our Company may only be made out of either the funds of our Company that would otherwise be available for dividend or distribution or out of the [REDACTED] of a new [REDACTED] of H Shares made for such purpose. Under PRC laws, the H Shares so repurchased should be canceled or transferred within certain period and our Company's registered capital would be reduced by amount equivalent to the aggregate nominal value of the H Shares if such H Shares were canceled. Our Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(e) Suspension of Repurchase

A public company shall not repurchase its H Shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its H Shares on the Stock Exchange unless there are exceptional circumstances.

(f) Close Associates and Core Connected Persons

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates have a present intention, in the event the general mandate to repurchase H Shares is approved, to sell any H Shares to our Company. No core connected person of our Company has notified our Company that they have a present intention to sell H Shares to our Company, or have undertaken to do so, if the general mandate to repurchase H Shares is approved.

A public company shall not knowingly purchase its H Shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in H Shares of the company to it.

(g) Status of Repurchased H Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, if our Company repurchases any H Shares pursuant to the general mandate, our Company will either (i) cancel the H Shares repurchased and reduce our Company's registered capital in compliance with the applicable laws and regulations; and/or (ii) hold such H Shares as Treasury H Shares, subject to market conditions and our Company's capital management

needs at the relevant time any repurchases of Shares are made. Under the PRC laws, if the H Shares repurchased by our Company will be canceled, our Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so canceled.

(h) Takeover Implications

If, as a result of any repurchase of H Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase H Shares.

(i) General

If the general mandate to repurchase H Shares were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase H Shares to such an extent as would have a material adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase H Shares in accordance with the Listing Rules and the applicable laws in the PRC. Neither the explanatory statement on repurchase of our H Shares nor the proposed share repurchase has any unusual features.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

The following contract (not being contract entered into in the ordinary course of business) [has been] entered into by members of our Group within the two years preceding the date of this document and is or may be material:

(i) [REDACTED]

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
1. . . .	证祥医药	PRC	Our Company	5	53076558	October 13, 2031
2. . . .	济可舒	PRC	Our Company	5	64697236	November 6, 2032
3. . . .	ZENSHINE 证祥医药	PRC	Our Company	5	76721943	July 13, 2035
4. . . .	证祥医药 ZENSHINE	Hong Kong	Our Company	5 and 42	307075837	October 29, 2035

Patents

Registered Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner	Expiry Date
1. . . .	Compounds useful to treat influenza virus infections (可用於治療流感病毒感染的化合物)	Invention patent	PRC	ZL202080004760.3	Our Company	July 10, 2040
2. . . .	Compounds useful to treat influenza virus infections (可用於治療流感病毒感染的化合物)	Invention patent	Hong Kong	HK40050168	Our Company	July 10, 2040
3. . . .	Compounds useful to treat influenza virus infections (可用於治療流感病毒感染的化合物)	Invention patent	Macao	J/006367	Our Company	July 10, 2040
4. . . .	Compounds useful to treat influenza virus infections (可用於治療流感病毒感染之化合物)	Invention patent	Taiwan	TWI841759	Our Company	July 9, 2040
5. . . .	Compounds useful to treat influenza virus infections	Invention patent	U.S.	US11466029B2	Our Company	July 10, 2040
6. . . .	Compounds useful to treat influenza virus infections	Invention patent	Europe	EP3996716	Our Company	July 10, 2040
7. . . .	Compounds useful to treat influenza virus infections	Invention patent	Japan	JP7631292	Our Company	July 10, 2040
8. . . .	Compounds useful to treat influenza virus infections	Invention patent	Vietnam	48494	Our Company	July 10, 2040
9. . . .	Compounds useful to treat influenza virus infections	Invention patent	Malaysia	MY-209319-A	Our Company	July 10, 2040
10. . . .	Compounds useful to treat influenza virus infections	Invention patent	Mexico	MX426883	Our Company	July 10, 2040
11. . . .	Compounds useful to treat influenza virus infections	Invention patent	India	IN561997	Our Company	July 10, 2040
12. . . .	Compounds useful to treat influenza virus infections	Invention patent	Eurasia (Russia and other countries)	EA047104	Our Company	July 10, 2040
13. . . .	Preparation method of a selenium-containing anti-influenza drug (一種含硒抗流感藥物的製備方法)	Invention patent	PRC	ZL202210226404.7	Our Company	March 9, 2042
14. . . .	Phosphodiesterase inhibitors and use (磷酸二酯酶抑制劑及用途)	Invention patent	PRC	ZL202080064840.8	Our Company	September 23, 2040

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner	Expiry Date
15. . .	SUBSTITUTED IMIDAZO[4,5-c][1,8] NAPHTHYRIDINES AS PHOSPHODIESTERASE INHIBITORS	Invention patent	U.S.	US11673889B2	Our Company	September 23, 2040
16. . .	Phosphodiesterase inhibitors and use	Invention patent	Japan	JP7654643	Our Company	September 23, 2040
17. . .	Phosphodiesterase inhibitors and use	Invention patent	India	IN555844	Our Company	September 23, 2040
18 . . .	Compounds useful to treat influenza virus infections	Invention patent	Korea	KR102976916	Our Company	July 10, 2040
19 . . .	Phosphodiesterase inhibitors and use	Invention patent	Europe	EP4034094	Our Company	September 23, 2040

Patents under Application

As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business:

No.	Patent	Type of Patent	Place of Registration	Application Number	Applicant	Application Date
1. . . .	Compounds useful to treat influenza virus infections	Invention patent	Canada	CA3142030	Our Company	July 10, 2020
2. . . .	Phosphodiesterase inhibitors and use	Invention patent	Canada	CA3154475	Our Company	September 23, 2020
3. . . .	Phosphodiesterase inhibitors and use	Invention patent	Australia	AU2020353005	Our Company	September 23, 2020
4. . . .	Phosphodiesterase inhibitors and use	Invention patent	Korea	KR1020227013179	Our Company	September 23, 2020
5. . . .	Phosphoric acid derivatives and pharmaceutical use thereof	Invention patent	Patent Cooperation Treaty (PCT)	PCT/CN2025/074583	Our Company	January 24, 2025

Domain Names

As of the Latest Practicable Date, we owned the following domain name, which we consider to be or may be material to our business:

No.	Domain Name	Registration Owner	Expiry Date
1. . . .	**zenshine-pharma.com**	Our Company	September 25, 2028

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights that were material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Directors

Disclosure of Interests

Save as disclosed below, immediately following completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which

will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

					Shares held immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming (i) the Share Subdivision is completed, and (ii) the [REDACTED] is not exercised)		
Name	Position	Nature of interest[1]	Description of Shares	Number of Share held as of the Latest Practicable Date	Number	% of shareholding in the Unlisted Shares/ H Shares (as appropriate)[2]	% of shareholding in the total issued share capital of our Company[2]
Dr. Yang Jinfu[3] . . .	Chairperson of the Board, Executive Director and chief executive officer	Beneficial owner	Unlisted Shares	1,767,300	—	[REDACTED]%	[REDACTED]%
			H Shares	—	17,673,000	[REDACTED]%	[REDACTED]%
		Interested in the controlled corporation	Unlisted Shares	651,650	—	[REDACTED]%	[REDACTED]%
			H Shares	—	6,516,500	[REDACTED]%	[REDACTED]%
		Interests held jointly with another person	Unlisted Shares	1,472,750	—	[REDACTED]%	[REDACTED]%
			H Shares	—	14,727,500	[REDACTED]%	[REDACTED]%
Dr. Hao Xiaolin[3] . .	Executive Director and chief scientific officer	Beneficial owner	Unlisted Shares	1,472,750	—	[REDACTED]%	[REDACTED]%
			H Shares	—	14,727,500	[REDACTED]%	[REDACTED]%
		Interests held jointly with another person	Unlisted Shares	2,418,950	—	[REDACTED]%	[REDACTED]%
			H Shares	—	24,189,500	[REDACTED]%	[REDACTED]%
Dr. Chen Renhai[3] . .	Non-executive Director	Interested in the controlled corporations	Unlisted Shares	3,351,411	1,033,325	[REDACTED]%	[REDACTED]%
			H Shares	—	32,480,785	[REDACTED]%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 1,033,325 Unlisted Shares and [REDACTED] H Shares in issue.

(3) Details of interest of Dr. Yang Jinfu, Dr. Hao Xiaolin and Dr. Chen Renhai are set out in "Substantial Shareholders."

Particulars of Service Contracts

Each of our Directors [has entered into] a service contract with our Company. The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following their respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

Directors' Remuneration

For details of the Directors' remuneration, see "Directors and Senior Management — Remuneration of Directors and Five Highest Paid Individuals." and Note 8 to the Accountants' Report as set out in Appendix I to this document.

Changes in Board Composition

During 2025 and 2026, 13 former Directors, comprising two executive Directors and 11 non-executive Directors, resigned from our Board. For details of their respective terms of office, see Note 8 to "Appendix I — Accountants' Report".

These resignations occurred principally as part of our pre-[REDACTED] Board restructuring, under which we downsized our Board to achieve an appropriate balance among executive Directors, non-executive Directors and independent non-executive Directors and enhance the effectiveness of the Board. Accordingly, the Single Largest Group of Shareholders and certain Pre-[REDACTED] Investors reduced the number of their Board nominees. One non-executive Director was separately replaced pursuant to an internal decision of the relevant nominating shareholder. The 11 former non-executive Directors did not participate in the day-to-day management or operations of our Group, and their departures did not affect our management continuity or business operations.

Of the two former executive Directors, Mr. Zhang Chuanbao resigned for personal health reasons, while Mr. Xu Ming was appointed on a transitional basis to assume his responsibilities and maintain an odd-numbered Board pending completion of the Board restructuring, and subsequently resigned upon its completion.

Each of the former Directors confirmed that they had no disagreement with the Board and that there were no matters relating to their resignation that needed to be brought to the attention of the Stock Exchange or the Shareholders.

Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED], having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company or other member of our Group.

Disclaimers

(i) Save as disclosed in "History and Corporate Structure" and this Appendix, none of our Directors or any of the parties listed in "— Other Information — Consents of Experts" in this Appendix:

  (a) is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or

  (b) is materially interested in any contract or arrangement subsisting at the date of this document that is significant in relation to our business;

(ii) Save as disclosed in "Business — Our Suppliers," none of our Directors or their close associates or any Shareholders of our Company who, to the knowledge of our Directors, owns more than 5% of our issued share capital has any interest in our top five customers (if any) or suppliers; and

(iii) Neither a Director nor an alternate Director is required to hold any shares in the Company by ways of qualification. Further, there is no provision in Articles of Association relating to retirement of Directors upon reaching any age limit.

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme on January 5, 2026. Zhengxiang Jiwan was established as the Employee Incentive Platform. Zhengxiang Jiwan held 651,650 Shares, representing approximately 3.71% of the issued share capital of our Company as of the Latest Practicable Date.

The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules (other than the applicable disclosure requirements under Rule 17.12 of the Listing Rules) as it does not involve the grant of H Shares or options to subscribe for H Shares after the [REDACTED]. Since the underlying Shares under the Employee Incentive Scheme have already been issued, there will be no dilutive effect on the issued Shares upon the vesting of restricted share units ("**RSUs**") under the Employee Incentive Scheme.

The following is a summary of the principal terms of the Employee Incentive Scheme:

(a) Purpose

The purpose of the Employee Incentive Scheme is to optimize our Company's incentive mechanism, motivate the employees' enthusiasm and creativity, and align the interests of the eligible participants with the Company to achieve mutual growth and shared benefits.

(b) Eligible Participants

Eligible participants include Directors (excluding independent non-executive Directors), senior management, key personnel, core staff members, and other employees who have made or will make significant contributions to our Company's business development.

(c) Administration

The administrator of this Employee Incentive Scheme is Dr. Yang Jinfu. Following approval by the Board meeting and Shareholders' meeting, the administrator shall be responsible for the implementation and day-to-day administration of this Employee Incentive Scheme.

(d) Form of the Employee Incentive Scheme

The participants join the Employee Incentive Platform, a PRC limited partnership, as partners (direct or indirect). They shall subscribe for interests in the limited partnership (or general partnership interests, as the case may be) in accordance with the methods stipulated in the Employee Incentive Scheme, thereby indirectly holding Shares of our Company by virtue of their capacity as partners of Zhengxiang Jiwan.

(e) Total Number of RSUs

Participants shall hold RSUs corresponding to a total of 651,650 Shares (being 6,516,500 Shares upon completion of the Share Subdivision) through their interests in the limited partnership in the Employee Incentive Platform.

(f) Subscription Price of the RSUs

The subscription price of the RSUs is based on a comprehensive consideration of factors and is determined by Dr. Yang. Unless otherwise agreed by Dr. Yang, the subscription price per incentive unit shall be calculated according to the following formula:

The subscription price per RSU = (A/B) * C

Where:

A refers to the post-money valuation of our Company in its most recent round of equity financing or the fair market value of the Company as recognized by Dr. Yang before the grant.

B refers to the post-money registered capital of the Company after the most recent round of equity financing as mentioned in A.

C refers to the discount factor determined by Dr. Yang before the grant.

(g) Payment of the Incentive Share Price

Participants must subscribe for the RSUs with personal funds and must ensure that their source of funds is genuine and lawful.

The subscription period for the RSUs shall be determined by Dr. Yang; however, the final payment date shall not exceed three months from the grant date.

(h) Vesting of the RSUs

The RSUs are subject to a five-year vesting schedule, contingent upon the participants' continued employment and satisfaction of applicable performance criteria. Unless otherwise specified in the grant letter, the vesting schedule is structured as follows:

(1) Upon completion of three years of continuous service, 60% of the total RSUs shall vest immediately.

(2) The remaining 40% shall vest in equal annual installments of 20% upon the completion of the fourth and fifth years of service, respectively.

Unvested RSUs are generally forfeited if the participants' service terminates prior to the applicable vesting date. However, Dr. Yang retains the discretion to reduce the initial three-year service requirement for participants who have completed more than two years of service prior to the grant date.

(i) Transfer of the RSUs

Prior to the [REDACTED] and before the RSUs have vested, participants are prohibited from transferring, pledging, or otherwise disposing of their interests in the Employee Incentive Platform unless otherwise approved by Dr. Yang.

Following the [REDACTED] and subject to vesting schedule, participants may apply to sell their vested RSUs during designated semi-annual windows (May and October), contingent upon Dr. Yang's discretion to adjust the schedule.

(j) Repurchase of the RSUs

Upon a Participant's termination of employment, breach of duty, or application due to special financial hardship, Dr. Yang has the right to repurchase the Participant's unvested RSUs. The repurchase price is determined based on the specific circumstances: "no-fault" departures and approved hardship cases are generally settled at the subscription price plus 3% annualized interest, while departures involving fault, serious violations, or actions detrimental to our Company are subject to repurchase at the original subscription price or for no consideration.

(k) Details of the RSUs Granted Under the Employee Incentive Scheme

Save as disclosed in "History and Corporate Structure — Employee Incentive Platform," none of the grantees of the Employee Incentive Scheme were a Director, senior management or connected person of our Company.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our financial condition or results of operations.

The Sole Sponsor

The Sole Sponsor has made an [REDACTED] on behalf of our Company to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], the H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the [REDACTED]. All necessary arrangements have been made to enable our H Shares to be admitted into [REDACTED].

The Sole Sponsor confirms that it satisfies the independence criteria applicable to a sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, the Sole Sponsor will receive a fee of US$500,000 in respect of its services as a sponsor in connection with the [REDACTED] on the Stock Exchange.

Compliance Advisor

Our Company has appointed First Shanghai Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

Taxation of [REDACTED] of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see "Regulatory Overview."

Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licenced corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), and Type 6 (advising on corporate finance) regulated activity as defined under the SFO
Jingtian & Gongcheng	PRC Legal Advisors Legal advisors to our Company as to PRC intellectual property laws
KPMG	Certified Public Accountants and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
China Insights Industry Consultancy Limited	Independent Industry Consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Promoters

Set forth below are the promoters of our Company:

(1) Yang Jinfu

(2) Hao Xiaolin

(3) Ennovation Raylight

(4) Jieyuan Growth

(5) Nanjing Jiwan

(6) Qirui Youkang

(7) Jiuyou Herong

(8) Zijin Advanced Manufacture

(9) Chuangyi Future

(10) City Football

(11) Nanjing Jiakang

(12) FIIF II

(13) LYZZ Fund

(14) MPC HK

(15) KangJoin

(16) Enjie Venture

(17) Jiangbei Gaoxin

(18) Saizhi Chuangyun VI

(19) Yangtze River Chenxing

(20) Zhonghui Shengping

(21) Jumpcan Pharmaceutical

(22) Beijing Kunlun

(23) Saizhi Chuangyun VII

(24) Hangzhou Chuanhua

(25) Hangzhou Taikun

(26) Zhongbo Shouzhong

(27) Shenyang Yueyin

(28) Suzhou Proxima

(29) Chongqing Proxima

(30) Nanjing Runxin

(31) Changchun Runxin

Save as disclosed in "History and Corporate Structure," within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] and the related transactions described in this document.

Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in so far as applicable.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, trading position or prospects since June 30, 2026, being the date to which the latest audited consolidated financial statements of our Group were prepared.

Miscellaneous

Save as disclosed in "Financial Information" and this Appendix, in connection with the [REDACTED],

(i) within the two years immediately preceding the date of this document:

(a) neither our Company nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash; and

(b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) there are no arrangements under which future dividends are waived or agreed to be waived;

(iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(v) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months preceding the date of this document; and

(vi) our Company has no outstanding convertible debt securities or debentures.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts;" and

(b) a copy of the material contract referred to in "Appendix IV — Statutory and General Information — Further Information about Our Business — Summary of Material Contract."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.zenshine-pharma.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from KPMG, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2024 and 2025 and six months ended June 30, 2026;

(d) the report on unaudited [REDACTED] financial information of our Group from KPMG, the text of which is set out in Appendix II to this document;

(e) the legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisors in respect of certain matters of our Group in the PRC;

(f) the industry report prepared by China Insights Consultancy, the summary of which is set forth in "Industry Overview";

(g) a copy of each of the PRC Company Law, the PRC Securities Law, the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies together with their unofficial English translations;

(h) the material contract referred to in "Appendix IV — Statutory and General Information — Further Information about Our Business — Summary of Material Contract;"

(i) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Consents of Experts;" and

(j) the service contracts referred to in "Appendix IV — Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — Particulars of Service Contracts."