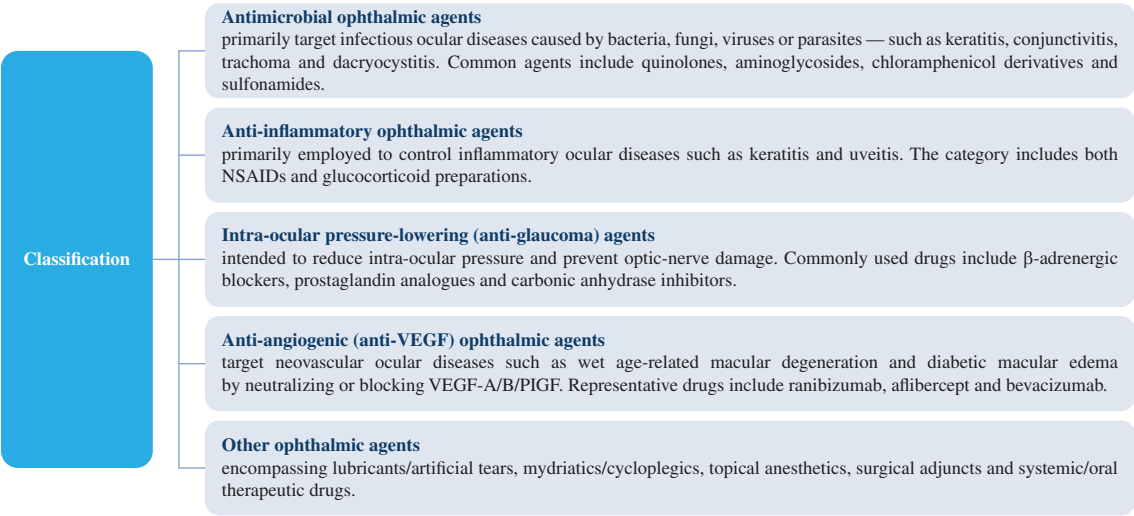


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Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an independent third party, Frost & Sullivan. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED] or any of their respective directors, officers, employees, advisers or agents or any other parties involved in the [REDACTED], and no representation is given as to its accuracy, fairness and completeness.

OVERVIEW OF GLOBAL AND CHINA’S OPHTHALMIC DRUG MARKET

Ophthalmic drugs are pharmaceutical products used for the prevention, diagnosis and treatment of diseases affecting the eye and its associated structures, including the cornea, iris, lens, vitreous body, retina, eyelids, conjunctiva and lacrimal glands. These drugs are intended to relieve ocular discomfort, reduce inflammation, regulate intraocular pressure, improve visual function or delay and reverse pathological progression, thereby maintaining and promoting overall ocular health. The following table sets forth the classification of ophthalmic drugs.



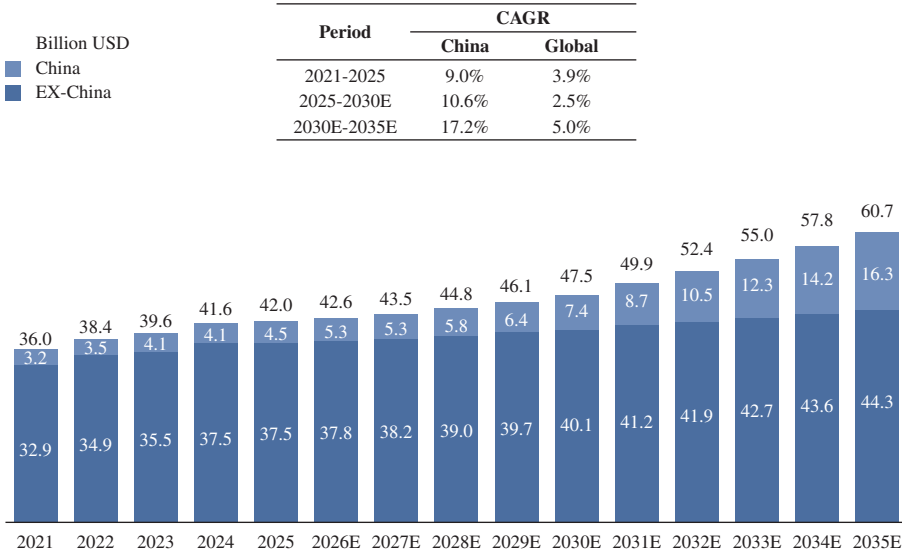
Source: Literature review, Frost & Sullivan report

In 2025, the global ophthalmic drug market was estimated at US\$42.0 billion and is projected to reach US\$47.5 billion by 2030, representing a CAGR of 2.5% from 2025 to 2030. This expansion is driven primarily by aging populations, rising prevalence of ophthalmic diseases and broader insurance coverage, which together increase treatment demand. From 2030 to 2035, the market is projected to grow further to US\$60.7 billion, representing a CAGR of 5.0%. Market growth over this period is expected to result primarily from cutting-edge technological advances and increased cross-border mergers and acquisitions among ophthalmology-focused pharmaceutical and life sciences companies, further enlarging and globalizing the market. Overall, the industry is transitioning from pandemic-driven, short-term expansion to more stable, medium-term growth led by demographic and access factors, as well as innovation and globalization.

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Driven by the growing development of innovative drugs, the ophthalmic drug market in China grew rapidly from US\$3.2 billion in 2021 to US\$4.5 billion in 2025, at a CAGR of 9.0%. The market is estimated to grow to US\$7.4 billion in 2030, at a CAGR of 10.6% from 2025 to 2030 and to maintain strong growth momentum, reaching US\$16.3 billion by 2035, at a CAGR of 17.2% from 2030 to 2035. The following chart sets forth the historical and estimated ophthalmic drug market for the periods indicated.

Global Ophthalmic Drug Market, 2021-2035E



Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

Market Drivers and Future Trends

- Aging population and expanding disease burden.* Correlated with China’s aging population, there is a sustained increase in prevalence of age-related ophthalmic conditions, such as lacrimal gland hypofunction and meibomian gland dysfunction. At the same time, intensive electronic device use and high myopia prevalence are contributing to earlier-onset ocular surface disease. For elderly patients, good visual function is critical to maintaining independence and dignity in daily life, and symptoms such as dry eye-related asthenopia and blurred vision can significantly erode quality of life. Together, these trends broaden the overall patient base and highlight structurally rising demand for effective therapeutic eye drops.
- Therapeutic innovation and new treatment paradigms.* Continuous advances in ophthalmic therapies, including gene therapy and high-potency small-molecule delivery, are enhancing efficacy, safety and dosing convenience. NSAIDs are emerging as differentiated solutions for chronic inflammatory ophthalmic diseases, offering lower local side effects than steroids and greater suitability for long-term use, with next-generation dual-target molecules further enhancing efficacy and duration of action and expected to reshape future standards of care.
- Shift toward high-concentration and high-efficiency formulations.* Modern eye-drop development is increasingly focused on high-concentration, high-efficiency formulations that overcome the eye’s limited fluid retention capacity. Optimized solubility, stability and tolerability enable effective drug penetration and sustained therapeutic effect within minimal instilled volumes, improving both clinical outcomes and patient adherence.

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- *Supportive policy environment and global expansion.* Eye health has received increasing policy attention in China, with government measures fostering a more supportive environment for the development and uptake of ophthalmic therapies and shifting the focus of eye care from a treatment-centered model to a health-centered one. The 15th Five-Year Plan for ophthalmic health sets the overarching direction, committing to build a full care chain spanning prevention, screening, diagnosis, treatment and rehabilitation. Concrete policies in line with this direction include a myopia control program setting specific rate-reduction targets for children and adolescents and the *Brightness Project* (光明扶貧工程) funding cataract surgery for economically disadvantaged patients. Additionally, ongoing reforms to pricing and reimbursement are improving market conditions for innovative ophthalmic drugs. For example, the *Pricing Guidelines for Ophthalmic Services* (《眼科類醫療服務價格項目立項指南(試行)》) standardize service fees and provide a stable environment for drug development, while ongoing dynamic National Reimbursement Drug List updates, supported by value-based pricing and multi-drug competition, are improving affordability and access to innovative ophthalmic drugs and supporting long-term management of chronic eye diseases. At the same time, leading Chinese ophthalmic companies are accelerating global expansion through parallel trials in major markets, overseas regulatory approvals and cross-border partnerships, which together enhance research and development capabilities, international brand recognition and the worldwide availability of innovative therapies.

Entry Barriers

- *Technical barriers.* The ophthalmic drug market presents exceptionally high entry barriers, primarily due to the eye’s unique anatomy and physiological barriers. Unlike other therapeutic areas, drug development for ocular conditions must overcome natural obstacles such as the corneal barrier and the blood-retinal barrier. This demands molecules with specific molecular weight, solubility and lipophilicity, together with precise targeting of intraocular sites. These highly specialized requirements lengthen development timelines, raise costs and impose stringent standards on formulation design and drug-delivery systems.
- *Capital, talent and channel barriers.* In parallel, the need for sustained high investment and scarce specialized personnel makes it difficult for small and medium-sized enterprises to advance seamlessly from lead compounds to post-marketing real-world evidence. Hospital ophthalmology departments account for the majority of prescriptions, and physicians place heavy emphasis on safety and established brand data; newcomers must therefore undertake lengthy academic promotion, case accumulation and reimbursement negotiations. Coupled with limited market size per individual product and high specialized marketing costs, the break-even point is pushed upward, creating a formidable threshold for market entry.

OCULAR INFLAMMATION

Ocular inflammation refers to inflammatory manifestations such as redness, swelling, pain, increased discharge and visual impairment that occur in the eyeball and its accessory tissues due to infection, allergy, immune response or other stimulating factors, including graft rejection after corneal or ocular surface transplantation. The following table sets forth the main clinical types of ocular inflammation.

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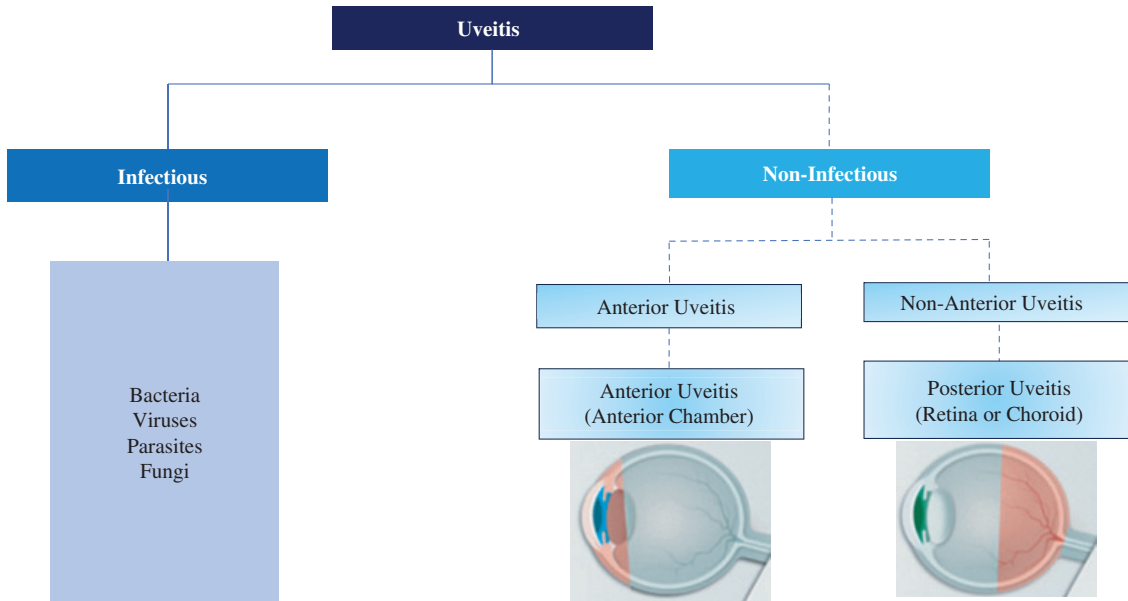
Classification	Explanation
Uveitis	Uveitis is inflammation of the eye’s middle layer. It is classified by the affected anatomical segment into anterior uveitis, intermediate uveitis, posterior uveitis and panuveitis. This classification aids precise diagnosis and personalized treatment. In children, uveitis often presents insidiously or chronically. Acute anterior uveitis is especially common in those under 16 and can cause permanent vision loss if untreated. Posterior uveitis involves the choroid, retina and vitreous, typically causing blurred vision, flashes or visual field defects, and is a major cause of visual impairment. Panuveitis, the most severe form, affects the entire uvea and adjacent structures, requiring comprehensive systemic therapy.
Conjunctivitis	Conjunctivitis is inflammation of the conjunctiva covering the eye surface and inner eyelids, presenting with redness, increased discharge, itching or mild pain. Common causes include allergens, bacteria, viruses and immune-mediated inflammation. Allergens, especially pollen and dust in spring, are a prominent trigger of seasonal allergic conjunctivitis.
Keratitis	Keratitis is inflammation of the cornea, the eye’s transparent front tissue, causing reduced vision, eye pain, photophobia and corneal opacity or ulceration. It is classified by cause into infectious (bacterial, viral, fungal and other pathogens) and non-infectious (immune-mediated or exposure-related) types.
Scleritis	Scleritis is inflammation of the sclera, the tough outer layer of the eye, presenting with deep red eye, pain and visual loss. It is classified according to location and pathological features into anterior scleritis, posterior scleritis and the more severe necrotizing scleritis.
Postoperative ocular inflammation	Postoperative ocular inflammation is a common complication after eye surgeries (such as cataract, refractive or vitrectomy procedures) and can affect the conjunctiva, cornea, sclera, uvea or other intraocular structures. Clinical manifestations include conjunctival hyperemia, corneal edema, localized scleral exudation and purulent accumulation in the anterior chamber or vitreous. Infectious cases are most often caused by <i>Staphylococcus aureus</i> from the eyelid, surgical instruments or intraocular lenses, while non-infectious inflammation is usually related to surgical trauma, residual drugs or immune reactions.
Sjögren’s syndrome–related dry eye (SS-DED)	SS-DED is an autoimmune-mediated chronic ocular surface disease characterized by lacrimal gland deficiency. Its core mechanism involves lymphocytic infiltration of the lacrimal glands, leading to reduced tear secretion and a self-perpetuating cycle of ocular surface inflammation, which can ultimately result in permanent damage to the lacrimal glands and the corneal and conjunctival tissues.

Source: Literature review, Frost & Sullivan report

Non-Infectious Anterior Uveitis

Uveitis is generally classified based on etiology (infectious vs. non-infectious) and anatomical location (anterior vs. posterior). Non-infectious anterior uveitis (NIAU) is a subtype of uveitis characterized by immune-mediated inflammation in the anterior chamber in the absence of an infectious pathogen. It involves inflammation of the iris and ciliary body and is often associated with autoimmune disorders and metabolic diseases including spondyloarthritis. NIAU may present acutely with red eye, pain, photophobia and blurred vision and can lead to permanent vision loss through secondary glaucoma, cataract or optic nerve damage. The following chart illustrates the position of NIAU within the overall classification of uveitis.

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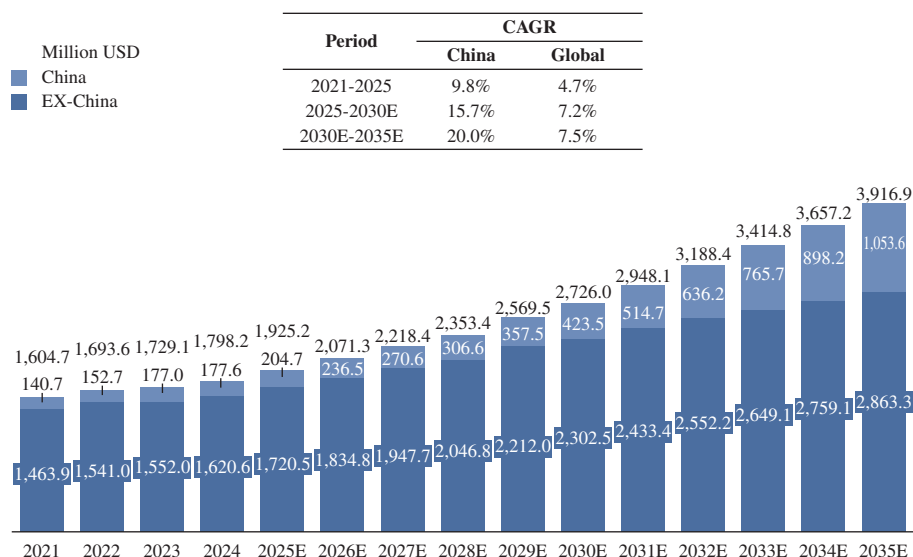
Source: Literature review, Frost & Sullivan report

The global NIAU population increased from 31.9 million in 2021 to 33.3 million in 2025, primarily driven by the rising prevalence of immune-mediated and systemic inflammatory diseases, as well as improved clinical diagnosis. Looking ahead, the global NIAU population is expected to grow steadily to 35.0 million in 2030 and 36.7 million in 2035. In China, the NIAU patient population grew from 2.8 million in 2021 to 2.9 million in 2025 and is expected to reach approximately 3.0 million by 2035.

The global NIAU drug market increased from US\$1,604.7 million in 2021 to US\$1,925.2 million in 2025, with a CAGR of 4.7%. Underpinned by the growing NIAU patient population and expanding use of long-term pharmacological treatment, the market is expected to grow to US\$2,726.0 million in 2030 and US\$3,916.9 million in 2035, further driven by the adoption of higher-value therapies. In China, the NIAU drug market grew from US\$140.7 million in 2021 to US\$204.7 million in 2025, representing a CAGR of 9.8%. It is projected to reach US\$423.5 million in 2030 and US\$1,053.6 million in 2035, as the expanding patient base, improving diagnosis rates and rising treatment penetration translate into increasing demand for pharmacological interventions, including higher-value therapeutic options. The following chart sets forth the historical and estimated NIAU drug market for the periods indicated.

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Global Non-Infectious Anterior Uveitis Drug Market, 2021-2035E



Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

Treatment Paradigm

Current treatments for NIAU primarily aim at controlling inflammation and suppressing the underlying autoimmune response. For mild-to-moderate unilateral inflammation, potent topical glucocorticoids, such as fluorometholone or prednisolone acetate, are preferred, accompanied by the immediate use of cycloplegics, such as atropine or cyclopentolate, to prevent posterior synechiae. Upon symptom improvement, the dosage should be tapered gradually every three to seven days while closely monitoring for steroid-induced intraocular pressure elevation. If local therapy proves ineffective or inflammation recurs, the second step involves peribulbar glucocorticoid injections or intraocular implants, although caution is advised in children and adolescents due to potential complications. When patients present with severe bilateral inflammation, retinal involvement, persistent steroid dependence exceeding two to three months, or systemic disease, systemic therapy is initiated as the third step. This includes systemic glucocorticoids, immunosuppressants such as methotrexate, mycophenolate mofetil or cyclosporine, and biologics like adalimumab or infliximab; the core principle being that immunosuppressants should be introduced if inflammation recurs during steroid tapering. For refractory cases or patients intolerant to traditional immunosuppressants, anti-TNF- α monoclonal antibodies should be prioritized due to their robust safety and efficacy data.

The etiology of NIAU typically involves autoimmune or other inflammatory mechanisms, such as autoimmune diseases or post-traumatic immune responses. As no pathogens like bacteria or viruses are involved, antibiotics cannot suppress or eliminate the inflammation in NIAU, providing no benefit for disease control and may delay the initiation of appropriate treatment. Clinical observations have shown that antibiotics are overprescribed in the management of NIAU, often due to limited clinical experience or misdiagnosis of the condition as infectious. This leads to unnecessary use of medical resources and contributes to the potential development of antibiotic resistance.

Corticosteroids are generally effective in the management of inflammation in NIAU but are associated with well-recognized safety concerns, including corticosteroid-induced glaucoma and cataract formation with longer-term use. While alternative corticosteroid formulations, immunosuppressants and biologics have been developed and approved for NIAU, their use is limited by serious systemic adverse toxic effects (such as infections, metabolic disorders and organ

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toxicity from immunosuppressants and biologics), high cost, administration burden and limited long-term safety data*. There is a clear need for an effective anti-inflammatory therapy for NIAU that maintains robust inflammation control without corticosteroid-like adverse events associated with existing standard treatments.

Competitive Landscape

As of the Latest Practicable Date, no drugs had been approved for the treatment of NIAU outside China. As of the same date, there were five drug candidates for the treatment of NIAU outside China in the clinical stage, including four innovative drug candidates. The following table sets forth details of active innovative drug candidates being developed for NIAU outside China as of the Latest Practicable Date.

Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved
TRS01	TLR4/NRP1/ACE2	Tarsier Pharma	Phase III	2021/09/03	Eye drops	A non-steroidal topical medication and an immunomodulator developed using the company's TRS technology platform
Brepocitinib	JAK1/TYK2	Priovant Therapeutics	Phase III	2024/05/28	Oral	A small-molecule dual TYK2/JAK1 inhibitor that exerts its inhibitory effect through allosteric inhibition (by binding to the JH2 regulatory domain of TYK2)
ABY-035	IL17A	Acelyrin	Phase II	2021/01/13	Injection	A novel, low-molecular-weight, high-affinity (KD ≈ 300 fM), and cost-effective protein drug platform that achieves prolonged circulation through binding to serum albumin and exhibits excellent tissue permeability
REGN7041	CD3	Regeneron Pharmaceuticals	Phase I/II	2025/10/20	Injection	An anti-CD3 monoclonal antibody that targets T-cell CD3 to modulate immune responses and suppress intraocular inflammation, representing a novel approach to immune regulation at the source

Source: Frost & Sullivan report, ClinicalTrials.gov, FDA

As of the Latest Practicable Date, no drugs had been approved for the treatment of NIAU in China. As of the same date, two drug candidates were in the clinical stage for the treatment of NIAU in China, both of which were innovative drug candidates. The following table sets forth details of active clinical-stage drug candidates for NIAU in China as of the Latest Practicable Date.

Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved
VVN461	JAK1/TYK2	the Company	Phase III	2025/09/17	Eye drops	A small-molecule dual JAK1/TYK2 inhibitor with a focus on its non-hormonal properties
FXS5626	JAK1/TYK2	Accro	Phase II	2025/12/22	Oral	A highly selective RORγt inverse agonist that precisely inhibits the differentiation of Th17 cells and the production of their inflammatory factors (such as IL-17).

Source: Frost & Sullivan report, CDE

* Safety and efficacy of these treatments beyond two to three years in NIAU patients remain unclear and longer follow-up periods and larger clinical studies are needed to better understand their long-term risk profile.

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Postoperative Ocular Inflammation

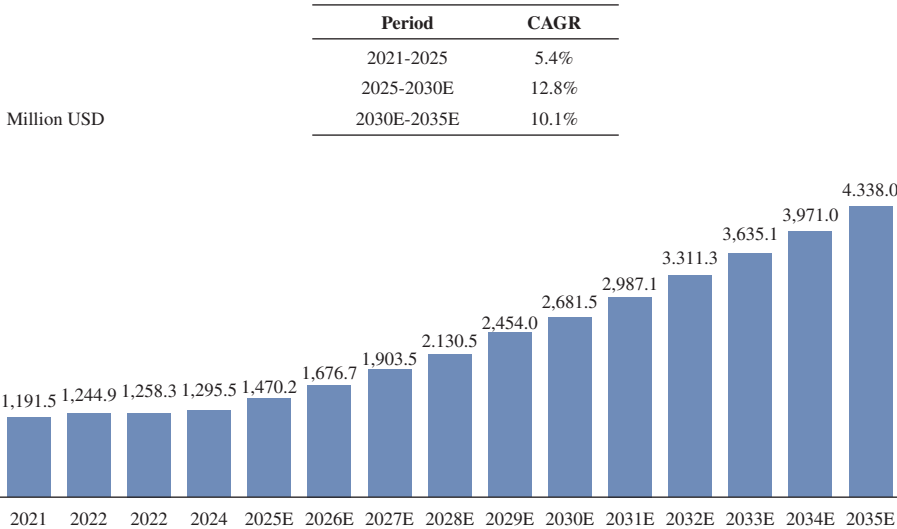
Postoperative ocular inflammation refers to the intraocular inflammatory response that occurs during or following ophthalmic surgical procedures such as cataract extraction, glaucoma surgery, corneal transplantation and vitrectomy. This response is primarily triggered by factors such as tissue trauma, surgical instruments, exposure to medications or reactions to implanted devices. Clinically, postoperative ocular inflammation may manifest as increased anterior chamber cells and flare, corneal edema and conjunctival hyperemia.

Postoperative ocular inflammation is broadly classified into infectious and non-infectious forms. Infectious postoperative ocular inflammation results from direct pathogen invasion into the eye, causing inflammation of the anterior chamber, vitreous or retina. Clinical manifestations typically include severe ocular pain, rapid visual deterioration and presence of pus in the anterior chamber. In contrast, non-infectious postoperative ocular inflammation arises in the absence of pathogens and is associated with surgical trauma, drug irritation, residual implant material or immune-mediated responses. Clinical presentation can range from mild to severe and commonly include increase in anterior chamber cells, keratic precipitates or fibrinous exudates.

Within non-infectious postoperative ocular inflammation, cataract postoperative ocular inflammation is of particular clinical importance due to its high incidence and its potential to delay or compromise visual rehabilitation. This localized inflammatory response may occur following cataract extraction and intraocular lens implantation. The severity of the inflammation ranges from mild to severe. In severe cases, visual recovery can be impaired.

The global postoperative ocular inflammation patient population increased from 38.8 million in 2021 to 44.2 million in 2025. This expansion was primarily driven by rising ophthalmic surgery volumes, particularly cataract and refractive procedures. The affected population is expected to reach 52.2 million in 2030 and 61.5 million in 2035. In line with this epidemiological trend, the global postoperative ocular inflammation drug market grew from US\$1,191.5 million in 2021 to US\$1,470.2 million in 2025, with a CAGR of 5.4%. Supported by both increasing surgical volumes and the rising adoption of pharmacological management for postoperative ocular inflammation, the market is projected to reach US\$2,681.5 million in 2030 and US\$4,338.0 million in 2035. The following chart sets forth the historical and estimated postoperative ocular inflammation market for the periods indicated.

Global Postoperative Ocular Inflammation Drug Market, 2021-2035E



Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

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Treatment Paradigm

Treatment of postoperative ocular inflammation adheres to the core principle of “early prevention, early intervention, early tapering.” Prevailing clinical practice guidelines recommend a stepwise approach based on the severity of inflammation, with treatments primarily centered on steroid therapies. For most cases, tobramycin/dexamethasone, a combination antibiotic and steroid eye drop, is typically favored and widely used to control early postoperative inflammatory responses. For mild-to-moderate inflammation, such regimen is often combined with NSAID eye drops to enhance anti-inflammatory effects and inhibit specific complications, such as posterior capsule opacification. If patients are allergic to NSAIDs or if inflammation escalates, transition to stronger glucocorticoid therapy becomes necessary. For moderate-to-severe inflammation, such as that following certain surgical complications or refractive surgeries, treatment escalates to more potent anti-inflammatory eye drops, such as fluorometholone or prednisolone. However, these drugs may irritate the corneal epithelium and require close monitoring of intraocular pressure during use to prevent steroid-induced glaucoma. In the most challenging scenarios, such as severe persistent inflammation following vitreoretinal surgery or in patients intolerant to local steroids, treatment may expand to systemic oral glucocorticoids (*e.g.*, prednisone) or more invasive local injections, such as direct intravitreal injection of dexamethasone sustained-release preparations, to achieve high local drug concentrations.

While steroid therapy remains the cornerstone of current postoperative ocular inflammation management, significant shortcomings and unmet clinical needs persist. Accordingly, there is an urgent clinical need to develop new therapeutic strategies that are safer, have fewer side effects, require less frequent dosing, and can precisely modulate inflammation, thereby addressing the gaps in long-term safety, patient convenience, and personalized treatment associated with traditional steroid therapy.

Competitive Landscape

As of the Latest Practicable Date, there were three innovative drugs approved for the treatment of postoperative ocular inflammation and four active innovative drug candidates in the clinical stage globally. The following tables set forth details of approved and active innovative drug candidates in the clinical stage for the treatment of postoperative ocular inflammation globally as of the Latest Practicable Date.

Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Annual Treatment Costs	Market Share	2025 NRDL Inclusion
DEXYCU KIT	ANXA1, GR, NR1I2, iNOS, NR0B1	Eyepoint Pharms	Approval	2018/02/09	Injection	Verisome® Technology, A single-dose, biodegradable, subendocardial sustained-release cortisone implant	US\$595	0.8%	Not Included
INVELTYS	GR	Alcon	Approval	2018/08/22	Eye drops	Loteprednol Etabonate Nanoparticle Carrier Suspension	US\$309	15.3%	Not Included
BYQLOVI	GR	Harrow Eye	Approval	2024/03/04	Eye drops	Clobetasol Propionate Ophthalmic Suspension	US\$325	N/A ⁽¹⁾	Not Included

Note:

(1) no publicly available data.

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Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved
SURF-201	GR	Formosa Pharma	Phase II	2020/03/25	Eye drops	Utilizing Patented Klarity Vehicle technology, enhancing the penetration and bioadhesion of steroids through a proprietary formulation
VVN461	JAK1, TYK2	<i>the Company</i>	Phase II	2023/12/11	Eye drops	High-efficiency delivery to the ocular surface using the “Flash Transmucosal Drug Delivery System (FTDS)”
TRS01	TLR4, NRP1, ACE2	Tarsier Pharma	Phase I/II	2020/01/07	Eye drops	Multi-target small molecule inhibitor, an innovative non-steroidal therapeutic mechanism
Levofloxacin	DNA gyrase, TOPIV, parC, parE, GyrB, GyrA, TOP2A, Autolysin	PolyActiva	Phase I	2020/12/20	Injection	N/A ⁽¹⁾

Note:

(1) no publicly available data.

Source: Frost & Sullivan report, ClinicalTrials.gov, FDA

Sjögren’s Syndrome–Related DED

SS-DED is a chronic, autoimmune-driven form of dry eye that occurs in the setting of Sjögren’s syndrome. This condition is defined not merely by reduced tear volume, but specifically as a classic manifestation of aqueous-deficient dry eye, wherein autoimmune-mediated inflammation targets the lacrimal glands. This immune attack leads to compromised lacrimal gland function, significantly diminished tear production and a shortened tear breakup time. Clinically, patients experience symptoms such as blurred vision, ocular discomfort and corneal epithelial damage, often accompanied by corneal staining positivity and elevated tear film osmolarity. SS-DED can be classified according to the presence or absence of concomitant systemic autoimmune diseases, differentiating primary SS-DED (pSS-DED) from secondary SS-DED (sSS-DED).

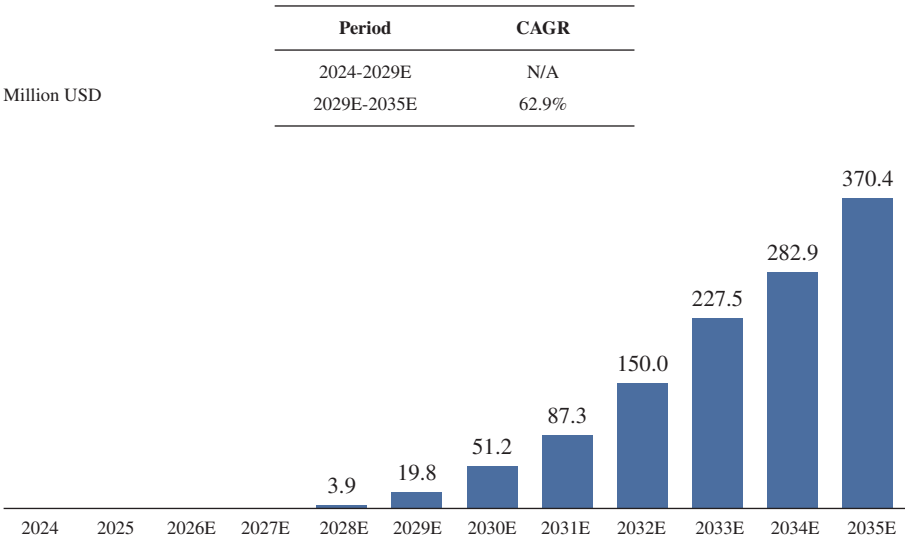
pSS-DED occurs in patients with primary Sjögren’s syndrome (pSS). pSS is characterized by dry eye and dry mouth (with dry eye being its most prominent ophthalmic manifestation) as the patient’s primary or sole symptoms, without any known systemic autoimmune disease. pSS-DED typically presents as severe tear deficiency, accompanied by significant ocular surface inflammation and a high rate of corneal staining positivity, which may progress to corneal erosion or even ulceration.

sSS-DED occurs in patients diagnosed with secondary Sjögren’s syndrome (sSS). Unlike pSS, sSS patients also suffer from other systemic autoimmune diseases such as rheumatoid arthritis, systemic lupus erythematosus, or systemic sclerosis. The immune dysregulation associated with these underlying conditions often exacerbates damage to the lacrimal glands, leading to the manifestation of dry eye symptoms. Clinically, the management of sSS-DED typically requires a comprehensive approach that not only addresses ocular surface health but also actively controls the activity of the underlying systemic disease.

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As of the Latest Practicable Date, no innovative drug had been approved for the treatment of SS-DED in China and there was no clinical-stage SS-DED drug candidate. However, with further research on immune system diseases and dry eye treatment, the SS-DED drug market in China is projected to reach US\$370.4 million in 2035. The following chart sets forth the historical and estimated SS-DED drug market in China for the periods indicated.

Sjögren’s Syndrome Dry Eye Drug Market in China, 2024-2035E



Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

Treatment Paradigm

Sjögren syndrome (SS) is a systemic autoimmune disease characterized primarily by infiltration of immune cells, destruction of various exocrine glands and impairment of the functions of other organs. When the disease involves the eyes, it can lead to symptoms such as xerophthalmia, photophobia and ocular discomfort. At present, the pathogenesis of SS-DED is not fully understood, and there is no unified standard for its diagnosis and treatment. No radical cure has yet been identified. The treatment goals of SS focus on controlling disease progression, relieving symptoms and reducing complications. The table below sets forth the treatments recommended by prevailing clinical practice guidelines for SS-DED.

Category	Representative Drugs	Description
Artificial tears	Sodium hyaluronate-based formulations, preservative-free options	The first-line treatment for dry eye disease, acting as a substitute for natural tears. Improves tear film stability, reduces evaporation, lubricates the ocular surface, and alleviates discomfort. Sodium hyaluronate varieties also promote epithelial repair. Preservative-containing products may exacerbate ocular surface damage, so preservative-free formulations are preferred for long-term/high-frequency use.
Anti-inflammatory therapies	NSAIDs, glucocorticoids	Target the inflammatory component underlying dry eye pathogenesis, particularly indicated for moderate-to-severe cases. Glucocorticoids require strict control of treatment duration and dosage, with close monitoring for elevated intraocular pressure and epithelial damage.
Adjunctive physical and surgical interventions	Humidifier use, moisture chamber goggles, punctal occlusion	Environmental adjustments, such as increased humidity, and moisture-retaining eyewear help reduce tear evaporation. Punctal occlusion (temporary or permanent) is an option for patients with severe lacrimal gland dysfunction to conserve existing tear volume.

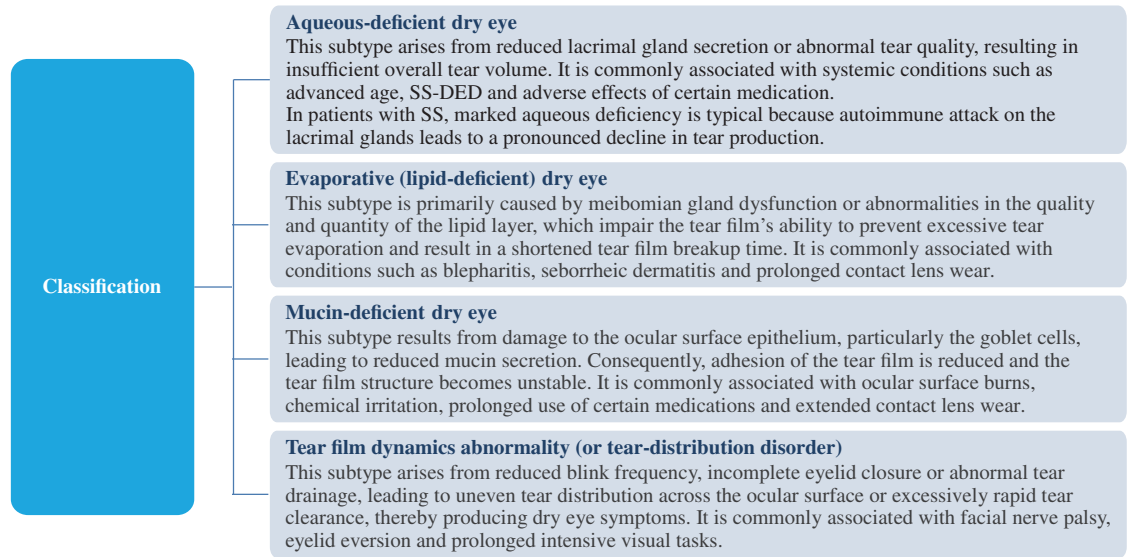
Source: Literature review, Frost & Sullivan report

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Despite corticosteroids’ rapid anti-inflammatory effects on SS-DED, critical limitations impair long-term use. Prolonged topical application risks ocular complications such as elevated intraocular pressure and cataract formation, while systemic use causes hyperglycemia and immunosuppression. Moreover, corticosteroids provide only symptomatic relief without addressing the disease’s root cause, highlighting the urgent need for targeted disease-modifying alternatives.

DRY EYE DISEASE

Dry eye disease (DED) is a multifactorial, chronic ocular surface disorder, characterized by abnormalities in tear film quality, quantity or dynamics, resulting in tear film instability combined with ocular surface microinflammation. Its core pathophysiology can be summarized as tear deficiency combined with excessive evaporation, with a range of etiologies contributing to this process. Reduced tear production is commonly associated with advanced age, collagen-vascular disease and meibomian gland dysfunction, while increased tear evaporation is often linked to intensive use of video display terminals, contact lens wear and prolonged exposure to air-conditioned or otherwise desiccating environments. These abnormalities in the tear film lead to disruption of the ocular surface microenvironment, which may be accompanied by ocular surface inflammation, tissue damage and neurosensory dysfunction. In parallel, ocular surface microinflammation, driven in part by Th17 cells and a proinflammatory cytokine milieu, further destabilizes the tear film and perpetuates a chronic inflammatory cycle. Clinically, DED manifests as ocular discomfort and visual disturbances, with patients typically presenting with dryness, burning, redness, foreign-body sensation and asthenopia. These symptoms may be accompanied by intermittent reflex tearing and the presence of mucoid strands on awakening. On slit-lamp examination, characteristic signs include a reduced tear meniscus, punctate corneal epithelial staining, plugged meibomian gland orifices and a shortened tear film break-up time. In more advanced disease, filamentary keratitis and frank corneal epithelial defects may be observed, reflecting significant compromise of the ocular surface. The chart below illustrates the classification of DED.



Source: Literature review, Frost & Sullivan report

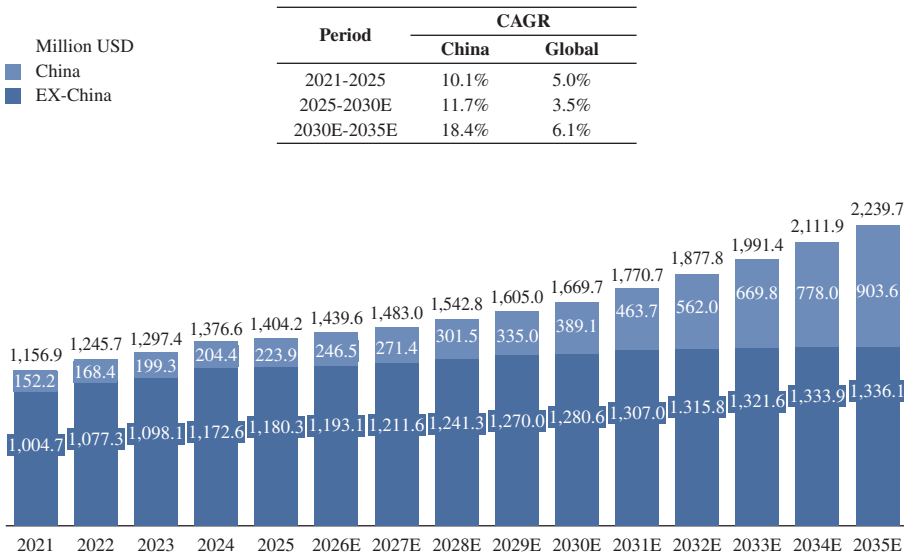
Globally, the number of patients with moderate-to-severe DED increased from 322.0 million in 2021 to 349.5 million in 2025. It is estimated that the global moderate-to-severe DED population will reach approximately 386.3 million in 2030 and 425.3 million in 2035. The number of moderate-to-severe DED patients in China increased from 107.5 million in 2021 to 113.7 million

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in 2025 and is projected to reach approximately 121.6 million in 2030 and 130.1 million in 2035. Current epidemiological studies in China report a relatively high prevalence of dry eye, generally in the range of about 21.0% to 52.4%.

The global drug market for moderate-to-severe DED expanded from US\$1,156.9 million in 2021 to US\$1,404.2 million in 2025, with a CAGR of 5.0%, driven by the rising prevalence of dry eye disease, increasing patient awareness, and broader adoption of long-term pharmacological treatments. The market is expected to continue growing to US\$1,669.7 million in 2030 and US\$2,239.7 million in 2035, supported by sustained demand for chronic disease management. In China, the drug market for moderate-to-severe DED grew from US\$152.2 million in 2021 to US\$223.9 million in 2025, with a CAGR of 10.1%, significantly outpacing global growth. The market is projected to reach US\$389.1 million in 2030 and US\$903.6 million in 2035, driven by rapid diagnosis rate improvement, increasing treatment penetration and the gradual shift from symptomatic management to prescription drug therapies. The following chart sets forth the historical and estimated drug market for moderate-to-severe DED for the periods indicated.

Moderate-to-Severe Dry Eye Disease Drug Market, 2021-2035E



Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

Treatment Paradigm

The existing treatment paradigm for DED is based on individualized, stepwise management guided by the “etiology–type–severity” principle. Severity is graded as mild, moderate, or severe according to the extent of corneal damage and tear film stability, and conditions that mimic DED, such as blepharitis and asthenopia, must be ruled out. In mild DED, treatment focuses on removing exacerbating factors and using artificial tears, with lipid-rich formulations when meibomian gland dysfunction is present, together with warm compresses and lid hygiene. In moderate DED, management is escalated to preservative-free artificial tears and night-time gels or ointments, with consideration of topical corticosteroids, cyclosporine or NSAIDs, oral tetracyclines, tear-retention devices such as punctal plugs, protective eyewear designed to reduce moisture loss such as moisture chamber spectacles and intense pulsed light therapy. In severe DED, treatment involves long-term anti-inflammatory therapy, oral secretagogues, autologous serum eye drops and scleral lenses, with additional options where needed including punctal occlusion, amniotic membrane transplantation, tarsorrhaphy or salivary gland transplantation. The table below sets forth the treatments recommended by prevailing clinical practice guidelines for DED.

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Category	Description
Artificial tears	Mainly aqueous and lipid-based artificial tears. For long-term or high-frequency use (≥ 6 times/day), preservative-free or low toxicity preservative formulations are preferred.
Ocular secretagogues	3% diquafosol sodium eye drops are used to stimulate conjunctival water and mucin secretion to stabilize the tear film and repair the cornea, while varenicline nasal sprays (0.03 mg/spray) are used to activate nasal parasympathetic pathways, enhance lacrimal and meibomian gland secretion and increase natural tear production.
Ocular anti-inflammatory agents	The ocular anti-inflammatory “triad”—comprising short-term low-dose steroids, immunosuppressants led by CsA/lifitegrast, and NSAIDs—can be used alone or in combination to provide stepwise control of dry-eye inflammation.
Ocular surface-repair promoters	Severe cases may require autologous/allogeneic serum or deproteinized calf blood gel while mild cases are treated with fibroblast growth factor/epidermal growth factor/vitamin A eye drops to promote epithelial healing.
Topical or systemic antibiotics	Bacterial lid margin infections are typically treated with topical ofloxacin drops/ointment, while refractory cases or those with systemic involvement are treated with oral tetracyclines or macrolides, with close monitoring for adverse effects.
Other ocular medications	Perfluorohexyloctane supplements lipids (the oily layer of the tear film), stabilizes the tear film and helps unblock meibomian glands, while antioxidant and siRNA drops nearing launch in Europe and the US will add new therapeutic options.

Source: Literature review, Frost & Sullivan report

Though topical corticosteroids are occasionally used for severe DED, they have distinct unaddressed limitations. Prolonged topical administration leads to adverse effects including elevated intraocular pressure, cataract formation and ocular surface damage. Furthermore, steroids only offer temporary symptomatic relief without targeting the disease’s underlying mechanisms, failing to maintain sustained remission after withdrawal and underscoring the urgent need for targeted, safer steroid-sparing alternatives for long-term management.

INDUSTRY OVERVIEW

Competitive Landscape

As of the Latest Practicable Date, ten drugs had been approved for the treatment of DED outside of China, including five innovative drugs. As of the same date, 65 drug candidates were in the clinical stage for the treatment of DED outside China, including 35 innovative drug candidates. The following tables set forth details of approved and active clinical-stage innovative drugs for the treatment of DED outside China as of the Latest Practicable Date.

Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Annual Treatment Costs ⁽²⁾	Market Share ⁽³⁾
Lifitegrast	LFA-1	Bausch & Lomb	Approval	2016/07/11	Eye drops	Blocking the interaction between LFA-1 and its ligand ICAM-1 inhibits T-cell adhesion and activation	US\$2,244	5.5%
SHR8058	Undisclosed	Novaliq/Hengrui	Approval	2023/05/18	Eye drops	A perfluorocarbon that reduces evaporation by forming a monolayer on the surface of the tear film	US\$800	2.75%
SJP-0132	TRPV1	Senju/Mochida	Approval	2025/01/17	Eye drops	Blocking abnormal sensory nerve excitation and inhibiting the release of inflammatory mediators to stabilize the tear film	N/A ⁽¹⁾	N/A ⁽¹⁾
Acotremmon	TRPM8	Alcon	Approval	2025/05/28	Eye drops	By stimulating the TRPM8 receptor, it activates the trigeminal nerve and promotes basal tear secretion	US\$2,580	N/A ⁽¹⁾
SHR8028	mtPTP/Calcineurin	Shengdi Pharmaceutical	Approval	2026/06/23	Eye drops	A 0.1% ciclosporin eye drop formulated with the water-free EyeSol® platform, free of water and preservatives, which significantly enhances bioavailability and tolerability	N/A ⁽¹⁾	N/A ⁽¹⁾

Notes:

- (1) no publicly available data.
- (2) The wide variation in annual treatment costs for innovative DED therapies outside China is largely driven by market-based pricing. Most approved drugs target novel mechanisms of action, benefit from patent exclusivity and therefore face limited competition. With coverage often relying on commercial insurance or out-of-pocket payment, companies are generally able to price these drugs to cover their research and development costs.
- (3) The remaining market share for DED treatments outside China not attributable to approved innovative drugs primarily comprises non-innovative drugs and other treatment modalities, such as immunomodulatory targeted prescription drugs, lipid-based artificial tears, pro-secretory agents and recombinant growth factors.

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Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Target DED Severity
Reproxalap	RASP	Aldeyra Therapeutics	NDA Application	2022/11/29	Eye drops	Small-molecule reduce inflammation by binding to aldehyde inhibitors aldehydes	N/A ⁽²⁾
Cenegermin	NGFR	Dompe Pharma	Phase III	2021/09/20	Eye drops	N/A ⁽¹⁾	Severe
PL9643	MCR	Palatin Technologies	Phase III	2022/01/21	Eye drops	Multireceptor agonists activate melanocortin receptors to alleviate dry eye symptoms	N/A ⁽²⁾
K-161	Undisclosed	Kowa	Phase III	2022/05/31	Eye drops	N/A ⁽¹⁾	Moderate to Severe
BRM 421	PNPLA2	BRIM	Phase III	2023/01/13	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽²⁾
ABBV-444	Undisclosed	AbbVie	Phase III	2023/05/26	Eye drops	A carboxymethylcellulose-based artificial tear formulation containing trehalose and sodium hyaluronate	N/A ⁽²⁾
Vezocolmitide	Undisclosed	Stuart Therapeutics	Phase III	2023/12/18	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
Recoflavone	Calcium channel/NF-κB	Dong-A ST/GL PharmTech	Phase III	2024/03/04	N/A ⁽¹⁾	N/A ⁽¹⁾	Moderate or Severe
VVN001	LFA-1	the Company	Phase III	2024/04/01	Eye drops	Blocking the interaction between LFA-1 and intercellular adhesion molecule-1 inhibits T cell-mediated inflammatory responses	N/A ⁽²⁾
CAM-101	Undisclosed	Cambium Bio	Phase III	2025/03/31	Eye drops	A bio-topical eye drop prepared by genetically engineering platelets from healthy individuals	Moderate or Severe
OT-202	SYK/VEGFR2	Ocumension Therapeutics	Phase III	2026/07/23	Eye drops	Bruton Tyrosine Dual-Target Inhibitor, Which Can Synergistically Suppress Inflammatory Response	Moderate to severe
ALY688	ADIPOR	Allysta Pharmaceuticals	Phase II/III ⁽³⁾	2021/05/19	Eye drops	adiponectin receptor peptide agonist	N/A ⁽²⁾
ECF843	PRG4	Novartis/Lubris Biopharma	Phase II	2020/05/13	Eye drops	Recombinant Lubricin Protein to Improve Tear Film Quality	Severe
Pro-ocular	Undisclosed	Glia	Phase II	2020/11/25	Pro -ocular gel	Gel matrix technology is used to provide longer-lasting lubrication	Moderate to severe
A197	Undisclosed	Dompe Pharma	Phase II	2022/02/03	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
YP-P10	Undisclosed	YuYu Pharma	Phase II	2022/07/15	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
SHJ002	MIR328	Dreamhawk Vision	Phase II	2022/08/04	Eye drops	N/A ⁽¹⁾	Severe
TL-925	BTK	Telios Pharma	Phase II	2023/02/22	Eye drops	Utilizes EyeCRO's MiDROPS® single -phase microemulsion technology to deliver lipophilic drugs	Moderate to severe
Urcosimod	CMKLR1	OKYO Pharma	Phase II	2023/02/23	Eye drops	A lipid-chemokine peptide agonist that employs lipid anchoring technology to time within the ocular environment	N/A ⁽²⁾
EG 017	AR	Changchun GeneScience	Phase II	2023/11/03	Ointment	N/A ⁽¹⁾	N/A ⁽²⁾
rhNGF (Dompe)	NGFR	Dompe Pharma	Phase II	2024/02/06	Eye drops	Recombinant protein technology that promotes corneal nerve regeneration	N/A ⁽²⁾
VSJ -110	CFTR	Vanda Pharmaceuticals	Phase II	2024/03/06	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
BTV100	CHRM1/CHRM3	BIO-THERA	Phase II	2024/08/06	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
TTAX03	Undisclosed	BioTissue	Phase II	2025/01/17	Injection	N/A ⁽¹⁾	Mild to moderate
RCT-001	RAC1	RudaCure	Phase II	2025/07/16	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
IVIEW-1001	TRPM8	IVIEW Therapeutics	Phase II	2025/08/24	Wipe	Deliver the drug directly to the TRPM8 receptors beneath the eyelid margin to achieve targeted action	N/A ⁽²⁾

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Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Target DED Severity
HUC1-394	FPR2	Huons Co., Ltd.	Phase II	2026/06/16	Eye drops	Regulates the inflammatory response by activating FPR2, a receptor that plays a key role in the natural resolution of inflammation	Moderate to severe
OTX-CSI	Calcineurin/ Cyclophilin	Ocular Therapeutix	Phase I/II	2020/04/27	Ophthalmic insert	Recombinant lubricin protein to improve tear film quality	N/A ⁽²⁾
SY-201	Undisclosed	Seinda Pharmaceutical	Phase I/II	2022/05/11	Eye drops	It features multiple novel mechanisms of action, including repairing tight junctions on the ocular surface, enhancing barrier function, stabilizing the tear film and modulating immune homeostasis	N/A ⁽²⁾
Palovarotene	RARG	Clementia Pharmaceuticals Inc./ Ipsen	Phase I	2021/02/21	Eye drops	Utilizing the anti-inflammatory properties of RAR- γ agonists to surface environment	N/A ⁽²⁾
KSR001	Undisclosed	Kukje Pharma	Phase I	2021/08/24	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
iNEXIN	TJP1	Xequel Bio	Phase I	2021/09/02	Eye drops	By stabilizing intercellular junctions, preserving barrier function, modulating inflammation, and promoting healing Works by actively promoting the resolution of inflammation through activation of FPR	N/A ⁽²⁾
AG-80308	FPR1	Allgenesis Biotherapeutics Inc., ORA, Inc	Phase I	2022/05/12	Eye drops	A novel multifunctional heptapeptide developed for atopic dermatitis, with potential for dry eye disease and other conditions involving barrier dysfunction and immune abnormalities	N/A ⁽²⁾
NCP112	FPR2	Huons Co., Ltd.	Phase I	2024/02/16	Eye drops	By targeting and modulating senescent cells to intervene in senescence-related biological pathways such as chronic inflammation	N/A ⁽²⁾
RC017	Undisclosed	Reju Therapeutics	Phase I	2026/04/13	Ointment		

Notes:

- (1) no publicly available data.
- (2) no specific target disease severity.
- (3) a combined Phase II/III trial that evaluates the treatment’s efficacy and safety against standard care in a single study to accelerate development with a smaller number of patients enrolled.

Source: Frost & Sullivan report, ClinicalTrials.gov, FDA

As of the Latest Practicable Date, there were 21 drugs approved for the treatment of DED in China, including 6 innovative drugs. As of the same date, 37 drug candidates were at clinical stage for the treatment of DED in China, including 13 innovative drug candidates. The following tables set forth details of approved and clinical-stage innovative drug candidates for the treatment of DED in China as of the Latest Practicable Date.

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Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Annual Treatment Costs ⁽³⁾	Market Share ⁽⁴⁾	2025 NRDL Inclusion	Target DED Severity
Diquafosol	P2RY2	Santen Pharma	Approval	2022/06/28	Eye drops	It stimulates the secretion of both tears and mucin, thereby improving tear film stability	1060RMB	3.6%	Not included	N/A ⁽²⁾
Recombinant basic fibroblast growth factor	FGFR	Essex Biotech	Approval	2024/10/24	Eye drops	Recombinant proteins produced using biotechnology	135RMB	9.5%	Included	Mild to moderate
Dextran+Hypromellose	N/A ⁽¹⁾	Novartis/Alcon	Approval	2025/01/13	Eye drops	A multi-component artificial tear solution containing hypromellose and dextran, used to lubricate the tear film	40RMB	6.4%	Not included	N/A ⁽²⁾
human epidermal growth factor (hEGF)	EGFR	Uni-Bio Science Group	Approval	2025/03/11	Eye drops	Recombinant proteins produced using biotechnology	23RMB	3.15%	Not included	Mild
SHR8058	N/A ⁽¹⁾	Novaliq/Hengrui	Approval	2025/06/30	Eye drops	Utilizes the EyeSol® water-free drug delivery platform to stabilize the lipid layer of the tear film and dissolve meibomian gland secretions	N/A ⁽¹⁾	N/A ⁽¹⁾	Included	N/A ⁽²⁾
SHR8028	mtPTP/ Calcineurin	Shengdi Pharmaceutical	Approval	2026/06/23	Eye drops	A 0.1% ciclosporin eye drop formulated with the water-free EyeSol® platform, free of water and preservatives, which significantly enhances bioavailability and tolerability	N/A ⁽¹⁾	N/A ⁽¹⁾	Not included	N/A ⁽²⁾

Notes:

- (1) no publicly available data.
- (2) no specific target disease severity.
- (3) Prices of innovative drugs for the treatment of DED in China are generally influenced by the domestic healthcare reimbursement and pricing environment, which is characterized by healthcare cost-control policies. As certain approved innovative drugs have been included in the NRDL, pricing of such drugs may be affected by reimbursement negotiations. Pricing levels may also be influenced by competition from domestic innovative drugs and, more broadly, by the availability of other DED treatments in mainland China. Imported innovative drugs are also generally subject to pricing constraints upon entry into the mainland China market.
- (4) The remaining market share for DED treatments in China not attributable to approved innovative drugs primarily comprises non-innovative drugs and other treatment modalities, such as basic artificial tears, immunomodulatory and anti-inflammatory prescription drugs, pro-secretory and ocular surface repair eye drops and nasal secretagogues.

INDUSTRY OVERVIEW

Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Target DED Severity
HBM9036	TNF- α	Harbour	Phase III	2022/12/24	Eye drops	Tumor Necrosis Factor- α Inhibits the Cycle of Ocular Inflammation	Moderate to severe
VVN001	LFA-1	the Company	Phase III	2024/04/01	Eye drops	Blocking the interaction between LFA-1 and intercellular adhesion molecule-1 inhibits T cell-mediated inflammatory responses	N/A ⁽²⁾
SJP-0132	TRPV1	Senju	Phase III	2024/11/04	Eye drops	Blocking abnormal sensory nerve excitation and inhibiting the release of inflammatory mediators to stabilize the tear film	N/A ⁽²⁾
SMR001	NGFR	Sinobioway Biomedicine	Phase III	2025/12/05	Eye drops	Modulating nerve growth factor signaling to improve eye health	Moderate to severe
OT-202	SYK/VEGFR2	Ocumension Therapeutics	Phase III	2026/07/14	Eye drops	The synergistic inhibition of the Syk/VEGFR-2 inflammatory signaling pathway plays a role	Moderate to severe
EG 017	AR	Changchun GeneScience	Phase II	2023/08/28	Ointment	N/A ⁽¹⁾	N/A ⁽²⁾
Ipivudine Eye drops	PIK3R3	Yicheng Biotech	Phase II	2023/09/26	Eye drops	Regulating Ocular Inflammation via the PI3K Signaling Pathway	N/A ⁽²⁾
CF04	Undisclosed	Puyou Biomedical	Phase II	2024/06/18	Eye drops	Recombinant proteins produced using prokaryotic recombinant technology prevent the aggregation of pathogenic proteins and their interaction with cells	Moderate to severe
TUL12101	RASP	Uni-Bio Science Group	Phase II	2025/04/18	Eye drops	Covalent binding of free aldehydes reduces excess RASP levels and the concentration of active aldehydes in the eye	Moderate to severe
SQ -22031	Undisclosed	Xingqi Pharma	Phase II	2025/08/11	Eye drops	Recombinant human nerve growth factor (NGF), an important neurotrophic factor, plays a critical role in the growth, development, survival, and repair of neurons.	Moderate to severe
RC017	Undisclosed	Reju Therapeutics	Phase I	2026/04/14	Ointment	By targeting and modulating senescent cells to intervene in senescence-related biological pathways such as chronic inflammation	N/A ⁽²⁾
NEWR0919	Undisclosed	Xinrui Gene Technology	Phase I	2026/06/22	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾
J002	Undisclosed	Zizhu Pharm	Phase I	2026/07/06	Eye drops	N/A ⁽¹⁾	N/A ⁽²⁾

Notes:

- (1) no publicly available data.
- (2) no specific target disease severity.

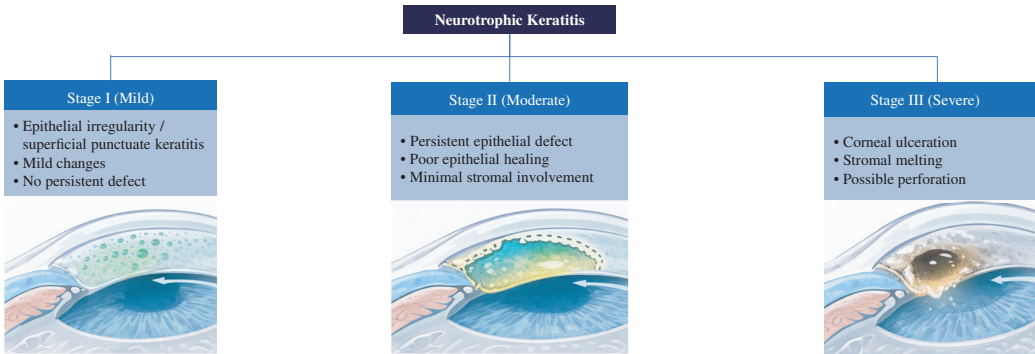
Source: Frost & Sullivan report, CDE

INDUSTRY OVERVIEW

NEUROTROPHIC KERATITIS

Neurotrophic keratitis (NK) is a degenerative corneal disease caused by damage to, or dysfunction of, the ophthalmic branch of the trigeminal nerve, resulting in markedly reduced or absent corneal sensation. Loss of sensory input and trophic support impairs corneal epithelial healing and regeneration, leading to persistent epithelial defects, ulcers, stromal melting or even perforation, and may threaten vision if untreated.

NK begins with trigeminal nerve injury, leading to reduced corneal sensation and loss of neurotrophic support. This in turn impairs epithelial healing and diminishes protective reflexes, so that minor injuries evolve into persistent epithelial defects. These defects can then progress to ulceration, stromal melt and perforation, ultimately increasing the risk of vision-threatening outcomes. The chart below illustrates the different stages in the progression of NK.

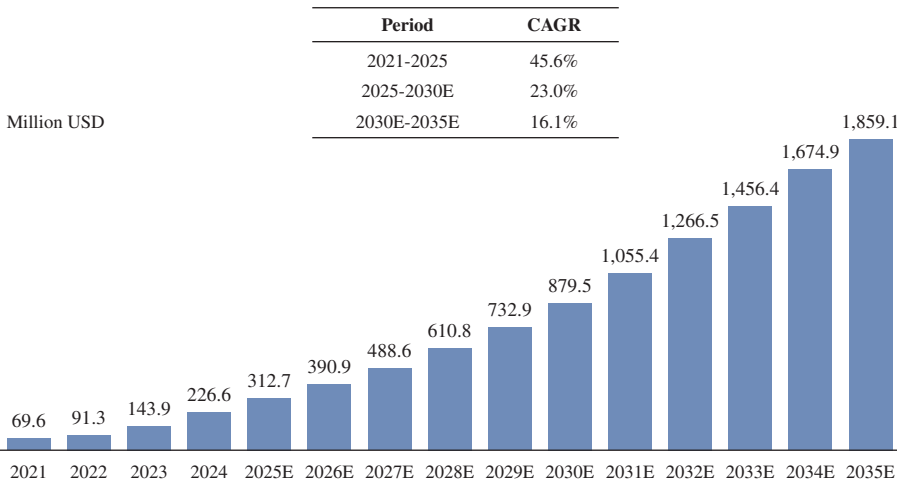


Source: Literature review, Frost & Sullivan report

In China, the patient population increased from 354,900 in 2021 to 360,500 in 2025, and is projected to reach 373,400 by 2035. Stable growth reflects limited changes in risk factor prevalence and relatively low diagnosis rates.

In China, the NK drug market increased from US\$69.6 million in 2021 to US\$312.7 million in 2025, at a CAGR of 45.6%. Driven by improved diagnosis rates, policy support for ophthalmic innovation and growing treatment penetration in hospitals, it is projected to reach US\$879.5 million in 2030 and US\$1,859.1 million in 2035. The following chart sets forth the historical and estimated NK drug market in China for the periods indicated.

Neurotrophic Keratitis Drug Market in China, 2021-2035E



INDUSTRY OVERVIEW

Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

Treatment Paradigm

NK arises from diverse etiologies, including herpes virus infection, chronic use of topical anesthetics or other prolonged topical medications, iatrogenic nerve injury from refractive or cataract surgery, metabolic diseases such as diabetes, and congenital neurological abnormalities. Current management follows a staged, severity-based approach, with treatment goals evolving from corneal protection and epithelial healing in early disease to preservation of corneal integrity and visual function in advanced stages. The table below sets forth the main treatment categories for NK, as recommended by prevailing clinical practice guidelines.

Stage	Drug Category	Description
Stage 1	Artificial tears	Preservative-free artificial-tear drops or ointment to protect epithelium and prevent ocular surface drying.
Stage 2	Biologic repair	20-50 % autologous serum eye drops or deproteinized calf-blood extract eye gel to enhance epithelial healing.
	Antibiotic	Topical antibiotic ointment used for patching to prevent secondary infection.
	Anti-inflammatory	Low- to medium-potency corticosteroid eye drops to reduce inflammation and accelerate healing.
	Cenegermin	A topical ophthalmic solution used for the treatment of moderate to severe NK. It exerts its therapeutic effect by providing exogenous nerve growth factor (NGF).
Stage 3	Biologic repair	Frequent administration of autologous serum eye drops to control stromal inflammation and aid healing.
	Anti-inflammatory / Lubricant	Scleral lenses combined with lubricants to protect cornea and inhibit corneal melting.
	Biologic scaffold	Multilayer amniotic membrane to provide mechanical protection and support tissue healing.
Novel	Neurotrophic factor	Nerve growth factor (NGF) eye drops to restore nerve function and accelerate healing.
	Nerve graft	Frontalis or contralateral nerve branch transposition to re-establish corneal innervation.

Source: Literature review, Frost & Sullivan report

Although corticosteroids are sometimes used off-label for NK, they have critical unaddressed limitations. Long-term topical use can cause adverse effects including elevated intraocular pressure, cataract formation and impaired corneal epithelial healing. Moreover, steroids do not address the core disease mechanism, namely trigeminal nerve dysfunction and corneal hypoesthesia, and instead provide only transient anti-inflammatory effects without sustaining corneal integrity, highlighting the urgent need for targeted, safer steroid-sparing therapies for long-term management.

Competitive Landscape

As of the Latest Practicable Date, there was one innovative drug approved for the treatment of NK and seven active innovative drug candidates for the treatment of NK in the clinical stage. The following tables set forth details of approved and active clinical-stage innovative drugs for the treatment of NK in China as of the Latest Practicable Date.

INDUSTRY OVERVIEW

Drug Name/ Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved	Annual Treatment Costs	Market Share	2025 NRDL Inclusion
Cenegermin	NGFR	Dompe Pharma	Approved	2020/08	Eye drops	A fully homologous recombinant NGF that stimulates corneal cell growth, tear secretion, and restores neural innervation to maintain corneal integrity	US\$20,296	90%	Not included

Drug Name/Code	Target	Company	Clinical Stage	First Post Time	Route of Administration	Technology Involved
Iprivudine	PIK3R3	Yicheng Kangtai Biotech	Phase II	2024/07/09	Eye drops	Peptide-based drugs
STSP-0902	NGFR	Staidson Biopharma	Phase II	2025/04/23	Eye drops	Using recombinant DNA technology and genetic engineering techniques, the hNGF gene was cloned into host cells for expression
Recombinant human nerve growth factor	NGFR	Xintrum Pharma	Phase II	2025/04/23	Eye drops	Using recombinant DNA technology and genetic engineering techniques, the hNGF gene was cloned into host cells for expression
SQ-22031	Undisclosed	Sinqi Pharma	Phase II	2025/04/25	Eye drops	N/A ⁽¹⁾
VVN1901	NGFR	the Company	Phase II	2025/05/28	Eye drops	As a rhNGF preparation, it promotes corneal nerve regeneration and repair by activating the TrkA and p75NTR receptors
Recombinant human nerve growth factor eye drops	NGFR	Kerun Bio Pharma	Phase I	2023/03/02	Eye drops	Recombinant DNA technology, biopharmaceutical development
HT006.2.2	NTRK1, NGFR	Hiteck Bio Pharma	Phase I	2024/01/12	Eye drops	As another rhNGF preparation, it targets the TrkA and p75 neurotrophic factor receptors and exhibits greater stability than Cenegermin

Note:

(1) No publicly available data.

Source: Frost & Sullivan report, CDE

CHRONIC RHINOSINUSITIS

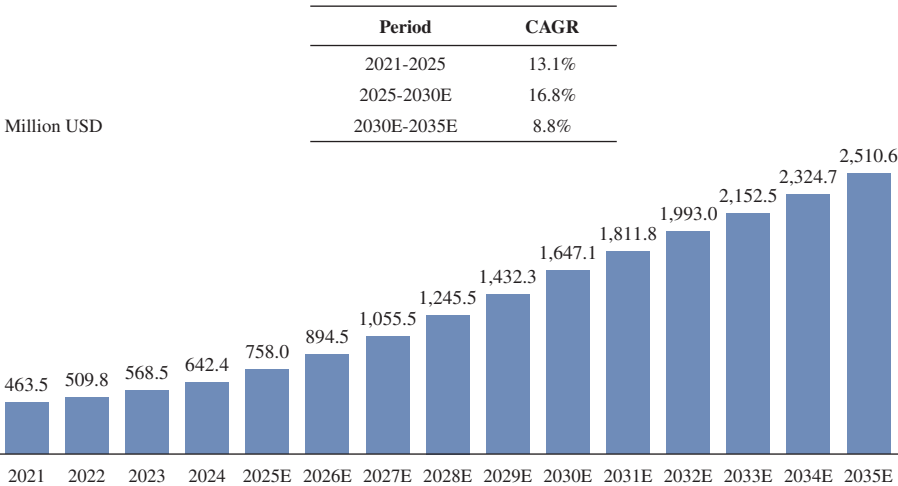
Chronic rhinosinusitis (CRS) is a chronic inflammatory disease of the nasal and paranasal sinus mucosa, typically defined by symptoms persisting for more than 12 weeks. It is characterized by ongoing inflammation of the nasal mucosa and impaired sinus ventilation and drainage, leading to obstruction of the sinuses. Common symptoms include persistent nasal obstruction or congestion, anterior or posterior nasal discharge, facial pain or pressure, reduced or lost sense of smell, and may also be accompanied by headaches or sore throat.

Clinically, CRS is often classified into CRS without nasal polyps (CRSsNP), in which chronic inflammation occurs without polyp formation, and CRS with nasal polyps (CRSwNP), where inflammatory polyps are visible in the nasal cavity and sinuses. Pathologically, CRS can be further stratified according to the predominant inflammatory cell infiltration and pattern of mucosal inflammation.

INDUSTRY OVERVIEW

The number of CRS patients in China has increased from 121.9 million in 2021 to 129.5 million in 2025. It is estimated that the number of CRS patients in China will reach about 140.2 million in 2030 and 152.6 million in 2035. Driven by rising clinical recognition and the debut of targeted therapeutic agents, the CRS drug market in China increased from US\$463.5 million in 2021 to US\$758.0 million in 2025, representing a CAGR of 13.1%. It is estimated that the market will reach approximately US\$1,647.1 million in 2030, fueled by robust CRS drug R&D pipelines, expanded clinical applications and supportive national pharmaceutical policies. By 2035, the market is estimated to further reach US\$2,510.6 million, representing a CAGR of 8.8%, reflecting novel therapy penetration, improved treatment accessibility and growing incidence of CRS-associated diseases. The table below sets forth the historical and estimated CRS drug market in China for the periods indicated.

Chronic Rhinosinusitis Drug Market in China, 2021-2035E

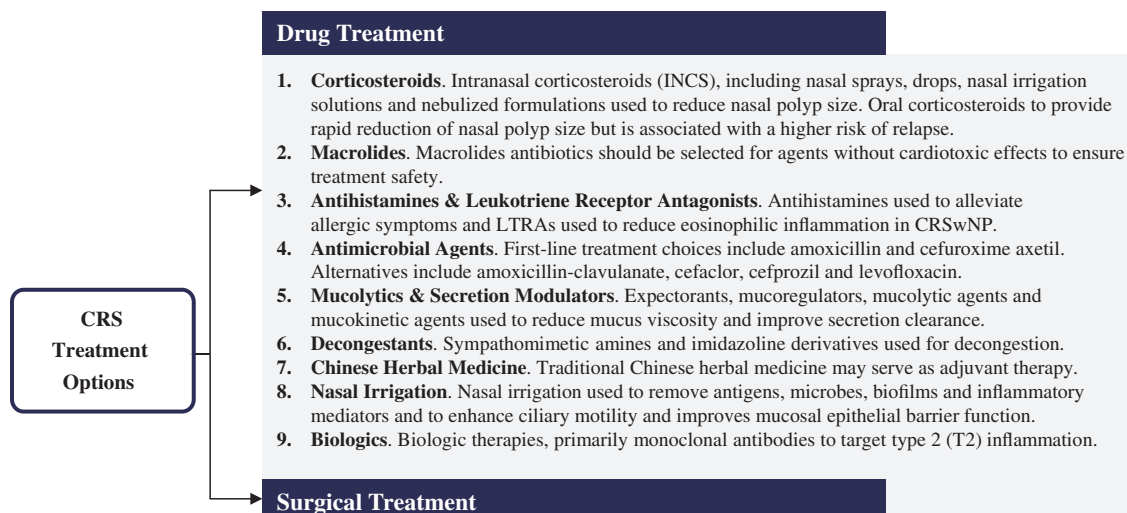


Source: Frost & Sullivan report (based on annual reports of relevant companies, literature review and expert interviews)

Treatment Paradigm

Treatment of CRS generally involves two approaches: drug treatment and surgical treatment. Among drug options, intranasal corticosteroids are recommended as the first-line treatment for CRS. However, while corticosteroids remain a core component of current treatment guidelines, clinical practice has increasingly recognized important limitations when relying on steroid therapies alone. Compared with the potential long-term adverse effects of steroids, non-steroidal treatments usually have fewer side effects and are better suited to long-term disease control. Owing to their greater specificity and more favorable safety profile, non-steroidal therapies are becoming increasingly important in addressing this therapeutic gap. The chart below sets forth the main pharmacological treatments for CRS recommended by prevailing clinical practice guidelines.

INDUSTRY OVERVIEW



Source: Literature review, Frost & Sullivan report

Despite the widespread use of intranasal corticosteroids as first-line therapy for CRS, critical unmet clinical needs remain. Long-term reliance on corticosteroids is linked to high rates of symptom recurrence, and prolonged oral steroid use poses risks of systemic side effects such as immunosuppression and metabolic disturbances. Moreover, a substantial subset of patients with refractory or eosinophilic CRS fail to achieve sustained symptom relief with steroids alone, creating an urgent need for safer, more durable therapeutic options that target the underlying inflammatory pathways without the drawbacks of chronic steroid exposure.

Competitive Landscape

As of the Latest Practicable Date, there were three innovative drugs approved for CRS treatment in China. As of the same date, there were 20 active clinical-stage innovative drug candidates in China, including 17 biologics drug candidates and 3 small-molecule drug candidates (including HTMC0658, an oral tablet candidate, and VVN432).

REPORT COMMISSIONED BY FROST & SULLIVAN

The contract sum to Frost & Sullivan is RMB0.7 million for the preparation and use of the F&S report, and we believe that such fees are consistent with the market rate. Frost & Sullivan is an independent global consulting firm that was founded in 1961 in New York. In compiling and preparing the F&S report, Frost & Sullivan has adopted the following assumptions: (i) global economy is likely to maintain steady growth in the next decade; (ii) global social, economic and political environment is likely to remain stable in the forecast period; (iii) no opposing government measure introduced and increasing level of acceptance to use Company’s services; and (iv) there is no war or large-scale disaster during the forecast period. Frost & Sullivan has conducted detailed primary research which involved discussing the status of the industry with leading industry participants and industry experts. Frost & Sullivan has also conducted secondary research which involved reviewing annual financial reports of listed companies, independent research reports and data based on its own research database. Frost & Sullivan has obtained the figures for the projected total market size from historical data analysis plotted against macroeconomic data as well as specific related industry drivers.