*The Stock Exchange of Hong Kong Limited (the "**Exchange**") and the Securities and Futures Commission (the "**Commission**") take no responsibility for the contents of this Application Proof, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Application Proof.*

Application Proof of

Betta Pharmaceuticals Co., Ltd.
貝達藥業股份有限公司

(the "**Company**")

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

WARNING

The publication of this Application Proof is solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material.

By viewing this document, you acknowledge, accept and agree with the Company, its sole sponsor, overall coordinator, advisers and members of the underwriting syndicate that:

(a) this document is only for the purpose of providing information about the Company to the public in Hong Kong and not for any other purposes. No investment decision should be made based on the information contained in this document;

(b) the publication of this document or any supplemental, revised or replacement pages on the Stock Exchange's website does not give rise to any obligation of the Company, its sole sponsor, overall coordinator, advisers or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Company will proceed with the offering;

(c) the contents of this document or any supplemental, revised or replacement pages may or may not be replicated in full or in part in the actual final listing document;

(d) the Application Proof is not the final listing document and may be updated or revised by the Company from time to time in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

(e) this document does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities;

(f) this document must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended;

(g) neither the Company nor any of its affiliates, advisers or underwriters is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;

(h) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;

(i) the Company has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;

(j) as there may be legal restrictions on the publication of this document or dissemination of any information contained in this document, you agree to inform yourself about and observe any such restrictions applicable to you; and

(k) the application to which this document relates has not been approved and the Exchange and the Commission may accept, return or reject the application for the subject public offering and/or listing.

If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company's prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be made available to the public during the offer period.

IMPORTANT

IMPORTANT: *If you are in any doubt about any of the contents of this document, you should obtain professional independent advice.*

Betta Pharmaceuticals Co., Ltd.
貝達藥業股份有限公司

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

[REDACTED]

Number of [REDACTED] under 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%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[●]**

Sole Sponsor, **[REDACTED]**

CITIC SECURITIES

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

A copy of this document, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VI, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any other documents referred to above.

The [**REDACTED**] is expected to be determined by agreement between the [[**REDACTED**] (for themselves and on behalf of the [**REDACTED**])] and our Company on the [**REDACTED**]. The [**REDACTED**] is expected to be on or before [**REDACTED**] (Hong Kong time) and, in any event, not later than [**REDACTED**] (Hong Kong time).

The [**REDACTED**] will not be more than HK$[**REDACTED**] per [**REDACTED**] and is currently expected to be not less than HK$[**REDACTED**] per [**REDACTED**]. If, for any reason, the [**REDACTED**] is not agreed by [**REDACTED**] (Hong Kong time) between the [[**REDACTED**] (for themselves and on behalf of the [**REDACTED**])] and our Company, the [**REDACTED**] will not proceed and will lapse.

The [[REDACTED] (for themselves and on behalf of the [REDACTED])] may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the [REDACTED] below that stated in this document at any time on or prior to the morning of the last day for lodging applications under the [REDACTED]. In such case, an announcement will be published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company at www.bettapharma.com and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] range in accordance with the requirements under Rule 11.13 of the Listing Rules (which include the [REDACTED] of a supplemental or a new document (as appropriate)) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the [REDACTED]. For further details, see "Structure of the [REDACTED]" and "How to Apply for [REDACTED]."

The obligations of the [**REDACTED**] under the [**REDACTED**] are subject to termination by the [[**REDACTED**] (for themselves and on behalf of the [**REDACTED**])] if certain events occur prior to 8:00 a.m. on the [**REDACTED**]. Please refer to the section headed "[**REDACTED**]" for further details.

Prior to making an [**REDACTED**] decision, prospective [**REDACTED**] should consider carefully all of the information set out in this document, including the risk factors set out in the section headed "Risk Factors".

The [**REDACTED**] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [**REDACTED**], sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except that [**REDACTED**] may be [**REDACTED**], sold or delivered (a) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE[(1)]

[**REDACTED**]

EXPECTED TIMETABLE[1]

[**REDACTED**]

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

This document is issued by our Company solely in connection with the [**REDACTED**] *and the* [**REDACTED**] *and does not constitute an* [**REDACTED**] *to sell or a solicitation of an* [**REDACTED**] *to* [**REDACTED**] *for or buy any security other than the* [**REDACTED**]. *This document may not be used for the purpose of, and does not constitute, an* [**REDACTED**] *to sell or a solicitation of an* [**REDACTED**] *to* [**REDACTED**] *for or* [**REDACTED**] *or* [**REDACTED**] *in any other jurisdiction or in any other circumstances. No action has been taken to permit a* [**REDACTED**] *of the* [**REDACTED**] *or the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the* [**REDACTED**] *and sale of the* [**REDACTED**] *in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdiction pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.*

You should rely only on the information contained in this document to make your [**REDACTED**] *decision. We have not authorized anyone to provide you with information that is different from what is contained in this document. Any information or representation not included in this document must not be relied on by you as having been authorized by us, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the Sole Sponsor, the* [**REDACTED**]*, any of our or their respective directors, officers, employees, partners, agents or representatives, or any other party involved in the* [**REDACTED**]. *Information contained on our website* ***www.bettapharma.com*** *does not form part of this document.*

Page

Expected Timetable iv

Contents vi

Summary 1

Definitions 21

Glossary 30

Forward-looking Statements 36

Risk Factors 37

Waivers 59

Information about this Document and the [REDACTED] 61

Directors and Parties Involved in the [REDACTED] 64

Corporate Information 68

Industry Overview 70

Regulatory Overview 95

History, Development and Corporate Structure 116

Business 128

Financial Information 212

Connected Transactions 246

Share Capital 256

CONTENTS

Substantial Shareholders		258
Directors and Senior Management		260
Future Plans and Use of [REDACTED]		271
[REDACTED]		275
Structure of the [REDACTED]		282
How to Apply for [REDACTED]		288
Appendix I	**Accountants' Report**	I-1
Appendix II	**Unaudited [REDACTED] Financial Information**	II-1
Appendix III	**Property Valuation Report**	III-1
Appendix IV	**Summary of Articles of Association**	IV-1
Appendix V	**Statutory and General Information**	V-1
Appendix VI	**Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display**	VI-1

SUMMARY

This summary aims to give you an overview of the information contained in this document and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this document. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire document carefully before making your [**REDACTED**] *decision.*

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a key player in the innovative drug industry in China, having evolved from a discovery-focused biotech into a fully integrated, commercial-stage biopharmaceutical company. Our business model synergizes four complementary pillars, including proprietary R&D, commercialization, strategic partnerships, and ecosystem engagement. This robust model has enabled us to achieve consecutive years of profitability since our inaugural product launch in 2011. Among our commercialized drugs, icotinib (Conmana®/凯美纳®, EGFR TKI), ensartinib (Ensacove®/贝美纳®, ALK TKI) and vorolanib (伏美纳®, VEGFR/PDGFR inhibitor) are the first among domestically developed drugs in their respective classes to be approved in China or enter the global market for targeted indications.

While maintaining a stronghold in targeted lung cancer therapies with coverage of key targets like epidermal growth factor receptor (EGFR) and anaplastic lymphoma kinase (ALK), we have expanded into breast cancer, kidney cancer, hematology, and ophthalmology. Our commitment to developing NMPA Category 1 innovative drugs has resulted in a pipeline of over ten clinical programs across various stages. Through a portfolio strategy combining sustained value creation from commercialized products, global development of key pipeline assets and continued advancement of next-generation candidates, we aim to build a sustainable innovation engine and deliver life-changing therapies to patients worldwide.

Innovative Product Portfolio

To date, we have built a diversified drug pipeline and successfully commercialized nine drugs, including five Category 1 innovative drugs — icotinib (Conmana®/凯美纳®), ensartinib (Ensacove®/贝美纳®), befotertinib (Surmana®/赛美纳®), vorolanib (伏美纳®), and tibremciclib (康美纳®); two biosimilar drugs — bevacizumab injection (贝安汀®) and pertuzumab injection (贝泽汀®); and two cooperative distribution products — trastuzumab injection (Anruize®/安瑞泽®) and recombinant human albumin injection (rice) (奥福民®). We expanded our R&D pipeline and therapeutic areas through successive stages, including (i) a comprehensive lung cancer pipeline, (ii) a pipeline for other malignant tumor fields beyond lung cancer, and (iii) a pipeline for non-neoplastic diseases, focusing on major disease areas with substantial clinical needs and broad market prospects.

Commercialized products

- **Icotinib (Conmana®/凯美纳®, EGFR TKI)** is the first domestically developed small-molecule targeted cancer drug in China and the first and only domestically developed first-generation EGFR TKI approved in China for postoperative adjuvant treatment of early-stage non-small-cell lung cancer (NSCLC). It also covers first-line treatment for EGFR-positive NSCLC patients and second-line treatment for those who have previously undergone chemotherapy. The drug is included in the NRDL for all of its indications and remains the only first-generation EGFR TKI that still competes head-to-head with third-generation agents of its class. Icotinib has successfully extended its product lifecycle, sustaining annual sales exceeding RMB1 billion for ten consecutive years since 2016 and generating more than RMB18 billion in cumulative sales since its launch.

- **Ensartinib (Ensacove®/贝美纳®, ALK TKI)** is the first and only domestically developed ALK TKI from China to be successfully launched overseas, and notably, the first domestically developed small-molecule targeted therapy for lung cancer to achieve global market entry. It is approved for the first- and second-line treatment of ALK-positive NSCLC in the Chinese Mainland and Macau, and the first-line treatment in the United States. In 2025, ensartinib captured nearly 15% of China's ALK inhibitor market, ranking among the top three products in its class and demonstrating robust market competitiveness. We are also advancing ensartinib's postoperative adjuvant indication in China, and pursuing the marketing of ensartinib in Europe.

- **Bevacizumab injection (贝安汀®, anti-VEGF antibody)** is our third approved lung cancer-targeted therapy and demonstrates bioequivalence to Roche's originator product, Avastin®. As our first approved large-molecule biologic, bevacizumab injection represents a key milestone in our evolution from small molecules into biologics and in our expansion from lung-cancer therapies into a broader solid-tumor portfolio. Notably, the integration of bevacizumab with EGFR TKIs as first-line treatment for NSCLC has shown significant clinical benefit based on publicly reported data.

- **Befotertinib (Surmana®/赛美纳®, EGFR TKI)** is a domestically developed third-generation EGFR TKI, offering a novel treatment option for patients with advanced NSCLC harboring EGFR mutations. Befotertinib delivers remarkable survival benefits and an excellent safety profile. Befotertinib is approved for the first- and second-line treatment of EGFR-positive NSCLC patients in China. Beyond its established indications, we are actively exploring befotertinib's potential in the adjuvant setting.

- **Vorolanib (伏美纳®, VEGFR/PDGFR inhibitor)** is a multi-target receptor tyrosine kinase inhibitor with potent inhibitory activity against VEGFR2, KIT, PDGFR, FLT3 and RET. It ranks as China's first domestically developed, IP-protected targeted therapy approved for renal cell carcinoma and is a Class I recommendation as a standard second-line therapy for advanced renal cancer in the Chinese Society of Clinical Oncology (CSCO) guidelines.

- **Tibremciclib (康美纳®, CDK4/6 inhibitor)** is a wholly self-developed small-molecule inhibitor of cyclin-dependent kinases 4 and 6 (CDK4/6) featuring a novel chemical scaffold. Tibremciclib was approved for the treatment of locally advanced or metastatic breast cancer and its Phase III results were recently published in *JAMA Oncology*, underscoring external recognition of its robustness and clinical relevance.

- **Trastuzumab injection (Anruize®/安瑞泽®, anti-HER2 antibody)** is a biosimilar drug to trastuzumab (Herceptin®) developed by our partner BioRay. We serve as the exclusive distributor of this product in China. Anruize® is indicated for human epidermal growth factor receptor 2 (HER2)-positive metastatic breast cancer, early breast cancer, and metastatic gastric cancer, and it is the second trastuzumab biosimilar approved in China.

- **Recombinant human albumin injection (rice) (奥福民®)** is a recombinant human serum albumin (rHSA) developed by our partner Healthgen, approved by the NMPA for the treatment of hypoalbuminemia (≤30 g/L) caused by liver cirrhosis. We hold exclusive distribution rights in certain regions in China for this product.

- **Pertuzumab injection (贝泽汀®, anti-HER2 antibody)** is a biosimilar drug to pertuzumab (Perjeta®) developed by our partner BioRay. As part of our collaboration with BioRay, we have been granted Greater China rights to pertuzumab injection. Indicated for the treatment of early-stage and metastatic breast cancer, pertuzumab injection is the third pertuzumab biosimilar approved in China.

Pipeline candidates

In addition to our commercialized drugs, we have a robust portfolio of 15 drug candidates across diverse therapeutic areas.

- ***Lung Cancer.*** In lung cancer, we are advancing (i) MCLA-129, and EGFR/mesenchymal-epithelial transition factor (c-MET) bispecific antibody candidate, (ii) BPI-371153, an oral programmed death-ligand 1 (PD-L1) inhibitor candidate, (iii) CFT8919, an allosteric BiDAC™ degrader candidate of EGFR L858R, (iv) BPI-520105, a pan-EGFR inhibitor candidate, (v) BPI-572270, a pan-RAS molecular glue inhibitor candidate, and (vi) BPI-585771, a multi-Kirsten rat sarcoma viral oncogene homolog (KRAS) mutant proteolysis targeting chimera (PROTAC) candidate.

- ***Malignant Tumors Beyond Lung Cancer.*** Beyond lung cancer, we are also developing drug candidates for colorectal cancer, pancreatic cancer, liver cancer and other solid tumors, as well as hematologic malignancies: (i) BPI-452080, a small-molecule hypoxia-inducible factor 2 alpha (HIF-2α) inhibitor candidate, (ii) MRX2843, a small-molecule Mer tyrosine kinase (MerTK)/FMS-like tyrosine kinase 3 (FLT3) dual inhibitor candidate, (iii) BPI-460372, a small-molecule transcriptional enhancer associated domain (TEAD) inhibitor candidate, (iv) BPI-221351, a mutant-selective dual isocitrate dehydrogenase 1 and 2 (IDH1/2) small-molecule inhibitor candidate, (v) BK-001, an antibody and oncolytic virus combination therapy candidate, and (vi) balstilimab and zalifrelimab, anti-PD-1 antibody and anti-cytotoxic T-lymphocyte-associated protein 4 (CTLA-4) antibody candidates as a combination therapy. MCLA-129 is also being evaluated in other solid tumors and BPI-572270 and BPI-585771, our drug candidates targeting the RAS/KRAS pathway, also have broad pan-tumor potential across multiple RAS/KRAS-driven malignancies.

- ***Non-Neoplastic Diseases.*** For non-oncology indications, (i) we are advancing EYP-1901, a long-acting anti-vascular endothelial growth factor (VEGF) intravitreal implant candidate with vorolanib as the active ingredient in collaboration with EyePoint for ophthalmology indications, (ii) we were granted exclusive master distribution rights for FRSW117, a PEGylated recombinant human coagulation factor VIII (FVIII) Fc fusion protein candidate for the treatment of hemophilia A in Greater China by Gensciences, and (iii) we are also in early preclinical evaluation of BPI-452080 as a long-acting ocular formulation for retinal vascular diseases.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

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

Product/Product candidate	Target	Preclinical	Dose escalation Phase Ia	Dose expansion Phase Ib	Dose expansion Phase IIa	Registrational trial Phase IIb	Registrational trial Phase III	NDA/BLA	Marketing	Key Regulatory Authorities	Inclusion into NRDL 2025[1]	Current Status/Upcoming Milestones	Source[a]	Rights[2]	Partner
Conmana®/凯美纳®(Icotinib)	EGFR	First-line NSCLC							★	NMPA	✓	NDA approval in Nov 2014	Self-developed[3]	Greater China	
		Second-line NSCLC							★		✓	NDA approval in Jun 2011			
		Postoperative adjuvant therapy for NSCLC**							★		✓	NDA approval in Jun 2021			
Ensacove®/贝美纳®(Ensartinib)	ALK	First-line NSCLC (Chinese Mainland)							★	NMPA, FDA, ISAF, EMA	✓	NDA approval in Mar 2022	Self-developed[4]	Global	
		First-line NSCLC (United States)							★			NDA approval in Dec 2024			
		Second-line NSCLC (Chinese Mainland)							★		✓	NDA approval in Nov 2020			
		First- and second-line NSCLC (Macau)							★			NDA approval in Jun 2025			
		First-line NSCLC (Europe)										Submitted NDA to the EMA in Nov 2025; Expect NDA approval in 2026/2027			
		Postoperative adjuvant therapy for NSCLC (Chinese Mainland)										Submitted NDA to the NMPA in Nov 2025; Expect NDA approval in 2026H2			
贝安汀®(Bevacizumab Injection)	VEGF	Metastatic CRC, advanced, metastatic or recurrent NSCLC							★	NMPA	✓	NDA approval in Nov 2021	License-in	Greater China	科伦博泰[5]
		Recurrent glioblastoma, epithelialovarian cancer, fallopian tube cancer or primary peritoneal cancer, cervical cancer, etc.							★		✓	NDA approval in Mar 2022			
Surmana®/赛美纳®(Befotertinib)	EGFR	First-line NSCLC							★	NMPA	✓	NDA approval in Oct 2023	License-in	Chinese Mainland, Hong Kong and Taiwan[10]	InventisBio[6]
		Second-line NSCLC							★		✓	NDA approval in May 2023			
		Postoperative adjuvant therapy for NSCLC										Initiated Phase III trial in Mar 2023; Expect to complete in 2027Q4			
伏美纳® (Vorolanib)	VEGFR	Renal Cell Carcinoma							★	NMPA	✓	NDA approval in Jun 2023	Self-developed[7]	Global	
康美纳® (Tibremciclib)	CDK4/6	HR+/HER2- breast cancer							★	NMPA		NDA approval in Jun 2025	Self-developed	Global	
Anruize®/安瑞泽® (Trastuzumab Injection)	HER2	HER2+ breast cancer							★	NMPA	✓	NDA approval in Feb 2023	Distributorship	/[17]	BioRay[8]
奥福民® (Recombinant Human Albumin Injection (Rice))	-	Hypoalbuminemia (≤30 g/L) associated with liver cirrhosis							★	NMPA		NDA approval in Jul 2025	Distributorship	/[15]	沃元生物[9]
贝泽汀® (Pertuzumab Injection)	HER2	HER2+ breast cancer							★	NMPA	✓	NDA approval in Feb 2026	License-in	Greater China	BioRay[8]
FRSW117	FVIII	Hemophilia A								NMPA		NDA submitted to the NMPA in Apr 2026; Expect NDA approval in 2027	Distributorship	/[17]	[10]
EYP-1901	VEGFR	wAMD — EYEPOINT'S CLINICAL TRIALS								NMPA, FDA		EyePoint: Released topline data from Phase III LUGANO trial in Aug 2026; Topline data from Phase III LUCIA trial expected in 2026Q4 Company: Received IND approval in Jul 2024; Evaluating subsequent development plan in China subject to EyePoint's global Phase III clinical data	License-in	Greater China	EyePoint[11]
		DME — DME: EYEPOINT'S CLINICAL TRIALS										Completed patient enrollment for two global registrational Phase III trials in Jul 2026; Topline data expected in 2027Q4			
		pmCNV										Received IND approval in Jul 2023; To determine further clinical development plan subject to POC data			
MCLA-129	EGFR/c-MET	Solid tumor (colorectal cancer)								NMPA		Initiated Phase I/II trial in Sep 2021; Expect to complete in 2027H2	License-in	Chinese Mainland, Hong Kong and Macau	Merus[12]
		Advanced NSCLC with driver gene mutations and MET amplification and/or overexpression										Initiated Phase II trial in Mar 2025; Expect to complete in 2028H1			
		Combo with befotertinib										Initiated Phase I trial in Sep 2023; Expect to complete in 2027			
		Combo with ensartinib										Initiated Phase I/I trial in Feb 2026; Expect to complete Phase I study in 2027Q3			
BPI-371153	PD-L1	Solid tumor/lymphoma								NMPA		Initiated Phase I trial in Aug 2022 and completed enrollment for dose escalation stage; Expect to complete the enrollment for dose expansion stage in 2026	Self-developed	Global	
BPI-572270	RAS	Solid tumor								NMPA		Initiated Phase I trial in Jan 2026; Expect readout of efficacy and safety data in 2027	Self-developed	Global	
BPI-452080	HIF-2α	Solid tumor								NMPA		Initiated Phase I/II trial in Jun 2022 and completed enrollment and preliminary data analysis for Phase I dose escalation and backfill; Expect to communicate with NMPA for registrational trial in 2026	Self-developed	Global	
MRX2843	MerTK/FLT3	Solid tumor								NMPA		Initiated Phase I trial in May 2020; To determine further development plan based on ongoing Phase I data	License-in	Greater China	Meryx[13]
		Acute myeloid leukemia										Initiated Phase I trial in Jun 2021; To determine further development plan based on ongoing Phase I data			
BPI-460372	TEAD	Solid tumor								NMPA, FDA		Initiated Phase I trial in Apr 2023 and completed enrollment and preliminary data analysis for both dose escalation and backfill; To follow up on ongoing Phase I data and determine further clinical development plan	Self-developed	Global	
CFT8919	EGFR Degrader	NSCLC								NMPA		Initiated Phase I trial in Nov 2024; Expect to complete the enrollment for dose escalation and backfill in 2026	License-in	Greater China	C4 Therapeutics[14]
BPI-221351	IDH1/2	Solid tumor								NMPA		Received IND approval in Mar 2024; To determine further clinical development plan	Self-developed	Global	
BPI-520105	pan-EGFR	Solid tumor								NMPA		Received IND approval in Mar 2024; To determine further clinical development plan	Self-developed	Global	
BPI-585771	KRAS	Solid tumor								NMPA		Preclinical; Expect to submit IND application in 2026Q3	Self-developed	Global	
BK-001	CD3/TT3	Solid tumor								NMPA		Preclinical; Expect to submit IND application in 2027	Self-developed	Global	
Balstilimab, Zalifrelimab	PD-1, CTLA-4	NSCLC, liver cancer								NMPA		Preclinical; To determine further clinical development plan	License-in	Greater China	agenus[15]

China U.S. and Europe Cooperation Partner Progress

Notes:

* Unless otherwise stated, "self-developed" products were internally discovered and developed by us.

** Icotinib was approved by the NMPA as postoperative adjuvant therapy in patients with stage II to stage IIIA NSCLC harboring EGFR-sensitive mutations in June 2021. In July 2026, we further received NMPA approval to conduct a real-world study of icotinib as postoperative adjuvant therapy in patients with high-risk stage IA2 to stage IB NSCLC harboring EGFR-sensitive mutations, which is intended to support the potential expansion of icotinib's approved indications to this patient population.

1. The NRDL 2025 refers to "National Basic Medical Insurance, Work-Related Injury Insurance, and Maternity Insurance Drug Catalog (2025)."

2. Greater China refers to Chinese Mainland, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and the Taiwan region.

3. BETA transferred the proprietary technologies and the right to file patent applications for icotinib in China as a capital contribution to our predecessor, Zhejiang Beta Pharma Inc., in 2003, and we have since internally developed icotinib through commercialization in China.

4. Ensartinib was jointly developed and is co-owned by us and our controlled subsidiary, Xcovery Holdings. Ensartinib was originally discovered and developed by Xcovery Holdings. We have been responsible for the preclinical and clinical development of ensartinib in China since we entered into a collaboration agreement with Xcovery Holdings in October 2014, and we started to take the full responsibility for developing ensartinib globally after we acquired the controlling stake in Xcovery Holdings in June 2017. Ensartinib was being evaluated in a Phase I clinical trial in China and the Phase III clinical trial in multiple jurisdictions in June 2017. For further details, please refer to "Business — Our Commercialized and Pipeline Products — Lung Cancer Pipeline — Ensartinib (Ensacove®/贝美纳), ALK TKI — Licenses, Rights and Obligations."

5. In March 2017, we obtained an exclusive license from Beijing Mabworks Biotech Co., Ltd. ("**Mabworks**") to develop, manufacture and commercialize bevacizumab injection (贝安汀®) (MIL60) in Chinese Mainland, Hong Kong, Taiwan and Macau. For further details of the collaboration and our R&D activities after the in-licensing, see "Business — Our Business Development — Collaboration Agreement with Mabworks on MIL60" and "Business — Our Research and Development."

6. In December 2018, we entered into a collaboration agreement with InventisBio Co., Ltd. ("**InventisBio**") to have exclusive rights for research, development, manufacturing and commercialization of befotertinib in Chinese Mainland, Hong Kong, and Taiwan. Based on this agreement, we will also co-own certain intellectual property rights of befotertinib with InventisBio. For further details of the collaboration and our R&D activities after the in-licensing, see "Business — Our Business Development — Collaboration Agreement with InventisBio on Befotertinib" and "Business — Our Research and Development."

7. Vorolanib was jointly developed and is co-owned by us, our wholly-owned subsidiary, Anew Pharmaceuticals, and our controlled subsidiary, Equinox Science, LLC ("**Equinox**"). Vorolanib was originally discovered and developed by Tyrogenex Inc. ("**Tyrogenex**"), which out-licensed the rights to develop vorolanib in the fields of oncology and ophthalmology in China to Anew Pharmaceuticals in 2009 and 2013, respectively. We acquired Anew Pharmaceuticals in June 2017 and vorolanib was in the Phase II trial in combination with everolimus for the treatment of RCC and Phase I trial in wAMD in China at that time. After the acquisition, we became responsible for conducting and advancing those two ongoing clinical trials in China. In 2017, we and Tyrogenex established a 50:50 joint venture, namely Equinox, to which Tyrogenex assigned its rights to vorolanib outside China. We acquired the other 50% of shares in Equinox in October 2017. Vorolanib had not entered into clinical development outside China when we acquired Equinox. For further details, please refer to "Business — Our Commercialized and Pipeline Products — Products and Pipeline Candidates in Other Malignant Tumor Fields — Vorolanib (伏美纳®), VEGFR/PDGFR Inhibitor."

8. In May 2025, we entered into a comprehensive collaboration with BioRay Pharmaceutical Co., Ltd. ("**BioRay**") with a "trastuzumab-pertuzumab combo" framework, under which BioRay appointed us as the exclusive master distributor for its trastuzumab injection, as well as granted us the exclusive rights to commercialize pertuzumab injection, both across Chinese Mainland, Hong Kong, Macau and Taiwan. See "Business — Our Business Development — Collaboration with BioRay."

9. In September 2024, we entered into a regional exclusive distribution agreement with Wuhan Healthgen Biotechnology Corp. ("**Healthgen**"), pursuant to which Healthgen appoints us as the exclusive distributor for recombinant human albumin injection (rice) (奥福民®) (HY1001) in certain regions in Chinese Mainland. For further details, see "Business — Our Business Development — Regional Exclusive Distribution Agreement with Healthgen for Recombinant Human Albumin Injection (Rice)."

10. In November 2025, we entered into a business collaboration agreement with Jiangsu Gensciences Inc. ("**Gensciences**"), pursuant to which Gensciences appointed us as the exclusive master distributor for FRSW117 in Chinese Mainland, Hong Kong, Macau and Taiwan.

11. In February 2020, we granted EyePoint Pharmaceuticals, Inc. (now EyePoint, Inc.) ("**EyePoint**") an exclusive license to develop and commercialize vorolanib for the prevention or treatment of AMD, RVO and DR outside Greater China, which was later expanded to cover all ophthalmology indications pursuant to an amendment in May 2022. In May 2022, EyePoint also granted us an exclusive license to develop and commercialize EYP-1901, a long-acting anti-VEGF intravitreal implant with vorolanib as the active ingredient, for ophthalmology indications within Greater China. For further information, see "Business — Our Business Development — Collaboration with EyePoint." For details of EYP-1901's clinical progress, see "Business — Our Commercialized and Pipeline Products — Non-Neoplastic Diseases Pipeline — DURAVYU™ (EYP-1901), Sustained-Release Vorolanib Formulation."

12. In December 2018, we obtained an exclusive license from Merus N.V. ("**Merus**") to develop and commercialize MCLA-129 in Chinese Mainland, Hong Kong and Macau. Merus retains all rights to MCLA-129 outside of these regions. For further details of the collaboration and our R&D activities after the in-licensing, see "Business — Our Business Development — Collaboration and License Agreement with Merus on MCLA-129" and "Business — Our Research and Development."

13. In July 2017, we obtained an exclusive license from Meryx, Inc. to develop, manufacture and commercialize MRX2843 in Chinese Mainland, Hong Kong, Taiwan and Macau. In December 2021, Xcovery Holdings, our subsidiary, announced the acquisition of a controlling interest in Meryx, Inc. For further details of the collaboration, the acquisition and our R&D activities after the in-licensing, see "Business — Our Commercialized and Pipeline Products — Products and Pipeline Candidates in Other Malignant Tumor Fields — MRX2843, Small-Molecule MerTK/FLT3 Dual Inhibitor — Licenses, Rights and Obligations" and "Business — Our Research and Development."

14. In May 2023, we entered into a license and collaboration agreement with C4 Therapeutics, Inc. ("**C4 Therapeutics**"), pursuant to which we were granted to an exclusive license to develop, manufacture and commercialize CFT8919 in Chinese Mainland, Hong Kong, Macau, and Taiwan. For further details of the collaboration and our R&D activities after the in-licensing, see "Business — Our Business Development — License and Collaboration Agreement with C4 Therapeutics for CFT8919" and "Business — Our Research and Development."

15. In June 2020, we obtained an exclusive license from Agenus Inc. ("**Agenus**") to develop and commercialize balstilimab and zalifrelimab in Chinese Mainland, Hong Kong, Macau and Taiwan. For further details of the collaboration and our R&D activities after the in-licensing, see "Business — Our Business Development — License and Collaboration Agreement with Agenus on Balstilimab and Zalifrelimab" and "Business — Our Research and Development."

16. Pursuant to our collaboration arrangements with InventisBio, we can share certain percentage of the economic rights of befotertinib's sales outside Chinese Mainland, Hong Kong and Taiwan. See "Business — Our Business Development — Collaboration Agreement with InventisBio on Befotertinib" for further details.

17. Distribution right only.

Established Commercialization Capabilities

We have built a scaled, proven commercialization engine that integrates medical affairs, academic promotion, market access, and execution excellence. Since launching our innovative drug business in 2011, we have recruited core commercial talents from multinational pharmaceutical companies and deployed a strategy that integrates academic branding with scientific collaboration. We also proactively participated in China's inaugural NRDL negotiations in 2015, strengthening patient access and payer reach for innovative medicines. Our commercial infrastructure comprises over 1,100 professionals across 30 provinces under an interactive network model, extensive sales network coverage of over 3,000 tertiary and key secondary hospitals and 1,500 pharmacies, and strategic partnerships with leading distributors.

Leveraging this platform, icotinib has generated more than RMB18 billion in cumulative sales and remains the only first-generation EGFR TKI that still competes head-to-head with third-generation agents through sustained lifecycle management and multiple indication expansions. Similarly, ensartinib, despite entering a competitive ALK inhibitor market, achieved rapid uptake to become a top-three ALK therapy in China within five years of launch. Beyond small molecules, strategic licensing-in has expanded our capabilities into biologics, exemplified by bevacizumab injection's annual sales at a CAGR of 52.8% between 2023 and 2025, and we have further extended our footprint into breast cancer biologics through partnerships.

Advanced Drug Discovery and Development Capabilities

Our R&D system combines patient-centric clinical value with platform-driven innovation anchored by the Betta Institute for Biomedical Research (貝達研究院). Supported by a team of 288 professionals as of June 30, 2026, including 29 PhDs and several senior specialists, we advance clinical programs through a disciplined, closed-loop process spanning target selection, discovery, translational validation, and clinical development. We have established four technology platforms, including an advanced small-molecule targeted drug platform, GlueOnX (molecular glue platform), DegradoX (PROTAC degrader platform), and AlbuVive (albumin-based therapeutics platform), to prosecute challenging targets and expand modality reach. Our AI-assisted modeling approach constructs an initial target pool for discovery and evaluation, as well as molecular structure assessment, followed by wet-lab validation to iteratively refine and update the AI models. This integrated workflow boosts R&D efficiency while opens new therapeutic space. Meanwhile, we rigorously evaluate each candidate's commercial viability, development risk, competitive landscape, and market size, with the goal of building a balanced portfolio.

Proactive Business Development

Strategic collaboration has become a cornerstone of our growth strategy, enabling efficient pipeline expansion and global integration. Our business development team constantly engages with top-tier pharmaceutical companies worldwide, evaluating numerous innovative drug programs across modalities including small molecules and biologics. Over the past several years, we have forged partnerships with multiple well-known pharmaceutical companies, comprising Mabworks, InventisBio, BioRay, Healthgen, EyePoint, Merus, C4 Therapeutics, and Gensciences, in the areas of patent licensing and/or transfer, clinical development, and marketing and distribution. Through targeted licensing, co-development, and equity investment, we have accelerated the enrichment of our pipeline across oncology and other promising therapeutic areas. Notable collaborations include securing exclusive rights to develop and commercialize MCLA-129 from Merus in Chinese Mainland, Hong Kong, and Macau; introducing CFT8919 from C4 Therapeutics to expand into EGFR TKI-resistant lung cancer; and partnering with EyePoint for exclusive rights to develop and commercialize EYP-1901 in Greater China, signaling our formal entry into ophthalmology field.

Competitive Innovation Ecosystem

Complementing our business development (BD) strategy is a robust innovation ecosystem built around our core platforms, Betta Industry Fund (貝達產業基金) and Betta Dream Works (貝達夢工場). This ecosystem fuels sustained business expansion by linking top-tier scientific talent, emerging technologies, and unmet clinical needs. Through equity investment and strategic incubation, we collaborate with companies such as Healthgen (禾元生物), ReproGenix (瑞普晨創), and E-nitiateBio (啟元生物), enabling rapid translation of lab-stage innovations into clinical-stage

assets. Betta Dream Works provides a systematically managed biomedical innovation hub, integrating Good Manufacturing Practice (GMP)-standard labs, shared infrastructure, and expert advisory networks to support over 50 companies in the healthcare industry. This distinctive model is designed to foster collaborations that are mutually beneficial, where our ecosystem partners offer potential strategic assets to further strengthen our pipelines, while our industrial platform accelerates the success of our collaborators.

Solid Financial Performance

Since the commercial launch of our first product in 2011, we have consistently maintained a profitable trajectory. Our total revenue increased from RMB2,456.2 million in 2023 to RMB3,609.3 million in 2025, representing a CAGR of 21.2%. Our total revenue increased by 14.1% from RMB1,731.4 million in the six months ended June 30, 2025 to RMB1,975.9 million in the six months ended June 30, 2026 Additionally, our adjusted EBITDA (non-IFRS measure) increased from RMB653.8 million in 2023 to RMB1,080.4 million in 2025, representing a CAGR of 28.6%. Our adjusted EBITDA (non-IFRS measure) increased by 33.9% from RMB515.0 million in the six months ended June 30, 2025 to RMB689.5 million in the six months ended June 30, 2026. For more information of adjusted EBITDA (non-IFRS measure), please refer to "Financial Information — Non-IFRS Financial Measures."

SALES, MARKETING AND DISTRIBUTION

We sell most of our products to wholesale distributors, who are our customers and in turn sell our products to end-customers, primarily including hospitals and retail pharmacies. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue generated from our sales of products through wholesale distributors accounted for 70.3%, 70.4%, 73.6%, 73.1% and 74.7% of our total revenue, respectively. The sales of our marketed products are subject to the regulation of the Two-Invoice System. As of the Latest Practicable Date, we had approximately 170 distributors covering over 30 provinces, municipalities, and autonomous regions. Through our collaboration with established distributors, we can increase market penetration in lower-tiered cities. In addition, to a lesser extent, we also sell our products directly to retail pharmacies in China.

The table below sets forth a breakdown of our revenue from sales of our products by sales and distribution channels during the Track Record Period:

	Year ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	RMB'000		*RMB'000*		*RMB'000*		*RMB'000* *(unaudited)*		*RMB'000*	
Wholesale Distributors										
End-customers: Hospitals	1,215,531	49.5	1,276,980	44.2	1,588,871	44.0	772,096	44.6	847,977	42.9
End-customers: Pharmacies	510,461	20.8	757,895	26.2	1,066,085	29.6	493,297	28.5	628,601	31.8
Subtotal	1,725,992	70.3	2,034,875	70.4	2,654,956	73.6	1,265,393	73.1	1,476,578	74.7
Retail pharmacies	690,791	28.1	792,126	27.4	922,713	25.5	450,482	26.0	486,837	24.7
Total	**2,416,783**	**98.4**	**2,827,001**	**97.8**	**3,577,669**	**99.1**	**1,715,875**	**99.1**	**1,963,415**	**99.4**

As of the Latest Practicable Date, our distribution network covered over 6,400 hospitals in China. To the best of our knowledge, all of our distributors are Independent Third Parties. Please see "Business — Our Commercialization Capabilities" for more details.

We generally do not accept any product returns and exchanges, except for defective products, incorrect deliveries, damages, or policy-related factors. Given the stringent storage and handling requirements for pharmaceuticals and the attendant risk of substitution, falsification or quality degradation, such product return policy is in line with industry practice, according to Frost & Sullivan. The cumulative amount of product return from both wholesale distributors and retail pharmacies recognized during the Track Record Period was RMB0.7 million, accounting for less than 0.01% of the total revenue from the sales of pharmaceutical products during the same period. During the Track Record Period and up to the Latest Practicable Date, the amounts of our product returns and exchanges did not have a material adverse effect on our operations of business, and we had not experienced any material complaint or product liability or other legal claims from our customers due to problems associated with the quality of our products.

MANUFACTURING AND QUALITY CONTROL

During the Track Record Period, most of our manufacturing activities were carried out in-house at our Hangzhou facility. We also collaborate with contract development and manufacturing organization (CDMO) partners to manufacture a portion of our products, product candidates and materials. To expand our manufacturing capacity and meet the growing market demand, we are also building a new manufacturing site in Shengzhou, which is positioned as our dedicated manufacturing hub for commercial- and pilot-scale drug active pharmaceutical ingredient (API) production. We have consistently upheld rigorous product qualification and quality compliance for over a decade with no quality issues reported, for which we were awarded the Quality Management Innovation Prize by the People's Government of Zhejiang Province (浙江省人民政府質量管理創新獎).

COMPETITION

The pharmaceutical and biopharmaceutical industries are highly competitive and are undergoing rapid and significant changes. While we believe that our robust pipeline of innovative products and drug candidates, strong research and development capability, fully-integrated platform, and world-class leadership team provide us with distinctive competitive advantages, we face potential competition from many different sources that are dedicated to developing therapies targeting the same indications as those for which we are developing our drug candidates, particularly in the field of lung cancer. Such competitors include major pharmaceutical companies, specialty pharmaceutical and biotechnology companies of various sizes, academic institutions, government agencies, and research institutions. Any drug candidates that we successfully develop and commercialize will compete with both existing drugs and any new drugs that may be introduced in the future. For more information, see "Industry Overview" and "Business — Competition."

OUR CUSTOMERS

In 2023, 2024 and 2025 and the six months ended June 30, 2026, our revenue from our five largest customers, which were primarily drug distributors in China, in each year/period during the Track Record Period in aggregate accounted for 61.5%, 59.3%, 62.0% and 65.0% of our total revenue for the respective years/periods. Our revenue from our largest customer in each year/period during the Track Record Period accounted for 31.6%, 32.2%, 33.5% and 35.5% of our total revenue for the respective years/periods.

OUR SUPPLIERS

In 2023, 2024 and 2025 and the six months ended June 30, 2026, purchases from our five largest suppliers, which were primarily contract research organizations (CROs), CDMOs, other pharmaceutical companies and other service providers, in each year/period during the Track Record Period in aggregate accounted for 47.9%, 55.0%, 56.3% and 63.2% of our total purchases for the respective years/periods. Our purchases from our largest supplier in each year/period during the Track Record Period accounted for 13.0%, 20.5%, 30.8% and 32.4% of our total purchases for the respective years/periods.

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) key player of innovative drug R&D in China, achieving successful transformation from an innovation-driven biotech company to a profitable biopharmaceutical company; (ii) established commercialization infrastructure with proven track record and integrated with our clinical development capabilities; (iii) broad pipeline assets focused on lung cancer area, supported by strategic product lifecycle management; (iv) leveraging proven R&D strength to build a diversified pipeline matrix across oncology and other urgent-need diseases; (v) deep partnerships across our innovation ecosystem to power multi-dimensional pipeline expansion, enabling efficient coverage of promising innovative therapeutic arenas; and (vi) seasoned management supported by a strong team of talents.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) leverage our proven track record to strengthen our leadership in lung cancer treatment, expand the market penetration of icotinib, ensartinib and befotertinib in China, and establish sustainable new growth trajectories in overseas markets; (ii) extend our proven commercialization strengths from lung cancer to other therapeutic areas, broadening our business footprint; (iii) advance our clinical development and early-stage drug discovery through drug development expertise and technological capabilities; (iv) accelerate global R&D, strategic partnerships, and market expansion to maximize the clinical and commercial value of innovative therapies worldwide; (v) build and enhance the Betta Innovation Ecosystem, and strengthen synergies between partnerships and in-house R&D to advance our pipeline; and (vi) enhance talent management, organizational efficiency, and production quality systems to accelerate our evolution into a China-based, world-leading innovative biopharmaceutical company.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." You should read the entire section headed "Risk Factors" in this document before you decide to [**REDACTED**] in the [**REDACTED**]. Some of the major risks that we face include: (i) we are largely dependent on sales of our launched products. If we are unable to maintain or increase the sales volume, pricing levels and profit margins of our main products, our revenue and profitability could be adversely affected; (ii) if we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our drugs or drug candidates, or experience significant delays in doing so, our business will be materially harmed; (iii) we may not realize any or all benefits of our collaboration or licensing arrangements, and disputes may arise between us and our collaboration partners; (iv) we operate in a highly competitive environment, and we may not be able to compete effectively against current and future competitors; (v) if we are unable to win bids to sell our products to PRC public hospitals through the centralized tender process, we will lose market share and our revenue and profitability could be adversely affected; (vi) certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs; and (vii) the life of patent protection is inherently limited. After the expiration of our patent rights, such as those relating to icotinib, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us.

SUMMARY HISTORICAL FINANCIAL INFORMATION

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

Summary Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928
Cost of sales	(424,719)	(562,919)	(783,437)	(346,007)	(491,020)
Gross profit	2,031,477	2,329,031	2,825,901	1,385,406	1,484,908
Other revenue	61,136	37,819	50,022	33,956	34,497
Other gain/(loss), net[(1)]	47,200	(46,866)	(71,763)	(75,563)	20,467
Research and development expenses	(640,139)	(501,902)	(510,868)	(254,658)	(216,927)
Selling and distribution expenses	(853,886)	(1,093,820)	(1,298,225)	(593,574)	(682,293)
Administrative and other operating expenses	(265,670)	(272,310)	(483,922)	(262,352)	(208,462)
Profit from operations	380,118	451,952	511,145	233,215	432,190
Finance costs	(44,057)	(45,490)	(76,138)	(38,894)	(36,473)
Share of the results of investments accounted for using equity method	(13,987)	(12,302)	(20,644)	(6,505)	(27,401)
Profit before taxation	322,074	394,160	414,363	187,816	368,316
Income tax credit/(expense)	11,541	(7,179)	(128,154)	(57,109)	(75,625)
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**
Attributable to:					
Owners of our Company	348,032	402,571	305,329	139,897	302,135
Non-controlling interest	(14,417)	(15,590)	(19,120)	(9,190)	(9,444)
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**

Note:

(1) During the Track Record Period, net other gain/(loss) primarily consisted of net foreign exchange gain/(loss), unrealized or realized gain/(loss) from financial asset at FVPL, impairment loss on intangible assets, compensation and impairment loss on goodwill. Unrealized or realized gain/(loss) from financial assets at FVPL mainly reflected fair value movements of wealth management products purchased during 2023 and equity securities acquired in 2024. Impairment loss on intangible assets related to a patent and an exclusive license for which the expected economic benefits were no longer expected to be realized. Compensation represented the amount received by us pursuant to a settlement agreement with a third party. Impairment loss on goodwill was primarily attributable to changes in the assumptions underlying the valuation of the Anew Pharmaceutical CGU, taking into account the latest business and development progress of EYP-1901.

Non-IFRS Financial Measures

To supplement our consolidated financial statements which are presented under IFRS, we also use adjusted net profit (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. Adjusted net profit for the year/period (non-IFRS measure) was calculated by taking profit for the year/period and adding back (i) equity-settled share-based payment expenses, which were non-cash in nature, (ii) fair value change on financial liabilities at FVPL, which was non-cash in nature, and (iii) [**REDACTED**] in relation to the proposed [**REDACTED**] and [**REDACTED**]. The fair value change on financial liabilities at FVPL represents the repurchase obligation under an equity repurchase arrangement. The repurchase obligation was fully settled in 2023, and accordingly we did not record any fair value change on financial liabilities on FVPL since 2024. The amount reflects periodic changes in the estimated principal and interest payable. We define EBITDA (non-IFRS measure) as profit for the year/period adjusted by adding back (i) depreciation and amortization, (ii) net finance costs, and (iii) income tax expenses/credit. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) for the year/period adjusted by adding back (i) equity-settled share-based payment expenses, (ii) fair value change on financial liabilities at FVPL and (iii) [**REDACTED**].

We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. We believe that these measures provides useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of these non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets out a reconciliation from profit for the year/period to adjusted net profit (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the years/periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Reconciliation of profit for the year/period to adjusted net profit (non-IFRS measure):					
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**
Add:					
Fair value change on financial liabilities at FVPL	10,898	–	–	–	–
Equity-settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net profit (non-IFRS measure)	**328,049**	**329,848**	**329,666**	**150,962**	**298,347**
Reconciliation of profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure):					
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**
Add:					
Income tax expense (credit)	(11,541)	7,179	128,154	57,109	75,625
Net finance costs	33,822	38,708	71,844	35,831	35,463
Depreciation and amortization	303,487	371,967	550,763	271,104	280,104
EBITDA (non-IFRS measure)	**659,383**	**804,835**	**1,036,970**	**494,751**	**683,883**
Add:					
Fair value change on financial liabilities at FVPL	10,898	–	–	–	–
Equity-settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted EBITDA (non-IFRS measure)	**653,817**	**747,702**	**1,080,427**	**515,006**	**689,539**

Our adjusted net profit (non-IFRS measure) remained relatively stable at RMB328.0 million, RMB329.8 million and RMB329.7 million in 2023, 2024 and 2025, respectively. Our adjusted profit (non-IFRS measure) increased from RMB151.0 million in the six months ended June 30, 2025 to RMB298.3 million in the six months ended June 30, 2026, primarily due to an increase in our revenue.

Our net profit decreased from RMB387.0 million in 2024 to RMB286.2 million in 2025, primarily because (i) we recorded an increase in our selling and distribution expenses as a result of our commercialization efforts, (ii) we recorded unrealized loss from financial assets at FVPL of RMB58.7 million in 2025 in relation with our subsidiary's investment in trading financial assets and (iii) we recorded an increase in our administrative and other operating expenses, mainly due to an increase of RMB132.4 million in our depreciation and amortization, resulting from the completion and capitalization of certain construction projects of Betta Dream Works and Shengzhou facility, as

well as the capitalization and subsequent amortization of development costs following the approval of ensartinib in the U.S. Ensartinib received FDA approval for first-line treatment of ALK-positive NSCLC at the end of 2024, upon which the related intangible assets were put into commercial use and became subject to amortization in accordance with applicable accounting standards. Our net profit increased from RMB130.7 million in the six months ended June 30, 2025 to RMB292.7 million in the six months ended June 30, 2026, primarily because (i) we recorded an increase in revenue as a result of our increased sales volume and (ii) we recorded realized gain from financial assets at FVPL of RMB72.7 million in relation with our subsidiary's investment in trading financial assets.

See "Financial Information — Period to Period Comparison of Results of Operations" and "Financial Information — Non-IFRS Measures" for more details.

Revenue

The following table summarizes the components of our revenue in absolute amounts and as percentages of the total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000 (unaudited)*	*%*	*RMB'000*	*%*
Sales of pharmaceutical products	2,416,783	98.4	2,827,001	97.8	3,577,669	99.1	1,715,875	99.1	1,963,415	99.4
Rental income[1]	16,132	0.7	14,965	0.5	15,549	0.4	6,761	0.4	6,057	0.3
License fee income[2]	–	–	35,634	1.2	–	–	–	–	–	–
Other income[3]	23,281	0.9	14,350	0.5	16,120	0.5	8,777	0.5	6,456	0.3
Total	**2,456,196**	**100.0**	**2,891,950**	**100.0**	**3,609,338**	**100.0**	**1,731,413**	**100.0**	**1,975,928**	**100.0**

Notes:

(1) During the Track Record Period, our rental income was primarily derived from the leasing of properties to third parties through Betta Dream Works (Hangzhou) Innovation Technology Co., Ltd.

(2) During the Track Record Period, our license income was associated with our exclusive license to EyePoint for developing and commercializing vorolanib in ophthalmology indications globally except the Greater China. For details, please refer to the paragraphs headed "Business — Our Business Development — Collaboration with EyePoint — Exclusive License Agreement with EyePoint for Vorolanib."

(3) During the Track Record Period, our other income mainly comprised (i) promotion service income derived from market promotion activities entrusted to us, and (ii) revenue from the sales of active pharmaceutical ingredients.

Revenue by product franchise

The following table sets forth a breakdown of our revenue from sales of pharmaceutical products by product franchise in both absolute amounts and percentages of our revenue from sales of pharmaceutical products for the years/periods indicated:

	Year ended December 31,									Six months ended June 30,					
	2023			2024			2025			2025			2026		
	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue
	'000 units	*RMB'000*		*'000 units*	*RMB'000*		*'000 units*	*RMB'000*		*'000 units*	*RMB'000 (unaudited)*		*'000 units*	*RMB'000*	
EGFR TKI drugs[1]	2,221	1,616,455	66.9	2,194	1,553,571	55.0	2,345	1,722,336	48.1	1,171	862,015	50.2	1,099	810,872	41.3
ALK TKI drug[2]	565	575,929	23.8	812	836,335	29.6	1,112	1,182,311	33.0	525	547,285	31.9	651	682,540	34.8
Anti-VEGF antibody drug[3]	261	218,395	9.0	451	377,316	13.3	605	509,630	14.3	299	253,479	14.8	346	292,402	14.9
Other drugs[4]	1	6,004	0.3	29	59,779	2.1	115	163,392	4.6	27	53,096	3.1	142	177,601	9.0
Total	**3,048**	**2,416,783**	**100.0**	**3,486**	**2,827,001**	**100.0**	**4,177**	**3,577,669**	**100.0**	**2,022**	**1,715,875**	**100.0**	**2,238**	**1,963,415**	**100.0**

Notes:

(1) During the Track Record Period, our EGFR TKI drugs include icotinib and befotertinib.

(2) During the Track Record Period, our ALK TKI drug represented ensartinib.

(3) During the Track Record Period, our anti-VEGF antibody drug represented bevacizumab injection.

(4) During the Track Record Period, our other drugs include vorolanib, trastuzumab injection, recombinant human albumin injection (rice), tibremciclib and pertuzumab injection.

Our revenue generated from sales of EGFR TKI drugs decreased from RMB1,616.5 million in 2023 to RMB1,553.6 million in 2024. Such decrease was primarily attributable to icotinib, and was driven by a combination of declining selling prices and decreasing sales volumes. Specifically, the selling price of icotinib declined following successive rounds of NRDL price negotiations, decreasing from RMB835.8 per unit in 2023 to RMB760.6 per unit in 2024. The sales volume of icotinib declined during the Track Record Period, mainly due to (i) the inherent technical limitations of first-generation EGFR TKI drugs, (ii) increasing competitive pressure from second- and third-generation EGFR TKI drugs, which have gradually replaced first-generation therapies in clinical practice, and (iii) changes in market positioning and physicians' prescription preferences. Our revenue generated from sales of EGFR TKI drugs increased from RMB1,553.6 million in 2024 to RMB1,722.3 million in 2025, primarily due to an increase in our sales volume of befotertinib, which benefited from NRDL price adjustments and our accelerated hospital access and commercialization efforts. Our revenue generated from sales of EGFR TKI drugs decreased from RMB862.0 million in the six months ended June 30, 2025 to RMB810.9 million in the six months ended June 30, 2026, primarily due to a decrease in the sales volume of icotinib.

Our revenue generated from ALK TKI drug increased from RMB575.9 million in 2023 to RMB836.3 million in 2024, and further to RMB1,182.3 million in 2025, primarily driven by higher sales volumes of ALK TKI drug as a result of our expanded commercialization and marketing efforts. Our revenue generated from ALK TKI drug increased from RMB547.3 million in the six months ended June 30, 2025 to RMB682.5 million in the six months ended June 30, 2026, primarily due to our continued commercialization efforts.

Our revenue generated from anti-VEGF antibody drug increased from RMB218.4 million in 2023 to RMB377.3 million in 2024, and further to RMB509.6 million in 2025. Our revenue generated from anti-VEGF antibody drug increased from RMB253.5 million in the six months ended June 30, 2025 to RMB292.4 million in the six months ended June 30, 2026. The increases were mainly due to increased sales volumes. Such sales volume growth was mainly attributable to the product's established clinical value across multiple approved indications and continued expansion in market access and prescription adoption. While NRDL-related price adjustments were made during pricing negotiations, the resulting improvement in affordability supported broader utilization and higher prescription volumes, which led to overall revenue growth.

Our revenue generated from other drugs significantly increased from RMB6.0 million to RMB59.8 million in 2024, and further to RMB163.4 million in 2025, primarily due to (i) the commencement of revenue contribution from trastuzumab injection and recombinant human albumin injection (rice), and tibremciclib in 2025, and (ii) the increased sales volume of vorolanib as a resulting of our marketing efforts. Our revenue generated from other drugs increased from RMB53.1 million in the six months ended June 30, 2025 to RMB177.6 million in the six months ended June 30, 2026, primarily the commercialization of recombinant human albumin injection (rice), tibremciclib and pertuzumab injection.

We are dependent on sales of our marketed drugs, especially sales of our EGFR TKI drugs. Our revenue generated from sales of EGFR TKI drugs accounted for 66.9%, 55.0%, 48.1%, 50.2% and 41.3% of our total revenue from sales of pharmaceutical products in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. While EGFR TKI drugs continue to represent a significant portion of our product sales, the contribution of EGFR TKI drugs to our total revenue from sales of pharmaceutical products has declined over the Track Record Period, reflecting the gradual diversification of our product portfolio. For more details, please see "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates — We are largely dependent on sales of our launched products. If we are unable to maintain or increase the sales volume, pricing levels and profit margins of our main products, our revenue and profitability could be adversely affected."

Revenue by geographic coverage

The following table sets forth a breakdown of our revenue attributable to China and the U.S. market in absolute amounts and as percentages of the total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
PRC	2,455,147	100.0	2,856,314	98.8	3,588,557	99.4	1,731,409	100.0	1,968,623	99.6
U.S.	1,049	0.0	35,636	1.2	20,781	0.6	4	0.0	7,305	0.4
Total	**2,456,196**	**100.0**	**2,891,950**	**100.0**	**3,609,338**	**100.0**	**1,731,413**	**100.0**	**1,975,928**	**100.0**

Cost of sales

The following table sets forth a breakdown of our cost of sales in absolute amounts and as percentages of the total cost of sales for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Raw material costs	136,615	32.2	181,941	32.3	258,367	33.0	110,884	32.0	180,341	36.7
Other manufacture overheads	100,306	23.6	154,497	27.5	207,120	26.4	97,645	28.2	104,040	21.2
Depreciation and amortization	107,193	25.2	147,590	26.2	216,080	27.6	88,805	25.7	156,724	31.9
Staff costs	34,120	8.0	37,117	6.6	33,615	4.3	18,530	5.4	14,719	3.0
Taxes and surcharges	14,067	3.3	21,271	3.8	44,069	5.6	20,089	5.8	25,128	5.1
Others	32,418	7.7	20,503	3.6	24,186	3.1	10,054	2.9	10,068	2.1
Total	**424,719**	**100.0**	**562,919**	**100.0**	**783,437**	**100.0**	**346,007**	**100.0**	**491,020**	**100.0**

Gross Profit and Gross Profit Margin

Gross profit represents our revenue less our cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to RMB2,031.5 million, RMB2,329.0 million, RMB2,825.9 million, RMB1,385.4 million and RMB1,484.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, while our gross profit margin reached 82.7%, 80.5%, 78.3%, 80.0% and 75.1% during the same years/periods. The following table sets forth a breakdown of our gross profit and gross profit margin of the sale of our pharmaceutical products by product franchise for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
EGFR TKI drugs[(1)]	1,461,287	90.4	1,355,262	87.2	1,512,965	87.8	751,955	87.2	708,890	87.4
ALK TKI drug[(2)]	457,591	79.5	705,056	84.3	963,627	81.5	461,865	84.4	543,020	79.6
Anti-VEGF antibody drug[(3)]	118,800	54.4	212,342	56.3	299,347	58.7	153,197	60.4	176,317	60.3
Other drugs[(4)]	872	14.5	33,197	55.5	86,548	53.0	32,994	62.1	79,363	44.7
Total	**2,038,550**	**84.3**	**2,305,857**	**81.6**	**2,862,487**	**80.0**	**1,400,011**	**81.6**	**1,507,590**	**76.8**

Notes:

(1) During the Track Record Period, our EGFR TKI drugs include icotinib and befotertinib.

(2) During the Track Record Period, our ALK TKI drug represented ensartinib.

(3) During the Track Record Period, our anti-VEGF antibody drug represented bevacizumab injection.

(4) During the Track Record Period, our other drugs include vorolanib, trastuzumab injection, recombinant human albumin injection (rice), tibremciclib and pertuzumab injection.

Our gross profit increased by RMB297.6 million, or 14.6%, from RMB2,031.5 million in 2023 to RMB2,329.0 million in 2024. Our gross profit margin slightly decreased from 82.7% in 2023 to 80.5% in 2024, primarily due to (i) the continued impact of NRDL-negotiated price reductions for icotinib and befotertinib, which first entered the NRDL in February 2017 and in December 2023, respectively, and (ii) a change in product mix as the sales contribution from lower-margin or newly launched products increased and the proportion of higher-margin EGFR TKI drugs (with a gross profit margin of 87.2% in 2024), declined relative to ALK TKI drug with a gross profit margin of 84.3% and other drugs with a gross profit margin of 55.5%, resulting in overall margin dilution. The gross profit margin of our ALK TKI drug increased from 79.5% in 2023 to 84.3% in 2024, mainly due to economies of scale resulting from higher sales volume, which led to a lower allocation of fixed costs, including depreciation and amortization.

Our gross profit increased by RMB496.9 million, or 21.3%, from RMB2,329.0 million in 2024 to RMB2,825.9 million in 2025. Our gross profit margin decreased from 80.5% in 2024 to 78.3% in 2025, primarily due to a change in our product mix, as newly launched products that were still in the early stage of market penetration and had relatively lower margins contributed a larger share of revenue, and the revenue contribution from higher-margin EGFR TKI drugs (with a gross profit margin of 87.8% in 2025), declined relative to products with lower margins such as ALK TKI drug with a gross profit margin of 81.5% and other drugs with a gross profit margin of 53.0% during the same year, resulting in an overall dilution of our gross profit margin.

Our gross profit increased by RMB99.5 million, or 7.2%, from RMB1,385.4 million in the six months ended June 30, 2025 to RMB1,484.9 million in the six months ended June 30, 2026. Our gross profit margin decreased from 80.0% in the six months ended June 30, 2025 to 75.1% in the six months ended June 30, 2026, primarily due to an increase in our cost of sales, particularly the increase in depreciation and amortization. This increase was mainly due to an increase in amortization expenses in relation to the commencement of U.S. sales of ensartinib.

Summary Consolidated Statements of Financial Position

The following table sets forth certain selected items from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	7,621,028	8,117,347	8,987,819	8,557,851
Total current assets	1,525,881	1,224,331	1,577,827	1,741,542
Total current liabilities	1,803,157	1,847,959	1,917,280	2,055,198
Net current liabilities	(277,276)	(623,628)	(339,453)	(313,656)
Total assets less current liabilities	7,343,752	7,493,719	8,648,366	8,244,195
Total non-current liabilities	1,992,278	1,827,609	1,980,683	1,607,554
Net assets	5,351,474	5,666,110	6,667,683	6,636,641

We had net current liabilities of RMB277.3 million, RMB623.6 million, RMB339.5 million and RMB313.7 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. The decrease in net current liabilities from December 31, 2025 to June 30, 2026 was primarily due to an increase in trade receivables of RMB273.6 million as a result of the increased sales volume and a decrease in other payables and accruals of RMB214.5 million as a result of our settlement of construction payments, partially offset by an increase in interest-bearing borrowings of RMB306.4 million. The decrease in net current liabilities from December 31, 2024 to December 31, 2025 was primarily due to (i) an increase in trade receivables of RMB252.8 million due to our increased sales volume, and (ii) an increase in prepayment, deposits and other receivables of RMB111.8 million attributable to an increase in other deposits and receivables, resulting from an increase in our deposits for procurement, partially offset by (i) an increase in interest-bearing borrowings of RMB102.5 million and (ii) a decrease in financial assets at FVPL of RMB60.4 million in connection with our investment in listed equity securities. The increase in net current liabilities from December

31, 2023 to December 31, 2024 was primarily due to (i) a decrease in cash and cash equivalents of RMB280.3 million incurred for our daily operations and repayment of bank borrowings, (ii) a decrease in trade receivables of RMB187.9 million due to our improved distributor management and (iii) an increase in interest-bearing borrowings of RMB169.9 million, partially offset by an increase in financial assets at FVPL of RMB125.9 million in connection with our investment in listed equity securities.

Our net assets increased from RMB5,351.5 million as of December 31, 2023 to RMB5,666.1 million as of December 31, 2024, primarily due to our profit for the year of RMB387.0 million and other comprehensive income of RMB56.9 million, partially offset by dividends declared and paid of RMB71.1 million and equity-settled share-based payment of RMB57.1 million. Our net assets increased from RMB5,666.1 million as of December 31, 2024 to RMB6,667.7 million as of December 31, 2025, primarily due to our other comprehensive income of RMB709.3 million, our profit for the year of RMB286.2 million, and share issued upon exercise of share option of RMB92.2 million, partially offset by dividends declared and paid of RMB83.7 million. Our net assets remained relatively stable at RMB6,667.7 million as of December 31, 2025 and RMB6,636.6 million as of June 30, 2026.

Summary Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash generated from operating activities	914,229	911,172	911,261	444,978	412,340
Net cash used in investing activities	(1,505,454)	(1,001,693)	(927,866)	(391,291)	(249,975)
Net cash generated from/(used in) financing activities	608,193	(191,384)	(26,176)	2,015	(135,989)
Net increase/(decrease) in cash and cash equivalents	16,968	(281,905)	(42,781)	55,702	26,376
Effect of foreign exchange rate changes	3,744	1,591	1,079	(196)	(1,170)
Cash and cash equivalents at the beginning of the year/period	731,285	751,997	471,683	471,683	429,981
Cash and cash equivalents at the end of the year/period	751,997	471,683	429,981	527,189	455,187

Please see "Financial Information — Liquidity and Capital Resources" for details of our cash flows.

Key Financial Ratios

The following table sets forth certain of our key financial ratios for the years/periods or as of the dates indicated:

	Year ended/As of December 31,			Six months ended/As of June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Gross profit margin[(1)]	82.7%	80.5%	78.3%	80.0%	75.1%
Net profit margin[(2)]	13.6%	13.4%	7.9%	7.5%	14.8%
Adjusted net profit margin (non-IFRS measure)[(3)]	13.4%	11.4%	9.1%	8.7%	15.1%
EBITDA margin (non-IFRS measure)[(4)]	26.8%	27.8%	28.7%	28.6%	34.6%
Adjusted EBITDA margin (non-IFRS measure)[(5)]	26.6%	25.9%	29.9%	29.7%	34.9%
Net profit cash conversion ratio[(6)]	274.0%	235.5%	318.4%	340.4%	140.9%

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.

(3) Adjusted net profit margin (non-IFRS measure) is calculated using adjusted net profit (non-IFRS measure) divided by revenue multiplied by 100%. See "Financial Information — Non-IFRS Measures."

(4) EBITDA margin (non-IFRS measure) is calculated using EBITDA (non-IFRS measure) divided by revenue multiplied by 100%. See "Financial Information — Non-IFRS Measures."

(5) Adjusted EBITDA margin (non-IFRS measure) is calculated using adjusted EBITDA (non-IFRS measure) divided by revenue and multiplied by 100%. See "Financial Information — Non-IFRS Measures."

(6) Net profit cash conversion ratio is calculated using net cash generated from operating activities divided by profit for the year/period and multiplied by 100%.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders comprises Dr. DING, Kaiming Investment and Beicheng Investment. As of the Latest Practicable Date, Dr. DING controlled approximately 21.50% of the total issued share capital of the Company directly (holding approximately 0.24% of the total issued share capital of our Company) and indirectly through Kaiming Investment (holding approximately 18.91% of the total issued share capital of our Company) and Beicheng Investment (holding approximately 2.34% of the total issued share capital of our Company), entities controlled by him. For details, see "History, Development and Corporate Structure — Our Single Largest Group of Shareholders." Immediately following completion of the [**REDACTED**], assuming no new Shares are issued pursuant to the [**REDACTED**], Dr. DING will control approximately [**REDACTED**]% of the total issued share capital of the Company through Kaiming Investment, Beicheng Investment and by himself. As such, upon completion of the [**REDACTED**], Dr. DING, Kaiming Investment and Beicheng Investment will continue to be our Single Largest Group of Shareholders.

LISTING ON THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the Shenzhen Stock Exchange since November 2016. Our Directors have confirmed that the Company has no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Adviser is of the view that during the Track Record Period and up to the Latest Practicable Date, the Company has not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Adviser's view as set out above, nothing has come to the Sole Sponsor's attention that would cause it to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in all material respects.

CONNECTED TRANSACTIONS

Prior to the [**REDACTED**], our Group has entered into certain transactions in our ordinary and usual course with parties who will, upon the [**REDACTED**], become connected persons of our Company. We will continue to engage in such continuing connected transactions after the [**REDACTED**]. We have applied for, and the Stock Exchange [has granted] us waivers from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules. For details, see "Connected Transactions."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Recent Development

Since the end of the Track Record Period, we have continued to advance our business, pipeline and commercialization efforts. In July 2026, the results of ensartinib's ELEVATE study were published online in *The New England Journal of Medicine*. In the same month, icotinib and trastuzumab injection were retained in, and bevacizumab injection was newly included in, the National Essential Drug List (2026 version). Also in July 2026, we received NMPA approval to

conduct a real-world study of icotinib as postoperative adjuvant therapy in patients with high-risk stage IA2 to stage IB NSCLC harboring EGFR-sensitive mutations, which is intended to support the potential expansion of icotinib's approved indications. In August 2026, EyePoint reported topline data from the LUGANO study, one of the two Phase III clinical trials of EYP-1901 in wAMD. For details, see "Business — Our Commercialized and Pipeline Products — Non-Neoplastic Diseases Pipeline — DURAVYU™ (EYP-1901), Sustained-Release Vorolanib Formulation." EyePoint continues to advance the other Phase III study, LUCIA, with topline data expected in the fourth quarter of 2026.

No Material Adverse Change

Save as disclosed above, our Directors confirm that, after performing all the due diligence work which our Directors consider appropriate, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 and up to the date of this document.

DIVIDEND

Where we record profit for the year and has positive accumulated undistributed profit, we shall give priority to the distribution of dividends, and the total amount of dividends distributed for the year shall not be less than 20% of the profit available for distribution for that year. We declared and paid cash dividends of RMB29.2 million, RMB71.1 million, RMB83.7 million and RMB63.1 million to our shareholders in 2023, 2024 and 2025 and the six months ended June 30, 2026. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may formulate the profit distribution plans, and such plan shall be approved by both the Board meeting and the shareholders' meeting. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval by our Shareholders. Under our Articles of Association, when our Company makes profits in the current year and the accumulated undistributed profit is positive, our Company shall give priority to the distribution of cash dividends. The total amount of the cash dividend distributed shall be at least 20% of total dividends in the same distribution. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Directors.

[**REDACTED**]

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the aggregate [**REDACTED**] from the [**REDACTED**] will be approximately HK$[**REDACTED**] million, after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] stated in this document. We currently intend to apply such [**REDACTED**] we will receive from this [**REDACTED**] for the following purposes: (i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the research and development activities for our drug candidates; (ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund potential acquisitions to expand our pipeline and further develop the Betta ecosystem; (iii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the enhancement of marketing networks and market expansion across key therapeutic areas; and (iv) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes. For more details, please see "Future Plans and Use of [**REDACTED**]."

[REDACTED]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] million (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no H Shares are issued pursuant to the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**]-related expenses of HK$[**REDACTED**] million, and (ii) non-[**REDACTED**]-related expenses of HK$[**REDACTED**] million, including (a) the legal advisors and the reporting accountants expenses of HK$[**REDACTED**] million, and (b) other fees and expenses of HK$[**REDACTED**] million. During the Track Record Period, we incurred [**REDACTED**] of HK$[**REDACTED**] million, HK$[**REDACTED**] million of which was charged to our consolidated statements of profit or loss, and HK$[**REDACTED**] million of which was attributable to the [**REDACTED**] of H Shares and will be deducted from equity upon [**REDACTED**]. We expect to incur [**REDACTED**] of HK$[**REDACTED**] million after the Track Record Period, of which approximately HK$[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] million is attributable to the issue of H Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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

"2021 Restricted Share Incentive Scheme"	the A Share restricted share incentive scheme adopted by our Company on September 21, 2021 details of which are set out in "Statutory and General Information — 4. A Share Incentive Schemes" of Appendix V to this document
"2023 Restricted Share Incentive Scheme"	the A Share restricted share incentive scheme adopted by our Company on December 5, 2023 details of which are set out in "Statutory and General Information — 4. A Share Incentive Schemes" of Appendix V to this document
"A Share Incentive Schemes"	2021 Restricted Share Incentive Scheme and 2023 Restricted Share Incentive Scheme
"A Shares"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in Renminbi and are listed for trading on the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of the A Share(s)
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Anew Pharmaceuticals"	Anew Pharmaceuticals Co., Ltd (卡南吉醫藥科技(上海)有限公司), a company incorporated under the laws of the PRC on September 1, 2006 and a wholly-owned subsidiary of our Company as of the Latest Practicable Date
"Articles of Association" or "Articles"	our articles of association, as conditionally adopted on September 26, 2025 and will come into effect upon [**REDACTED**] (as amended, supplemented or otherwise modified from time to time), a summary of which is set out in Appendix IV to this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Beicheng Investment"	Zhejiang Beicheng Investment Management Partnership (Limited Partnership) (浙江貝成投資管理合夥企業(有限合夥)), a limited partnership incorporated under the laws of the PRC on November 24, 2011, a member of our Single Largest Group of Shareholders and an employee share incentive platform of our Group, details of which are set out in "History, Development and Corporate Structure — Corporate Development" in this document
"BETA"	Beta Pharma Inc., a corporation incorporated under the laws of Delaware, details of which are set out in "History, Development and Corporate Structure — Corporate Development" in this document
"Betta Investment"	Betta Investment (Hong Kong) Limited, a company incorporated under the laws of Hong Kong on October 14, 2014 and a wholly-owned subsidiary of our Company

"Betta Pharmaceutical S&T"	Zhejiang Betta Pharmaceutical Science & Technology Limited (浙江貝達醫藥科技有限公司), a company incorporated under the laws of the PRC on November 22, 2013 which was a wholly-owned subsidiary of our Company before it was disposed to Zhejiang Beilaite (formerly known as Ningbo Kaiming Innovation Technology Limited (寧波凱銘創新科技有限公司) in 2020, details of which are set out in "History, Development and Corporate Structure" in this document
"Board" or "Board of Directors"	our board of Directors
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"CAGR"	compound annual growth rate

[**REDACTED**]

"China", "Chinese Mainland" or "PRC"	the People's Republic of China excluding, for the purposes of this document, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"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," "our Company" or "the Company"	Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司), a joint stock company incorporated in the PRC with limited liability on January 7, 2003
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Compliance Adviser"	Somerley Capital Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)" or "our Director(s)"	the director(s) of our Company or any one of them

"Dr. DING"	Dr. DING Lieming (丁列明), our founder, executive Director, Chairman of the Board, General Manager, Chief Executive Officer and a member of our Single Largest Group of Shareholders
"EIT"	PRC enterprise income tax
"EIT Law"	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
	[**REDACTED**]
"Extreme Conditions"	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or brings safety concern for a prolonged period
	[**REDACTED**]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
"Frost & Sullivan Report"	the industry report commissioned by us and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed "Industry Overview" in this document
	[**REDACTED**]
"Greater China"	for the purpose of this document and for geographical reference only, references in this document to "Greater China" apply to the PRC, Hong Kong, the Macau Special Administrative Region and Taiwan
"Group," "our Group," "our", "we" or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	[**REDACTED**] ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be [**REDACTED**] in Hong Kong dollars and for which an application has been made for the granting of [**REDACTED**] and permission to [**REDACTED**] on the Hong Kong Stock Exchange
	[**REDACTED**]

"H Shareholder(s)"	holder(s) of the H Share(s)
"Hangzhou Teruixichuang"	Hangzhou Teruixichuang Enterprise Management Partnership (Limited Partnership) (杭州特瑞西創企業管理合夥企業(有限合夥)), formerly known as Wenzhou Teruixichuang Enterprise Management Partnership (Limited Partnership) (溫州特瑞西創企業管理合夥企業(有限合夥)), and before that, Ningbo Meishan Bonded Port Area Teruixichuang Investment Partnership (Limited Partnership) (寧波梅山保稅港區特瑞西創投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 28, 2013 and a Shareholder of our Company
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards issued by The Hong Kong Institute of Certified Public Accountants

[**REDACTED**]

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[**REDACTED**]

"IFRS"	International Financial Reporting Standards, which includes standards, amendment and interpretations promulgated by the International Accounting Standards Board
"IIT Law"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》)
"Independent Third Party(ies)"	a person or entity who is not a connected person of the Company under the Listing Rules to the knowledge of our Directors after all reasonable enquires

[**REDACTED**]

"Jihe Venture Capital"	Zhejiang Jihe Venture Capital Company Limited (浙江濟和創業投資有限公司), a company incorporated under the laws of the PRC on July 15, 2011 and a substantial Shareholder of our Company as of the Latest Practicable Date, details of which are set out in "History, Development and Corporate Structure — Corporate Development" in this document

[**REDACTED**]

[**REDACTED**]

"Kaiming Investment"	Ningbo Kaiming Investment Management Partnership (Limited Partnership) (寧波凱銘投資管理合夥企業(有限 合夥), a limited partnership established under the laws of the PRC on April 7, 2013 and a member of our Single Largest Group of Shareholders, details of which are set out in "History, Development and Corporate Structure — Corporate Development" in this document
"Latest Practicable Date"	August 23, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[**REDACTED**]

"Listing Committee"	the listing committee of the Hong Kong Stock Exchange

[**REDACTED**]

"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
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	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)
"NHC"	the National Health Commission of the PRC (國家衛生健康委員會)
"NMPA"	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of our 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)

[**REDACTED**]

[**REDACTED**]

"Trial Measure for Overseas Listing"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the supporting guidelines (《境內企業境外發行證券 和上市管理試行辦法》及其配套指引) promulgated by the CSRC on February 17, 2023 which became effective on March 31, 2023
"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC GAAP"	PRC Accounting Standards and Accounting Regulations for Business Enterprise (《中國企業會計準則》), as amended, supplemented or otherwise modified from time to time
"PRC Legal Adviser"	Zhejiang T&C Law Firm, our legal adviser as to PRC law

[**REDACTED**]

"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
"SAMR"	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)

"SAT"	State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"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
"SFC" or "Securities and Futures Commission"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shanghai
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen-Hong Kong Stock Connect"	a securities trading and clearing links program to be developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, HKSCC and CSDC for mutual market access between Hong Kong and Shenzhen
"Shenzhen Stock Exchange"	Shenzhen Stock Exchange (深圳證券交易所)
"Single Largest Group of Shareholders"	refers to Dr. DING, Kaiming Investment and Beicheng Investment
"Sole Sponsor"	the sole sponsor named in "Directors and Parties Involved in the [**REDACTED**]"
	[**REDACTED**]
"State Council"	State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of our Board
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"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 three years ended December 31, 2025 and the six months ended June 30, 2026
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. dollar" or "US$"	United States dollar, the lawful currency of the United States

"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time
	[**REDACTED**]
"VAT"	value-added tax
	[**REDACTED**]
"Xcovery Holdings"	Xcovery Holdings, Inc., a corporation incorporated under the laws of Delaware on December 29, 2017 (formerly known as Xcovery Holding Company LLC), details of which are set out in "History, Development and Corporate Structure" in this document
"%"	per cent

In this document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "subsidiaries" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY

This glossary contains explanations of certain technical terms used in this document in connection with us and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

"API"	the substance in a pharmaceutical drug that is biologically active
"ALK"	anaplastic lymphoma kinase, a type of receptor protein-tyrosine kinase
"AMD"	age-related macular degeneration, a medical condition characterized by the abnormal growth of blood vessels in the retina
"AML"	acute myeloid leukemia, a cancer of the myeloid line of blood cells
"angiogenesis"	the growth of blood vessels
"antibody-dependent cellular cytotoxicity" or "ADCC"	a mechanism of cell-mediated immune defense whereby an effector cell of the immune system actively lyses a target cell, whose membrane-surface antigens have been bound by specific antibodies
"bispecific"	antibody that combines two antigen-recognizing elements into a single construct, able to bind to two different antigens at the same time
"bioequivalence"	the relationship between two preparations of the same drug in the same dosage form that have a similar bioavailability
"biosimilar"	a follow-on version of innovator biopharmaceuticals which are separately developed after patents protecting the innovator biopharmaceuticals have expired and have similar quality, safety and efficacy as the innovator biopharmaceuticals
"BLA"	biologics license application, a request from FDA for permission to introduce, or deliver for introduction, a biologic product into interstate commerce
"CD3"	cluster of differentiation 3, a protein complex and T cell co-receptor that is involved in activating both the cytotoxic T cell and T helper cells
"CDE"	Center for Drug Evaluation, a division of the NMPA
"CDK"	cyclin dependent kinase, a conserved family of proline-directed serine/threonine kinases that perform critical roles in regulating the stepwise progression through the eukaryotic cell cycle. The major cell cycle-related CDKs include CDK1, CDK2, CDK4, and CDK6
"CDMO"	contract development and manufacturing organization
"central nervous system" or "CNS"	the brain and spinal cord
"cGMP"	current good manufacturing practice
"chemotherapy"	a category of cancer treatment that uses one or more anti-cancer chemotherapeutic agents as part of its standardized regimen

"CI"	confidence intervals
"clinical trial"	a systematic research study conducted in human subjects (patients or healthy volunteers) for validating or finding the therapeutic effects and side effects of test drugs in order to determine the therapeutic value and safety of such drugs
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"c-MET"	mesenchymal-epithelial transition factor, a receptor tyrosine kinase encoded by the MET gene
"combination therapy"	treatment in which a patient is given two or more drugs (or other therapeutic agents) for a single disease
"CRO"	contract research organization
"CSCO"	Chinese Society of Clinical Oncology
"CTLA-4"	a cytotoxic T-lymphocyte-associated protein 4, which down-regulates T cell immune response to cancer cells
"EGFR"	epidermal growth factor receptor
"FDA"	U.S. Food and Drug Administration
"first-line" or "1L"	with respect to any disease, the first line therapy, which is the treatment regimen or regimens that are generally accepted by the medical establishment for initial treatment of a given type and stage of cancer. It is also called primary treatment or therapy
"FLT3"	fibromyalgia syndrome (FMS)-like tyrosine kinase 3, an important cytokine receptor involved in normal hematopoiesis
"GMP"	guidelines and regulations from time to time issued pursuant to the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》) as part of quality assurance
"Grade"	term used to refer to the severity of adverse events, using Grade 1, Grade 2, Grade 3, etc.
"HER2"	human epidermal growth factor receptor 2
"HIF"	hypoxia-inducible factor, transcription factors that respond to decreases in available oxygen in the cellular environment
"HR"	a statistical measure used to compare the risk of a specific event occurring between two groups, such as disease progression or death in clinical trials
"HRAS"	Harvey rat sarcoma viral oncogene homolog
"IC_{50}"	half maximal inhibitory concentration, a measure of the potency of a substance in inhibiting a specific biological or biochemical function
"IDH1/2"	isocitrate dehydrogenase 1 and 2, key enzymes in cellular metabolism, epigenetic regulation, redox states, and DNA repair
"immune checkpoint inhibitors"	molecules that release the natural brakes which exist to control an immune response

GLOSSARY

"immunogenicity"	the ability of a particular substance, such as an antigen or epitope, to provoke an immune response in the body of a human and other animal. In other words, immunogenicity is the ability to induce a humoral and/or cell-mediated immune responses
"immunotherapy"	use of the immune system to treat disease
"*in vitro*"	Latin for "in glass", studies *in vitro* are conducted using components of an organism that have been isolated from their usual biological surroundings, such a microorganisms, cells or biological molecules
"*in vivo*"	Latin for "within the living", studies *in vivo* are those in which the effects of various biological or chemical substances are tested on whole, living organisms as opposed to a partial or dead organism, or those done in vitro
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or clinical trial notification in Australia
"indication"	the scope or conditions for which a drug, surgical procedure, or other form of treatment is considered appropriate
"inhibitor"	a chemical or substance added or applied to another substance to slow down a reaction or to prevent an unwanted chemical change
"innovative drugs"	Category 1 chemical drugs that have not been marketed in China or overseas under the *Requirements for Registration Classification and Application Dossiers of Chemical Drugs* issued by the NMPA, representing new compounds with clear structures and pharmacological effects developed through original research and submitted for regulatory approval
"IRC"	independent review committee
"KOLs"	key opinion leaders, being physicians with influence on their peers' medical practice, such as prescribing behavior, surgical procedures preference and residency training focus
"KRAS mutations"	substypes of Kirsten rat sarcoma 2 viral oncogene homolog, a signal transducer protein, which plays an important role in various cellular signaling events such as in regulation of cell proliferation, differentiation and migration. Common variants include KRAS-G12C, KRAS-G12D, KRAS-G12S, KRAS-G12V, KRAS-G12R and KRAS-G13D
"lung cancer"	cancer that forms in tissues of the lung, usually in the cells lining air passages
"L858R-mutant"	a specific type of mutation in the EGFR gene, where the leucine (L) at position 858 is replaced by an arginine (R)
"MerTK"	a member of the Tyro-Axl-MerTK (TAM) family of receptor tyrosine kinases, a macrophage receptor that mediates the binding and phagocytosis of apoptotic cells, a process known as efferocytosis

"metastatic"	in reference to any disease, including cancer, disease producing organisms or of malignant or cancerous cells transferred to other parts of the body by way of the blood or lymphatic vessels or membranous surfaces
"monoclonal antibody"	an antibody generated by identical immune cells that are all clones of the same parent cell
"monotherapy"	therapy that uses a single drug to treat a disease or condition
"NDA"	new drug application
"NMPA"	National Medical Products Administration (國家藥品監督管理局) of China, formerly known as China's Food and Drug Administration ("CFDA") (國家食品藥品監督管理局) or China's Drug Administration ("CDA") (國家藥品監督管理局); references to NMPA include CFDA and CDA
"NRAS"	neuroblastoma RAS viral oncogene homolog
"NRDL"	China's National Reimbursement Drug List, which is also known as the *National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance* (《國家基本醫療保險、工傷保險和生育保險藥品目錄》)
"NSCLC"	non-small-cell lung cancer, any carcinoma (as an adenocarcinoma or squamous cell carcinoma) of the lungs that is not a small-cell lung carcinoma
"oncolytic virus"	a type of virus that infects and lyses (breaks down) cancer cells but not normal cells
"ORR"	overall response rate
"OS"	overall survival
"pan-RAS"	inhibitors or therapeutic agents that target all members of the RAS family of proteins, including KRAS, NRAS, and HRAS
"PD-1"	programmed cell death protein 1, an immune checkpoint receptor expressed on T cells, B cells and macrophages
"PDGF"	platelet-derived growth factor
"PDGFR"	platelet-derived growth factor receptors
"PD-L1"	PD-1 ligand 1, which is a protein on the surface of a normal cell or a cancer cell that attaches to certain proteins on the surface of the T cell that causes the T cell to turn off its ability to kill the cancer cell
"PFS"	progression-free survival
"pharmacodynamics" or "PD"	the study of how a drug affects an organism, which, together with pharmacokinetic, influences dosing, benefit, and adverse effects of the drug
"pharmacokinetics" or "PK"	the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug

GLOSSARY

"Phase I clinical trials"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase II clinical trials"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase III clinical trials"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PI"	principal investigator who leads the conduct of a clinical trial and responsible for the clinical research activities at a study site
"preclinical studies"	studies or programs testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"PROTAC"	proteolysis targeting chimera, a molecule that can remove specific unwanted proteins. Rather than acting as a conventional enzyme inhibitor, a PROTAC works by inducing selective intracellular proteolysis
"pmCNV"	pathologic myopic choroidal neovascularization
"RCC"	renal cell carcinoma
"refractory"	when used in reference to any type of cancer, cancer that does not respond to treatment or it may become resistant during treatment
"registrational trial"	the final controlled trial or study to demonstrate clinicalefficacy and safety evidence required before submissionfor drug marketing approval
"relapsed"	when used in reference to any disease, including cancer, the return of a disease or the signs and symptoms of a disease after a period of improvement
"RVO"	retinal vein occlusion, a common vascular disorder of the retina
"SD"	stable disease. In oncology, it refers to cancer that is neither decreasing nor increasing in extent or severity
"second-line" or "2L"	with respect to any disease, the therapy or therapies that are tried when the first-line treatments do not work adequately
"solid tumor"	an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them. Examples of solid tumors are sarcomas, carcinomas, and lymphomas

GLOSSARY

"standard of care"	treatment that is accepted by medical experts as a proper treatment for a certain type of disease and that is widely used by healthcare professionals
"TEAD"	TEA domain family of transcription factors
"toxicity"	the degree to which a substance or a mixture of substances can harm humans or animals
"tumors"	an abnormal growth of tissue resulting from uncontrolled, progressive multiplication of cells
"tyrosine kinase inhibitor" or "TKI"	a pharmaceutical drug that inhibits tyrosine kinases
"VEGF" or "VEGFR"	vascular endothelial growth factor, a gene critical for the growth and development of cancer cells. Vascular endothelial growth factor receptor (VEGFR) refers to a family of receptor tyrosine kinases that mediate the biological effects of VEGF
"VHL"	von Hippel-Lindau
"wAMD"	one of two types of age-related macular degeneration, which can lead to sudden and severe vision loss and is the most advanced form of AMD

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. 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, uncertainties and other factors facing the Company which could affect the accuracy of forward-looking statements include, but are not limited to: (i) our business strategies and plans to achieve these strategies; (ii) our ability to complete the development and obtain the relevant requisite regulatory approvals of our drug candidates; (iii) our ability to commercialize our approved drugs in a timely manner; (iv) our future debt levels and capital needs; (v) changes to the political and regulatory environment in the industry and markets in which we operate; (vi) our expectations with respect to our ability to acquire and maintain regulatory licenses or permits; (vii) changes in competitive conditions and our ability to compete under these conditions; (viii) future developments, trends and conditions in the industry and markets in which we operate; (ix) our and our licensors' ability to obtain, maintain, protect and enforce intellectual property and proprietary protection for our drugs, drug candidates and technologies and to avoid claims of infringement; (x) general economic, political and business conditions in the markets in which we operate; (xi) effects of the global financial markets and economic crisis; (xii) our financial conditions and performance; (xiii) our dividend policy; and (xiv) change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Additional factors that could cause actual performance or achievement to differ materially including but not limited to those discussed in "Risk Factors" and elsewhere in this document. In some cases, we use the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the "Business" and "Financial Information" sections of this document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

We caution you not to place undue reliance on these forward-looking statements which are based on current plans and estimates, and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the 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. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

Accordingly, you should not place undue reliance on any forward-looking statements in this document. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

You should carefully consider all of the information in this document and, in particular, the risks and uncertainties described below, before making any [**REDACTED**] *in our H Shares. We are affected materially by requirements and restrictions that arise under laws, regulations, judicial interpretations and government policies in nearly all aspects of our businesses in the jurisdictions where we operate. The risks described below are not the only risks that may affect us or our* [**REDACTED**]. *Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, results of operations, financial condition and growth prospects. If any of the possible events described below occurs, our business, results of operations, financial condition and growth prospects could be materially and adversely affected. The* [**REDACTED**] *of our H Shares could decline owing to any of these risks, and you may lose all or part of your* [**REDACTED**].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates

We are largely dependent on sales of our launched products. If we are unable to maintain or increase the sales volume, pricing levels and profit margins of our main products, our revenue and profitability could be adversely affected.

To date, we had nine launched products that were primarily sold in the PRC. Sales of our marketed products accounted for 98.4%, 97.8%, 99.1%, 99.1% and 99.4% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. In particular, we are largely dependent on sales of EGFR TKI drugs, which contributed 66.9%, 55.0%, 48.1%, 50.2% and 41.3% of our total revenue from sales of pharmaceutical products during the same periods. If we are unable to maintain the sales volumes, pricing levels or profit margins of these marketed products, especially EGFR TKI drugs, our revenue and profitability could be adversely affected. Factors that could adversely affect the sales volumes, pricing levels and profitability of these products include exclusion from, or reduced coverage under, the provincial or other government-sponsored medical insurance programs, and unfavorable policy, regulatory or enforcement changes, among others, which are outside of our control and could adversely affect our operations, revenue and profitability.

If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our drugs or drug candidates, or experience significant delays in doing so, our business will be materially harmed.

Our business will depend on the successful development, regulatory approval and commercialization of our drugs and drug candidates, many of which are still in clinical or preclinical development. The success of our drugs and drug candidates will depend on several factors, including but not limited to successful completion of clinical and preclinical studies, receipt of regulatory approvals of our drugs and drug candidates and successfully launching commercial sales of our drug candidates. If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays in our ability or be unable to obtain approval for and/or to successfully commercialize our drugs and drug candidates, which would render us fail to achieve our milestones as planned, and materially harm our drug development business.

Clinical drug development involves a lengthy and expensive process with an uncertain outcome.

Failure to successfully complete these trials or procedures in a timely and cost-effective manner could have a material adverse effect on our prospects. The successful and 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 always be able to enroll a sufficient number of patients for all of our clinical trials in a timely manner, or even if we are ultimately able to enroll a sufficient number of patients in our clinical trials, delays in patient enrolment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Failure can occur at any time during the clinical trial process. If our drugs or drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results in future clinical trials, we would have expended a significant amount of capital to progress the relevant drugs or drug candidates to that stage, and would not realize any revenue on such drug candidate if it then ultimately failed to receive regulatory approval due to poor clinical trial results. Uncompensated expenditure of clinical development could materially adversely affect our business, financial condition, results of operations and prospects.

If we fail to achieve product development milestones, as disclosed in this document or subsequent public disclosures, it could adversely affect our business prospects.

The successful implementation of our drug development programs is subject to significant business, economic and competitive uncertainties and contingencies, including, product development risk, the availability of funds, competition, grants of relevant approvals and permits and regulation, which we will re-evaluate from time to time based on the regulation, government policies and the continued growth of the pharmaceutical market. The actual timing for achieving product development milestones could vary significantly from our expectations due to a number of factors, many of which are outside our control. If we fail to achieve one or more of these milestones as planned, it could adversely affect the price of our H Shares and our business prospects.

Results of preclinical studies and early phases of clinical trials may not be predictive of future trial results.

To obtain regulatory approval for the sale of our drug candidates, we are required to conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. We may encounter unexpected difficulties while executing our drug development plans for such drug candidates and our current and future drug candidates are susceptible to the risks of failure inherent at any stage of drug development, including the occurrence of unexpected or unacceptable adverse events or the failure to demonstrate efficacy in clinical trials. We cannot guarantee that we will be able to realize such potential for any of our drug candidates, especially because they are still in clinical or preclinical development.

We invest substantial resources in research and development in order to develop our drugs and drug candidates and enhance our technologies, which we may not be able to do successfully.

The global pharmaceutical market is constantly evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we recorded R&D investment (including research and development expenses and development costs) of RMB1,002.1 million, RMB717.2 million, RMB573.5 million, RMB298.6 million and RMB230.8 million, respectively. We cannot guarantee that we will be successful in identifying potential drug candidates. Research programs to pursue the development of new drug candidates or additional indications require substantial technical, financial and human resources. Our research programs may fail to yield results for clinical development for a number of reasons. Moreover, we cannot assure you that we will be able to develop, improve or adapt to new technologies and methodologies, or develop and bring new products to market in a timely and cost-effective manner. Any failure to do so may render our efforts obsolete, which could significantly reduce demand for our products or services and harm our business and prospects.

We may not realize any or all benefits of our collaboration or licensing arrangements, and disputes may arise between us and our collaboration partners.

From time to time, we may license-in or license-out drugs or drug candidates. We have licensed-in candidates to expand our portfolio, but cannot assure that we will identify suitable future candidates or secure favorable terms, if at all. Any in-licensing arrangements may impose diligence, development, commercialization, milestone, royalty, insurance and other obligations, and there is no assurance that the products will be successfully commercialized. We may also license-out our drugs or drug candidates. We cannot assure that we will successfully enter into such arrangements or that any partner will successfully develop or commercialize the licensed products, which could adversely affect the licensing fees we receive.

Even after we successfully license-in or license-out drugs or drug candidates, our licensors or licensees may breach the relevant license agreements, whether inadvertently or otherwise, or conclude that we have materially breached our license agreements, which could result in termination of relevant agreement, loss of valuable intellectual property rights and disagreements and disputes, among others. For example, we entered into a collaboration agreement with InventisBio, as amended, in December 2018, pursuant to which we obtained exclusive rights for research, development, manufacturing and commercialization of befotertinib in Chinese Mainland, Hong Kong, and Taiwan. Please refer to "Business — Our Business Development — Collaboration Agreement with InventisBio on Befotertinib" for more details of this collaboration. Since the inception of this collaboration, we have actively advanced the clinical development and commercial launch of befotertinib, and our progress has been acknowledged by InventisBio. While certain regulatory milestone payments totaling RMB180 million have been triggered and become payable by us under this agreement, we and InventisBio are currently in active discussions regarding the payment of such fees, taking into account commercial considerations and the long-term nature of

our collaboration. As an initial outcome of these discussions, we paid RMB80 million in December 2025, and further discussions remain ongoing. Both parties aim to resolve this matter through amicable negotiation under the framework of existing agreement. Notwithstanding these discussions, we have continued to fulfill our other contractual obligations under the collaboration agreement, including the continued payment of sales royalties post to the marketing approvals, and the overall collaborative relationship between the parties remains friendly and constructive.

However, we cannot assure you that our discussions with collaboration partners will always lead to mutually acceptable terms or will not escalate and require other mechanisms of resolution. In addition, certain in-licensing and out-licensing agreements we entered into with our collaboration parties contain early termination clauses that provide a short notice period for initiating the termination process or grant the other party unilateral termination rights with short notice period. Termination of the licenses provided for under these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms.

We may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

If we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate, or we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement. In addition, our spending on current and future research and development programs and drug candidates for specific indications may not yield any commercially viable products and the market opportunities for our drug candidates may be smaller than we anticipate. The number of patients in the addressable markets may turn out to be lower than expected and patients may not be amenable to treatment with our drugs, or new patients may become increasingly difficult to identify or access. Any of the above unfavorable developments could have a material adverse effect on our business, financial condition and results of operations.

We operate in a highly competitive environment, and we may not be able to compete effectively against current and future competitors.

The industry in which we operate is highly competitive and rapidly changing. For example, our icotinib faces competition in China from other EGFR TKIs, such as other marketed first-, second- and third-generation EGFR TKIs and those under clinical development. Our pipeline products may face competition from competing products that are already commercialized or at more advanced clinical stages. Many of our competitors have substantially more developed commercial infrastructure, greater financial, technical and human resources and more expansive intellectual property portfolios, as well as more drug candidates in late-stage clinical development than we do. Our competitors may succeed in developing competing drugs and obtaining regulatory approvals before us or gain better acceptance for the same target markets as ours. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and/or safety in order to overcome price competition and to be commercially successful. Disruptive technologies and medical breakthroughs may further intensify the competition and render our drug candidates obsolete or non-competitive.

If we are unable to win bids to sell our products to PRC public hospitals through the centralized tender process, we will lose market share and our revenue and profitability could be adversely affected.

Most of our products are ultimately sold to PRC public hospitals and medical institutions, which generally procure drugs through provincial centralized tender processes. We bid to supply products at specified prices, and winning bids largely determine the prices at which we sell to distributors. The process creates pricing pressure, particularly among substitute products. Our sales and profitability depend on winning tenders at sustainable prices. Failure to do so, which could result from reduced demand, uncompetitive pricing, quality or service deficiencies, or perceived weaker clinical effectiveness, among others, may restrict sales in relevant regions and adversely affect our market share, revenue and results of operations.

Certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs.

In China, prices of pharmaceutical products are currently determined mainly by market competition, without being subject to price ceilings set by the NDRC. However, inclusion in the NRDL requires negotiation with the government to determine the reimbursable amount. Market-based pricing does not assure higher prices, as competition — particularly from lower-priced alternatives — may force price reductions for our marketed products and future candidates. Policy changes, including expanded competition and pricing reforms, may create uncertainty and adversely affect our prices, revenue and profitability.

PRC authorities have also implemented affordability measures such as the centralized volume-based procurement (VBP) scheme, which uses competitive bidding to lower prices of high-volume drugs. Although none of our marketed products are currently subject to VBP, patent expiry, generic entry or further procurement reforms could result in price reductions and adversely affect our wholesale prices, revenue and profitability. In the United States, coverage and reimbursement policies vary by payer. Securing approval from government or private payers is time-consuming and costly, and there is no assurance of adequate reimbursement, and drug prices typically decline over time due to competition, tender processes, government policies or voluntary price cuts. Any pricing pressure or downward adjustments could materially and adversely affect our business, financial condition and results of operations.

Failure to attain market acceptance among the medical community would have a material adverse impact on our operations and profitability.

The commercial success of our products, including existing or future products, depends on the degree of market acceptance they achieve among the medical community, particularly medical professionals and hospitals. The acceptance of any of our products among the medical community will depend upon several factors, including but not limited the safety and efficacy of the product, the cost and whether the drug is included in the national and provincial medical insurance drug catalogues. If our products fail to achieve or maintain widespread market acceptance, or if new products introduced by our competitors are perceived more favorably by healthcare practitioners and patients, are more cost-effective or otherwise render our products obsolete, the demand for our products may decline and our business and profitability may be materially and adversely affected.

We may not be able to conduct effective promotion or maintain a qualified sales force.

We rely on a experienced commercialization team to effectively market and sale our products. See "Business — Our Commercialization Capabilities" for details. If we are unable to increase or maintain the effectiveness and efficiency of our sales and marketing activities, or if we are unable to attract, motivate and retain a sufficient number of marketing, promotion and sales professionals, sales volume of our products may be adversely affected and we may be unable to expand our hospital coverage or increase our market penetration as contemplated.

We may not be able to maintain or expand an effective distribution network for our products.

We primarily rely on our network of distributors to distribute our products. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, revenue generated from our sales of products through wholesale distributors accounted for 70.3%, 70.4%, 73.6%, 73.1% and 74.7% of our total revenue, respectively. All of our distributors during the Track Record Period are Independent Third Parties. Therefore, our ability to manage the activities of our distributors is relatively limited, primarily relying on the distribution agreements we entered into. Our distributors may fail to distribute our products in the manner we contemplate or breach our agreements with them, among others, any of which could have a material adverse effect on our business, prospects and reputation, expose us to liabilities, disrupt our distribution network and create an unfavorable public perception about the quality of our products. Any disruption to our distribution network, including our failure to maintain relationships, form new relationships or renew our existing distribution agreements could negatively affect our ability to effectively sell our products and would materially and adversely affect our business, results of operations, financial condition and prospects.

We are subject to credit risks of our customers.

We generally grant credit terms of up to 60 days to our customers. The average turnover days of our trade receivables in 2023, 2024 and 2025 and the six months ended June 30, 2026, were 55 days, 25 days, 23 days and 45 days, respectively. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our trade receivables were RMB286.4 million, RMB98.5 million, RMB351.3 million and RMB624.9 million, respectively. As a result, we may be exposed to credit risks. We cannot assure you that we can properly assess and respond in a timely manner to changes in their credit profile or that we can fully recover our trade receivables in a timely manner. Any substantial defaults or delays could materially and adversely affect our cash flows, and we could be required to terminate our relationships with our customers in a manner that may adversely and materially affect our cash flows and operations.

Real or perceived incidents of severe side effects caused by our products could materially and adversely affect our reputation and product sales, and subject us to liabilities.

Our products may cause or be perceived to cause undesirable or unintended side effects as a result of a number of factors outside our control, including potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases and adverse findings relating to similar products or ingredients by other companies or regulatory authorities, among others. If our products cause, or are perceived to cause, severe side effects, we may face a number of consequences, including, but not limited to patient injury or death, reduced demand and sales, product recalls or withdrawals and revocation of regulatory approvals. As a result of these potential consequences, our revenue and profitability could be adversely affected.

Counterfeits of our products could negatively affect our sales, damage our reputation and expose us to liability claims.

Counterfeit pharmaceutical products, often sold at lower prices and similar in appearance to authentic products, may erode our sales. Such products may differ in composition, be ineffective or cause severe adverse side effects, potentially leading to negative publicity, reputational harm, administrative penalties or litigation against us. As a result of these factors, the continued proliferation of counterfeit pharmaceutical products in the market could affect our sales, damage our reputation and the brand names for the relevant products and expose us to liability claims. There can be no assurances that we will be able to prevent future occurrences of counterfeit version of our products or instances of counterfeit version of our products in the future will not have a material adverse effect on us.

Risks Relating to Manufacture and Supply of Our Products

If our products are not manufactured to the necessary quality standards, it could harm our business and reputation, and our revenue and profitability could be adversely affected.

Product safety and quality is critical to our business. We have established a quality control management system and standard operating procedures to help prevent quality issues in respect of our products. See "Business — Manufacturing and Quality Control" for further details. We cannot guarantee that we will eliminate the risk of errors, defects or failure, and product contamination. We may fail to detect or cure quality defects as a result of a number of factors, many of which are outside our control, including: (i) manufacturing errors; (ii) technical or mechanical malfunctions in the manufacture process; (iii) human error or malfeasance by our quality control personnel; (iv) tampering by third parties; and (v) quality issues with the raw materials we purchase or produce. In addition, when we expand our manufacturing capacity in the future, we may not be able to ensure consistent quality, or need to incur substantial costs for doing so. Failure to detect quality defects in our pharmaceutical products or to prevent such defective products from being delivered to end-users could result in patient injury or death, product recalls or withdrawals, license revocation or regulatory fines, or other problems that could seriously harm our reputation and business, expose us to liability, and adversely affect our revenues and profitability.

We may face delays in receiving regulatory approvals for our manufacturing facilities.

Our manufacturing facilities and our manufacture process will be subject to ongoing, periodic inspection by the NMPA, FDA or other comparable regulatory agencies to ensure compliance with GMP, which is usually the pre-requisite to obtain marketing approval in the respective jurisdictions. Failure to comply with applicable regulations could lead to increased expense and result in sanctions being imposed on us, including fines, injunctions, civil penalties, requirement to suspend

our clinical trials, failure to obtain, extend or maintain marketing approval of our product candidates, supply disruptions, seizures or recalls of products or product candidates, operating restrictions and criminal prosecutions, any of which could harm our business.

If we suffer substantial disruption to any of our production sites or fail to increase our production capacity, our business and results of operations could be adversely affected.

Substantially all of our in-house manufacturing activities are carried out at our Hangzhou facility. During the Track Record Period, all icotinib, ensartinib, befotertinib, vorolanib and tibremciclib drug products sold in China were manufactured at our Hangzhou facility. The continued operation of our production sites and our production safety may be substantially interrupted and materially and adversely affected due to a number of factors, including but not limited to equipment malfunction, failure to follow specific protocols and procedures, and problems with raw materials. If the operation of any of our production sites is substantially disrupted, we may not be able to replace the equipment or inventories at such facilities, or use different sites or a third party contractor to continue our production in a legal, timely and cost-effective manner or at all. We do not maintain business interruption insurance and the amount of our insurance coverage may not be sufficient to cover our losses in the event of a significant disruption to any of our production sites. As a result of disruption to any of our production sites or any problems in manufacturing our products, we may fail to fulfill contract obligations or meet market demand for our products, and our business, revenues and profitability could be adversely affected.

In addition, we plan to increase our production capacity to meet demand for our products. In the event we fail to increase our production capacities, we may not be able to capture the potential growth in demand for our products. Moreover, our plans to increase our production capacities require significant capital investment, and the actual costs of our expansion plan may exceed our original estimates, which could adversely affect the return on our expenditure.

We may experience supply interruptions that could harm our ability to manufacture products.

We rely on third-party suppliers for certain raw materials and equipment, including fixed-source suppliers due to quality, cost, availability or regulatory requirements. If these suppliers cease or interrupt production, we may face supply shortages or delays. Changing suppliers may require significant time and investment, particularly where materials are integral or involve proprietary technology and we may be unable to secure suitable replacements on reasonable terms, which could disrupt production, reduce sales and materially adversely affect our operating results.

Fluctuations in prices of our raw materials may have a material adverse effect on us.

Purchase of raw materials accounted for a significant portion of our total cost of sales during the Track Record Period. We incurred raw material costs of RMB136.6 million, RMB181.9 million, RMB258.4 million, RMB110.9 million and RMB180.3 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. In order to manufacture our products, we must obtain sufficient quantities of high-quality raw materials at commercially acceptable prices and in a timely manner. We rely on our suppliers for our business, which exposes us to risks associated with fluctuations in prices of raw materials. We may have limited capability to transfer the increasing costs of raw materials to our customers in a timely manner. A significant increase in the costs of raw materials may increase our cost of sales and negatively affect our profit margins, if we are not able to transfer the cost increase to our customers.

Failure to maintain optimal inventory levels could increase our operating costs or lead to unfulfilled customer orders.

We are required to maintain optimal inventory levels in order to satisfy demand coming from our extensive distribution network and successfully meet our customers' demand. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our inventory turnover days were 301 days, 200 days, 156 days and 135 days, respectively. However, we may be exposed to inventory risk as a result of rapid changes in product life cycles, changing clinical demands, uncertainty of product developments and launches as well as the volatile global economic environment. There can be no assurance that we can accurately predict these trends and events and avoid over-stocking or under-stocking our products. See "Business — Inventory Management" for details.

Risks Relating to Our Reliance on Third Parties

Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted by us or granted to us by others.

Certain drugs and drug candidates in our pipeline were derived through our partnership with our collaborators in the areas of patent licensing and/or transfer, clinical development, and marketing and distribution. See "Business — Our Commercialized and Pipeline Products" for more details. These licenses may not provide exclusive rights to use such intellectual property in all relevant fields of use and in all territories in which we may wish to develop or commercialize our future drug products. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive products. In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement, and defense of patents and patent applications covering the drug candidates that we license from third parties in a manner consistent with the best interests of our business. Our licensors may have relied on third-party consultants or collaborators or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents we in-license. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

If our business partners do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates.

We work with CRO and CDMO partners (including both CMOs and CDMOs) to develop and manufacture our drug and drug candidates, and control only certain aspects of their activities. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we maintained long-term collaborations with 24, 17, 26 and 19 CRO partners, respectively, as well as 22, 22, 13 and 9 CDMO partners, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our purchases from CROs amounted to RMB105.8 million, RMB106.4 million, RMB83.7 million and RMB75.9 million, respectively, and our purchases from CDMO amounted to RMB339.2 million, RMB324.6 million, RMB427.0 million and RMB212.7 million, respectively.

We remain responsible for ensuring our studies and manufacturing comply with applicable protocols, laws and scientific standards, and engagement of CROs and CDMOs does not relieve us of regulatory obligations. Non-compliance may render clinical data unreliable, require additional or repeated trials, delay approvals, or result in products failing to meet required quality standards. If our relationships with CROs, CDMOs or other collaborators terminate, or if they fail to meet timelines, adhere to protocols or maintain data and manufacturing quality, our trials and production may be delayed, extended or terminated, and regulatory approval or commercialization may be delayed or prevented.

Risks Relating to Extensive Governmental Regulations

All material aspects of the research, development, manufacturing and commercialization of our drugs and drug candidates are heavily regulated.

The jurisdictions in which we plan to develop and commercialize our drug candidates, including China, the United States and the EU, impose extensive and detailed regulation across drug development, approval, manufacturing, marketing, sales and distribution. Although these regimes adopt broadly similar approaches, differences among them increase the complexity and cost of compliance for companies operating across multiple regions. Failure to comply at any stage of development, approval or post-approval may result in administrative or judicial sanctions. Moreover, changes in government regulations or in practices relating to healthcare industry, including healthcare reform and compliance with new regulations may result in additional costs.

We are required to obtain, maintain and renew various permits, licenses and certificates to develop, produce, promote and sell our products. We and third parties on whom we rely may be also subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates. There can be no assurance that we or the parties on whom we rely will be able to meet evolving criteria that may be imposed to obtain or renew the necessary permits, licenses and certificates.

In addition, our products are and will be subject to ongoing regulatory requirements with respect to manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-market studies, submission of safety, efficacy, and other post-market information, and other requirements of regulatory authorities in China, the U.S., the EU, and/or

other countries. Any failure to comply with applicable requirements, or the discovery of safety, efficacy or manufacturing issues after approval, may result in labeling changes, additional studies, marketing or distribution restrictions, suspension or withdrawal of approvals, product recalls, or other administrative, civil or criminal penalties.

We may be directly or indirectly subject 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, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. Our operations may be subject to various fraud and abuse laws in China and the U.S., including, without limitation, the PRC Anti-Unfair Competition Law, PRC Criminal Law, the Federal Anti-Kickback Statute and the Federal False Claims Act, and the Physician Payments Sunshine Act. Violations may give rise to civil, criminal and administrative sanctions, including fines, damages, disgorgement, exclusion or suspension from government healthcare programs such as Medicare and Medicaid, and debarment from government contracts. Private parties may also bring actions on behalf of the U.S. government under applicable false claims laws. Ensuring compliance with these requirements may involve substantial costs, and governmental authorities may determine that our practices do not comply with applicable laws. Any such enforcement actions, if unsuccessful in our defense, could result in significant penalties, reputational harm, operational restrictions and a material and adverse effect on our business and results of operations. In addition, if our business partners are found to be non-compliant, they may be subject to sanctions, which could also adversely affect our business.

We receive, collect and store de-identified codes of subjects enrolled in our clinical studies and the corresponding clinical data and we process, analyze and transfer these data within the scope of the relevant clinical studies and drug registration. In addition, we receive, collect and store personal data from post-marketing surveillance and real-world studies, such as spontaneously reported adverse drug reactions, and submit drug safety reports as required by regulatory authorities. As such, we are bound by the relevant data privacy and protection laws and regulations that apply to our data activities in the jurisdictions where we operate and conduct our clinical studies. These data protection and privacy law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Failure to comply with any of these laws could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects.

Risks Relating to Our Intellectual Property Rights

We may be unable to obtain and maintain sufficient patent protection for our drugs and drug candidates through intellectual property rights.

Our success depends on our ability to obtain, maintain and enforce intellectual property rights, particularly patent protection, for our proprietary technologies and drug candidates. We seek protection through patent filings in the PRC, the United States and other jurisdictions, as well as trade secrets and regulatory exclusivities. However, patent prosecution is costly and time-consuming, and we may be unable to file or secure protection for all relevant inventions, or may fail to identify patentable subject matter in a timely manner, which could allow competitors to develop competing products.

Our pending and future owned or licensed patent applications may not be granted, or if granted, may not provide meaningful protection, prevent competition, or confer a competitive advantage. Patent claims may be narrowed during prosecution, reinterpreted after issuance, or challenged through certain legal proceedings. Adverse outcomes could invalidate or limit our patents, reduce exclusivity, or restrict our freedom to operate, allowing competitors to commercialize similar products without compensation. Moreover, competitors may circumvent our patents through alternative technologies or patent strategies, and pending applications may be amended in ways that cover our products, potentially affecting our freedom to operate.

Patent applications and granted patents must comply with procedural, documentary and fee payment requirements throughout prosecution and maintenance. In certain circumstances, we may rely on our licensing partners to pay these fees and are dependent on them to take the necessary actions to comply with these requirements with respect to our licensed intellectual property. Any non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction.

The life of patent protection is inherently limited. After the expiration of our patent rights, such as those relating to icotinib, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us.

The term of a patent, and the protection it affords, is limited. Even if we successfully obtain patent protection for an approved drug, such drug may face competition from generic or biosimilar medications once the patent has expired. 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. For example, icotinib hydrochloride is protected by various patents and applications that are expected to expire during the period from 2023 to 2034 in aggregate, among which the patent covering the composition of matter (compound) expired in 2023, and the crystalline form patent is expected to expire in 2029, respectively. In July 2026, a generic version of icotinib received marketing approval in China. If and when such generic version is commercially launched and achieves market penetration at a lower cost, icotinib may face competition from such generic versions, which may reduce its market share and sales revenue. If sufficient generic competition develops, we may also be required to participate in national or regional VBP schemes, which could create additional downward pricing pressure. If our selling price or market share declines materially as a result, our business and operating results may be materially and adversely affected. For details, see "Business — Intellectual Property."

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 products similar or identical to ours. Moreover, some of our patents and patent applications are, and may in the future be, co-owned with third parties who may license their rights to other third parties, including our competitors. Although patent term extensions are available in the United States under Hatch-Waxman and in China under the revised PRC Patent Law and its implementing measures, such extensions are subject to eligibility requirements and statutory limits, may require third-party cooperation for in-licensed patents, and may not be granted or may be shorter than requested, in which case competitors could obtain approval of competing products following our patent expiration. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We may become involved in lawsuits to protect our intellectual property or being sued for infringing, misappropriating or otherwise violating the intellectual property rights of third parties.

Competitors and other third parties may infringe our patent rights or misappropriate or otherwise violate our other intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary to enforce or defend our intellectual property rights. This can be expensive and time-consuming, and we may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, we may not be able to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property.

Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. We cannot assure you that a court would find in our favor on questions of infringement, validity, enforceability or priority, and it could have a material and adverse effect on our ability to develop and commercialize any of our drug candidates covered by the asserted third-party patents. If we are found to infringe such third-party patents, we may be required to pay damages, cease commercialization of the infringing technology, or obtain a license from such third parties, which may not be available on commercially reasonable terms or at all. We are aware of numerous issued patents and pending patent applications belonging to third parties that exist in fields in which we are developing our drug candidates, including in China, the U.S., the EU and other countries. There may also be third-party patents and patent applications in the relevant fields which we are unaware of and given the dynamic area in which we operate, additional patents are likely to be issued that relate to aspects of our business. If third parties obtain rights in major markets that relate to our products (including through divisional or continuation applications, diagnostic-treatment combinations or delivery systems), we may still face infringement claims, applications for injunctions or demands to enter into licensing negotiations. In such circumstances, we may be required to pursue technical workarounds, invalidation or opposition proceedings, third-party observations or commercial licensing arrangements, each of which could involve significant costs and uncertainties.

If we are unable to protect the confidentiality of our trade secrets, or to enforce our confidentiality, non-competition agreements and/or other IP-related agreements, our business and competitive position would be harmed. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by non-disclosure and confidentiality agreements. We cannot ensure that all relevant parties have entered into such agreements or that these agreements cannot be breached. Misappropriation of trade secrets could result in increased competition, and enforcing our rights may be difficult, costly, and unpredictable, with no assurance of favorable outcomes or adequate remedies. We typically require employees, consultants, and contractors to assign intellectual property developed for our business to us. However, we may be unsuccessful in obtaining such assignments in all cases. Under PRC laws, inventors or creators are entitled to remuneration for patents created during employment. Disputes over such remuneration or compulsory standards under applicable laws and regulations could be substantial and may materially affect our business, financial condition, results of operations, and prospects. Furthermore, certain of our employees and consultants were previously employed at and subject to non-disclosure and non-competition agreements with, other pharmaceutical companies, including our competitors or potential competitors. As such, we may be subject to claims that we or these employees or consultants have used or disclosed intellectual property, of any such individuals' former employer.

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.

We currently own issued trademarks and pending trademark applications. There is no assurance that our pending or future trademark applications will be approved, or that registered trademarks will not be successfully opposed, cancelled, or invalidated. If we are unable to prevent third parties from infringing, diluting, or otherwise violating our trademark rights, or if our trademarks are challenged or deemed invalid, we may be required to rebrand our products, devote significant resources to marketing new brands, and could lose brand recognition.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world, and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Obtaining, prosecuting, and enforcing patents worldwide is costly, and some jurisdictions may not provide the same level of protection as the United States. As a result, we may be unable to prevent third parties from using our technologies or selling products that infringe our rights in certain countries, including exporting into territories where we hold patents but enforcement is weak. Legal systems in some countries, particularly developing countries, may not favor the enforcement of patents, trade secrets, or other intellectual property, making it difficult to stop infringement or competition. Enforcing our rights internationally could be expensive, divert management attention, and may not prevent third parties from challenging or circumventing our patents. Compulsory licensing laws or restrictions on enforcement against government agencies or contractors in certain jurisdictions could further limit our patent rights. If we are required to license our patents to third parties, our competitive position could be materially impaired, adversely affecting our business, financial condition, results of operations, and prospects.

Risks Relating to Our Financial Position

Our historical growth may not be indicative of our future performance.

Our historical financial and operational performance has been characterized by significant growth, driven in part by favorable market conditions, successful product launches, government incentives, and a relatively concentrated market structure in certain therapeutic areas. However, there can be no assurance that we will be able to sustain such growth rates in the future. As our business scales, the absolute amount of revenue and profit required to maintain high growth rates increases, making it inherently more difficult to achieve comparable percentage growth. We may also face challenges related to capacity constraints, supply chain disruptions, talent shortages, and rising costs. Economic downturns, changes in healthcare policies, or adverse events related to our products could further impact our performance. If we fail to adapt to these changing conditions or encounter unforeseen obstacles, our future growth may significantly lag behind historical levels, which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Therefore, [**REDACTED**] should not rely on our past growth as an accurate indicator of future performance.

We may need to obtain additional financing to fund the expansion of our research and development activities and operations.

We expect that the implementation of our strategies and business plans will require us to rely in part on external financing sources. However, our ability to obtain additional capital on commercially reasonable terms is subject to a variety of factors, many of which are outside of our control. If we cannot obtain sufficient external financing on commercially acceptable terms, we could be required to revise our strategies and business plans, which could materially and adversely affect our business, financial condition and results of operations.

We incurred net current liabilities during the Track Record Period.

As of December 31, 2023, 2024 and 2025 June 30, 2026, we had net current liabilities of RMB277.3 million, RMB623.6 million, RMB339.5 million and RMB313.7 million, respectively, which mainly due to our other payables and accruals and interest-bearing borrowings. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" for details. A net current liabilities position can expose us to liquidity and financial risks and there is no assurance that we will not record net current liabilities in the future. If we record net current liabilities, our working capital for business operations may be constrained.

We may face goodwill impairment risks in connection with our acquisitions.

In order to expand our operations and global presence, we have undertaken a series of acquisitions in the past during which the excessive amount of consideration compared to the fair value of identifiable assets and liabilities of the compared company will negatively impact goodwill. The carrying amount of goodwill of our Group were of RMB413.6 million, RMB413.6 million, RMB413.6 million and RMB383.7 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. Goodwill is not amortized but is tested for impairment at least annually or more frequently if events or changes in circumstances indicate potential impairment. The recoverable amount is determined as the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, management is required to make assumptions and estimates regarding, among other things, future cash flows and discount rates. Actual results may differ, and we may be required to recognize impairment charges earlier than anticipated. Such impairment could materially affect our reported earnings, financial ratios, financing ability, and financial position.

If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

We have intangible assets in the form of development costs, patents and exclusive licenses and software use rights. As of December 31, 2023, 2024 and 2025 and June 30, 2026, the net book amount of our intangible assets were RMB3.0 billion, RMB3.0 billion, RMB2.7 billion and RMB2.7 billion, respectively. The value of intangible assets is based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may have to write off a significant portion of our intangible assets and record a significant impairment loss. In addition, our determination on whether intangible assets are impaired requires an estimation of the carrying amount and recoverable amount of an intangible asset. If the carrying amount exceeds its recoverable amount, our intangible assets may be impaired. We recorded impairment losses on intangible assets of RMB27.5 million in 2024. The impairment of our intangible assets could have a material adverse effect on our business, financial condition and results of operations. For further details of our accounting policies with respect to intangible assets, see "Financial Information — Material Accounting Policy Information and Estimates."

Fluctuation of the operational results of our invested companies and the fair value of our investments may adversely affect our financial position.

We have strategically invested in a number of biotech companies which focus on research and development of innovative drugs with significant growth potential or cutting-edge technologies. For the details of our investments, see "History, Development and Corporate Structure." The performance of our invested companies, including but not limited to the commercial success of their drug candidates, will affect our cash flow and results of operation. In addition, for our financial assets at fair value through other comprehensive income ("FVOCI"), if the fair value of our investments were to fluctuate, our results of operations may be materially and adversely affected. For the details, see "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position" to this document.

Fair value changes on our financial liabilities and financial assets and related valuation uncertainty had materially affected, and may continue to materially affect, our financial condition and results of operations.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded financial liabilities at fair value through profit or loss ("FVPL") of RMB10.0 million, RMB10.0 million, RMB10.0 million and RMB10.0 million, respectively. Our financial liabilities at FVPL consist of development project entitlement payable and preferred stock with redeemable obligation. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded financial assets at FVOCI of RMB1,006.6 million, RMB1,076.1 million, RMB1,931.5 million and RMB1,632.3 million, respectively. As of the same dates, we also recorded financial assets at FVPL of RMB0.5 million, RMB126.4 million, RMB66.0 million and RMB0.6 million, respectively. The fair value of these financial instruments are determined based on significant unobservable inputs. Should any of the estimates and assumptions change, it may lead to changes in the financial assets at fair value through other comprehensive income. In addition, the valuation methodologies may involve a significant degree of management judgment and are inherently uncertain, which may result in material adjustment to the carrying amounts of certain assets and liabilities and in turn may materially and adversely affect our results of operations. For more details, see Notes 19, 26 and 33 of the Appendix I to this document for more details.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our properties as of June 30, 2026 prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, are set forth in the Report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

Fluctuations in exchange rates could result in foreign currency exchange losses.

Certain of our cash and cash equivalents are denominated in foreign currencies. Therefore, we are exposed to foreign currency risk. We recorded foreign exchange gain of RMB6.7 million and RMB4.1 million in 2023 and 2024 respectively, while we recorded foreign exchange loss of RMB12.6 million, RMB2.3 million and RMB17.5 million in 2025 and the six months ended June 30, 2025 and 2026, respectively. The [**REDACTED**] from the [**REDACTED**] will be received in HKD. As a result, any appreciation of RMB against USD, HKD or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

We may be exposed to liquidity risk due to a long cash conversion cycle.

We had recorded relatively long inventory turnover days and trade receivable turnover days compared with out trade payables turnover days, which may lead to delays in converting our revenue into cash. Our cash conversion cycle, a metric to measure how efficiently we manage our working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales, was 336 days, 214 days, 159 days and 144 days for 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. The improvement during the Track Record Period was primarily attributable to our continued focus on enhancing cash flow efficiency through strengthened supply chain coordination and more effective inventory management, which may not be sustained in future, particularly in light of potential fluctuations in customer payment patterns, supply chain volatility, and broader macroeconomic conditions. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

Risks Relating to Our General Operations

If we are unsuccessful in our international expansion plans, it could have an adverse effect on our business prospects.

Our strategy includes the expansion of our operations into international markets as a means to diversify revenue sources and enhance shareholder value. However, success in these endeavors is not guaranteed and involves numerous risks and uncertainties. Expanding internationally requires substantial investments in infrastructure, human resources, regulatory compliance, and market development, all of which may yield lower returns than anticipated or even result in losses if our strategies do not succeed as planned. Economic instability, political unrest, trade restrictions, and currency fluctuations in target markets may further increase costs and reduce market attractiveness. Failure to manage these risks could limit our ability to achieve strategic objectives, harm our reputation, and materially and adversely affect our business, financial condition, and results of operations.

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

Our success depends on the continued services of our senior management and key research and development personnel. We rely on experienced management with strong scientific, financial, and operational expertise, as well as on scientists and technical staff capable of developing new products and keeping pace with advances in the pharmaceutical industry. We face significant competition for qualified personnel from other pharmaceutical and biotechnology companies, universities, and research institutions. The pool of suitable candidates is limited, and we may be unable to attract or retain sufficient skilled personnel at current compensation levels. To remain competitive, we may need to offer higher salaries and benefits, which could materially increase costs. Any failure to attract, retain, motivate, or train qualified personnel could materially and adversely affect our business, financial condition, results of operations, cash flows, and prospects.

We face risks related to natural disasters, health epidemics and other outbreaks of contagious diseases, civil and social disruptions and other factors beyond our control.

Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Our business could also be adversely affected by the effects of epidemics, including COVID-19, avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola or other epidemics. Any such occurrences could cause severe disruption to our daily operations and may even require a temporary closure of our offices and laboratories. Further, any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

We may become subject to litigation, legal disputes, or other administrative measures.

We may from time to time be involved in litigation, legal disputes, claims, administrative proceedings or other administrative measures arising in the ordinary course of our business. We may initiate legal proceedings to protect our rights, but cannot assure that the outcomes will be favorable. Such proceedings, whether initiated by us or third parties, may divert management's attention, consume resources, and result in significant monetary damages, fines, penalties, or suspension of business activities. Negative publicity from these matters may also harm our reputation and the image of our brands and products. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

If we, our employees, distributors, agents, suppliers or affiliates engage, or are perceived to engage, in misconduct or breaches, our business or reputation could be harmed and we could be exposed to regulatory investigations, costs and liabilities.

We are subject to risks in relation to actions taken by us, our employees, distributors, agents, suppliers or affiliates that constitute violations of anti-corruption and other related laws in jurisdictions where we conduct business, which include among other things, receipt of kickbacks, bribes or other illegal gains or benefits by hospitals and medical practitioners from manufacturers, distributors, third-party promoters and retail pharmacies in connection with the prescription of

pharmaceutical products. Any allegations of such behavior against us, our employees, distributors, agents or affiliates or the pharmaceutical industry in general could generate negative publicity and materially and adversely affect our reputation and business prospects. We may be held liable for actions taken by our employees or distributors, which could expose us to regulatory investigations and penalties. Actions taken by relevant regulatory authorities or courts that provide an interpretation of laws and regulations that differs from our interpretation or that adopt additional anti-bribery, anti- corruption laws and regulations could also require us to make changes to our operations.

If we fail to successfully complete acquisitions or enhance post-acquisition performances in the future, it could have an adverse effect on our business prospects.

Our historical growth and expansion into new therapeutic areas have been supported by the acquisition of Xcovery Holdings and Anew Pharmaceuticals. We intend to pursue selective acquisitions to accelerate growth, but there is no assurance that we will be able to identify suitable targets, agree on acceptable terms, secure financing, obtain necessary governmental approvals or third-party consents, or retain key personnel of acquired businesses. Even if acquisitions are completed, we face risks that the acquired businesses may not provide the anticipated intellectual property, technology, R&D capabilities, production capacity or sales infrastructure; may have unforeseen liabilities; may not integrate successfully or achieve expected synergies; or may fail to generate anticipated revenue or profitability. Acquisitions may also result in issuance of dilutive securities, assumption of debt, one-time expenses, or future amortization of intangible assets.

If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could materially adversely affect the success of our business.

We are subject to numerous environmental, health and safety laws and regulations, including but not limited to the treatment and discharge of pollutants into the environment and the use of toxic and hazardous chemicals in the process of our business operations. Certain construction projects require examination and approval by relevant environmental and safety authorities. We cannot assure you that such approvals will be obtained in a timely manner or at all. Delays or failures in obtaining approvals may materially and adversely affect our ability to develop, manufacture and commercialize our pipeline products.

Non-compliance with environmental, health or safety laws may result in rectification orders, fines, significant monetary damages, or production suspensions, which could materially and adversely affect our business, financial condition, results of operations and prospects. Accidental contamination, chemical or biological hazards, or personal injury at our facilities may also occur. Such events could expose us to liability for damages and clean-up costs, require temporary or permanent closure of affected facilities, and materially and adversely impact our business, financial condition, results of operations and prospects.

Any failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions.

During the Track Record Period, we failed to make full contribution to the social insurance and housing provident funds for some of our employees as required under applicable PRC laws and regulations. As of the Latest Practicable Date, we had not received any order of correction or any fines or penalties from the competent authority as a result of any such failure. However, we cannot assure you that the competent authority will not require us to rectify any non-compliance by making contribution of unpaid social insurance premium and housing provident fund or impose fine or penalty related thereto.

During the Track Record Period, our Company and some of our PRC subsidiaries engaged third-party human resources agencies to pay social insurance premium and housing provident funds for certain of our employees. As of the Latest Practicable Date, neither our Company nor our PRC subsidiaries had received any order of correction or any fines or penalties from the competent authority for its agency arrangement with third-party human resources agencies. These third-party human resources agencies have confirmed in writing that they have paid such contributions according to our agreements with them. However, if the local governments determine the use of third-party agencies to pay social insurance and housing provident funds to be non-compliant or such human resource agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required by applicable PRC laws and regulations, we may be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify. This in turn may adversely affect our financial condition and results of operations.

If our brands fail to maintain a positive reputation, many aspects of our business and our business prospects could be adversely affected.

There can be no assurance that we will be able to maintain a positive reputation or brand name for all our products in the future. Our reputation and the brand names of our products may be adversely affected by a number of factors, many of which are outside our control, including but not limited to adverse associations with our products, the effects of counterfeit products purporting to be our products, and negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners or otherwise relating to our products or industry. If we or the brand names of our products fail to maintain a positive reputation, our products may be perceived unfavorably by hospitals, medical professionals, regulators and patients, and our business and business prospects could be adversely affected.

Our business benefits from certain preferential tax incentives, the expiration of or changes to which could adversely affect our profitability.

We currently benefit from certain preferential tax treatments, as well as tax concessions in relation to our research and development costs. Generally, companies established in China are subject to enterprise income tax on their taxable income in China at a rate of 25%. Our Company is entitled to the preferential tax rate of 15% and certain of our subsidiaries established in China are entitled to the preferential tax rate of 20%. However, we cannot guarantee you that we will continue to receive the preferential tax treatments, which depends on a number of factors, including, but not limited to, whether our products fall within the scope of supported high and new technology, whether our research and development expenses as a percentage of revenue reach certain threshold percentages and whether our research and development staff as a percentage of total number of staff reaches certain threshold percentages. We cannot be certain of the level of preferential tax rates we will receive in the future or if certain of our subsidiaries will continue to benefit from reduced tax rate due to changes in tax laws or regulations. Our post-tax profitability and cash flows may be adversely affected as a result of one or more of these or other factors.

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 operate in the pharmaceutical industries, which involves numerous operating risks and occupational hazards. We maintain insurance policies that are required under the PRC and the U.S. laws and regulations as well as based on our assessment of our operational needs and industry practice, including property insurance covering fixed assets and inventory, insurance for adverse events in clinical trials, safety production liability insurance, and key person insurance. See "Business — Insurance" for further details of our insurance coverage. However, our insurance coverage may be insufficient to cover any claims that we may have. For example, we are exposed to product liability risks as a result of developing, producing, marketing, promoting and selling pharmaceutical products, but we do not maintain product liability insurance, nor are we required to do so under the PRC law. Regardless of merit, such claims may be costly, divert management attention, damage our reputation, result in recalls, suspension or cessation of sales, and reduce revenue or commercialization capability. If unsuccessful in defending these claims, we may face civil or criminal liability, license revocation, or be required to recall products. In addition, there are certain types of losses, such as losses from war, acts of terrorism, health or public security hazards, earthquakes, typhoons, flooding and other natural disasters, as for which we cannot obtain insurance at a reasonable cost or at all. Should an uninsured loss or a loss in excess of insured limits occur, we could suffer financial losses, lose all or a portion of our production capacity, as well as future revenue anticipated to be derived from the manufacturing activities conducted at that property. If we experience any of such uninsured losses or losses in excess of our insurance coverage, it could adversely affect our financial condition and results of operations.

Certain of our Shares held by a Shareholder within the Single Largest Group of Shareholders are pledged, which may potentially affect the stability of our shareholding structure.

As of the Latest Practicable Date, Dr. DING, through Kaiming Investment, had pledged an aggregate of 49,408,500 Shares of our Company, representing approximately 11.67% of our total share capital, with a corresponding pledged amount of approximately RMB989.90 million. According to the pledge contracts provided by Kaiming Investment as of the date of this document, the pledged Shares were mainly used for refinancing previous share pledge financing and for equity investment purposes, and were not intended to transfer the ownership or control of our Company. In the event of any default under the relevant pledge arrangements, the lenders may enforce their rights against the pledged Shares. If such enforcement occurs, our Single Largest Group of Shareholders may no longer be able to maintain its current level of interest in our Company, which may adversely affect the stability of our shareholding structure and, in turn, our business operations.

Tensions in international trade and investment and rising political tensions may adversely impact our business, financial condition, and results of operations.

Since 2018, the U.S. has imposed escalating tariffs on Chinese imports, with China retaliating similarly. By April 2025, the U.S. proposed 145% additional tariffs on Chinese goods, with China responding at 125%. Both countries agreed to temporary de-escalation in May 2025, reducing additional tariffs to 30% (U.S.) and 10% (China) with further reductions in November 2025 pursuant to trade negotiations. Separately, on September 25, 2025, U.S. President Donald J. Trump announced that there would be a 100% global tariff imposed on imports of branded or patented pharmaceutical products, unless a pharmaceutical company is building a manufacturing plant in the U.S., effective from October 1, 2025. However, such scheduled tariff has been put on hold subject to further negotiations among the U.S. government and major pharmaceutical companies. Ongoing trade tensions could create challenges for international businesses through increased costs and reduced competitiveness. During the Track Record Period, we only generated minimal revenue from the U.S., accounting for nil, 1.2%, 0.6% and 0.4% of our total revenue in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, which was mainly attributable to the milestone payments received from our U.S. collaboration partners and our commercialization of ensartinib in the U.S. Our exposure to geopolitical risks is limited and manageable. While our revenue from the United States is expected to increase following the commercialization of ensartinib in August 2025, the ensartinib drug product is currently manufactured in the United States by a local CDMO, and we only export ensartinib API to the United States. Such API imports are currently subject to a 10% tariff, and the API cost constitutes less than 35% of the total cost of sales of the final drug product. Therefore, the tariff's effect on our overall financial performance is minimal and well within a controllable range. Our domestic raw material costs remain low, and any knock-on effects from the latest tariff developments are considered negligible. Our U.S. subsidiary, Xcovery Holdings, currently sells only ensartinib and conducts its sales activities entirely within the U.S. market, insulating it from retaliatory tariffs that could be imposed by China on U.S. exports. As of the Latest Practicable Date, we did not experience any significant regulatory changes or obsolescence regarding our clinical development, regulatory filings, and commercialization plans. Considering the above-mentioned de minimis financial and operational exposure, and further taking into account our increasing commercialization activities and expansion plans and anticipated revenue increase in the United States, our Directors are of the view that the latest developments in geopolitical tensions and the imposition of trade restrictions (i) have not had a historic material adverse effect on our business, financial condition, or results of operations during the Track Record Period and up to the Latest Practicable Date, and (ii) are not expected to have a material adverse impact on our future business operations or financial performance. Based on the foregoing facts and the view from the Company, and taking into account: (i) the minimal impact of the relevant tariff on the Company's overall financial performance, (ii) the fact that the Company has not experienced any material adverse impact from geopolitical tensions, specifically with regard to its U.S. sales or global supply chains, (iii) the fact that Xcovery Holdings, which currently sells only ensartinib, conducts its sales activities entirely within the U.S. market, insulating it from retaliatory tariffs that could be imposed by China on U.S. exports, the Sole Sponsor concurs with the Company's view that the geopolitical tensions and trade restrictions have not had a material adverse effect on the Company's business, financial condition, or results of operations, and are not expected to have such an effect in the future. Notwithstanding the foregoing, we cannot predict the direction, timing or extent of future changes in trade policies or tariff measures. If there are material changes to such policies or tariffs, we cannot assure you that such changes will not have a material adverse impact on our business operations or financial performance, depending on the scale of our overseas transactions.

China has implemented countermeasures beyond tariffs. On June 10, 2021, the SCNPC passed the Countering Foreign Sanctions Law, effective immediately, enabling regulators to respond to foreign sanctions and allowing civil actions for damages. The competent department of the State Council may place individuals and organizations involved in discriminatory measures on the Countermeasure List, which may face restrictions on commercial transactions with entities in China. All organizations and individuals in China must comply or face legal liability.

On August 9, 2023, the U.S. issued an ANPRM on outbound investment controls in China, Hong Kong, and Macau. The Final Rule, effective January 2, 2025, restricts U.S. persons from certain investments in "Covered Foreign Persons" engaged in semiconductors, quantum information technologies, and AI systems. Although we do not currently believe we qualify, U.S. authorities could deem us a Covered Foreign Person in the future, potentially limiting our ability to raise capital from U.S. investors and adversely affecting our business and share value.

Additionally, on February 21, 2025, the U.S. issued the "America First Investment Policy," indicating potential new restrictions on U.S. outbound investment in sectors including biotechnology, AI, semiconductors, quantum, advanced manufacturing, and directed energy. These restrictions may extend to partnerships, licensing, technology transfers, and even publicly traded

securities, creating compliance burdens and operational uncertainty. Ongoing trade disputes may increase costs for importing advanced R&D equipment or materials or restrict their export. Changes in geopolitical relations could alter the behavior or preferences of service providers and collaboration partners. Such developments could materially and adversely affect our business, financial condition, results of operations, cash flows, and prospects.

We are subject to various governmental approvals and compliance requirements for our land and properties.

For our production facilities and other premises, we must obtain various permits, certificates and other approvals from the relevant administrative authorities at various stages of property development. We may in the future encounter problems with fulfilling the conditions precedent to the receipt of certain of those permits, certificates and approvals, and we may not always be able to obtain them in a timely manner, or at all.

As of the Latest Practicable Date, 12 of our lease agreements for properties leased in the PRC had not completed lease registration with relevant regulatory authorities. Non-registration of lease agreements does not affect the validity of such lease agreements. However, pursuant to the requirements of the Administrative Measures for Commodity House Leasing and relevant local rules, we may be subject to a fine between RMB1,000 and RMB10,000 per lease for any delay in making these registrations imposed by local authorities. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of lease agreements. However, we cannot assure you that we would not be subject to any penalties and/or requests from local authorities to fulfill the registration requirements, which may increase our cost, in the future.

Changes in geopolitical relationships, barriers to trade or escalation of trade disputes, including the imposition of trade restrictions and sanctions, could negatively affect demand for our products and services.

Our global operations are subject to the risk of deterioration in the political and economic relations among countries and sanctions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges. We cannot predict whether the countries in which we operate, or may operate in the future, would become subject to new or additional trade restrictions and sanctions, including the type or effect of such restrictions and sanctions imposed by the United States or other governments. We cannot assure you that we, our research partners, our suppliers and customers, or the global value chains we serve will not be impacted in the future. Any impacts may result in our customers seeking other suppliers for the products and services that we offer, and we may also have to adjust or even terminate our collaborations with our research and other business partners, which could disrupt our research and development and commercialization strategies. Further, any increased customs restrictions and tariffs or quotas, or the imposition of additional duties and other charges on imports and exports could change the way we and our customers conduct business, increase our costs, or impede the timely delivery of our products. This could have a negative effect on our business, financial condition, results of operations and prospects.

In particular, certain activities related to drugs, biologics, and research, especially with regard to China, have come under increased scrutiny in the United States. Chinese CROs and CDMOs may become subject to legislation, trade restrictions, sanctions, tariffs and other regulatory requirements by the U.S. government, which could restrict or even prohibit our ability to work with such entities. For example, the United States has recently passed legislation, namely the BIOSECURE Act (the "**BIOSECURE Act**"), to prohibit U.S. federal executive agencies from procuring or obtaining any biotechnology equipment or service produced or provided by a "biotechnology company of concern", or entering into or renewing a contract, loan, or grant with an entity that uses such biotechnology service or equipment. For details, see "Regulatory Overview — Overview of Laws and Regulations in the United States — The BIOSECURE Act."

On October 9, 2025, the U.S. Senate passed a revised version of the BIOSECURE Act as an amendment to the National Defense Authorization Act ("**NDAA**") for the year of 2026. The final version of the NDAA containing this legislative language was passed by the Senate and House of Representatives and signed into law by President Trump on December 18, 2025. The Act prohibits the U.S. Government from procuring or obtaining biotechnology equipment or services produced or provided by a "biotechnology company of concern" ("**BCC**"); entering into, extending, or renewing government contracts with an entity that directly or indirectly (e.g., via a subcontractor) uses biotechnology equipment or services from a BCC in performance of that federal contract; and/or issuing grants or loans to purchase, obtain, or use biotechnology equipment or services produced by a BCC. The Act also prohibits U.S. government loan and grant recipients from using federal loan or grant money to enter into contracts with entities that use equipment from BCCs in the

performance of any federal prime contract or subcontract. Companies designated as a BCC include those that are identified on the U.S. Department of Defense's annual List of Chinese Military Companies, also known as the 1260H List, and the U.S. Government also has the ability to designate entities as BCCs through a separate designation process.

One of our suppliers ("Supplier E") during the Track Record Period was identified as a BCC in a prior proposed version of the BIOSECURE Act. However, under the final enacted version, Supplier E is not considered a BCC, as it is not currently included on the 1260H List and has not been designated as a BCC through separate designation process by the U.S. Government. In the event that Supplier E is designated as a BCC, we believe we would be able to identify and engage qualified alternatives at competitive market rates in a timely manner. Our successful collaborations with various CRO and CDMO service providers demonstrate our ability to transition between suppliers efficiently with minimal operational impact. Further, as of the Latest Practicable Date, we are not a party to any agreements with entities on the 1260H List, nor are we a party to any contracts with the U.S. government or a recipient of any U.S. federal funding. Based on the foregoing, our Directors are of the view that the BIOSECURE Act would not have a material adverse impact on our business, financial condition, or results of operations. We will continue to monitor legislative developments and take reasonable steps to achieve compliance and reduce regulatory and business risk.

Notwithstanding the foregoing, there is no guarantee that the evolving legislation would not apply to or impact certain biotechnology equipment or services that we procure or use. As a result, any continued use of such biotechnology equipment or services provided or produced could affect our ability to continue our development or the third parties that we may contract with, which may, in turn, affect our business operations. Moreover, because the provisions remain subject to change, the potential scope, timing and impact of any final legislation are uncertain and could be more restrictive than currently anticipated. Consequently, we may need to re-evaluate or adjust our established supply chains from time to time. The need to re-evaluate our supply chain contracts may impose additional costs and operational complexities on our business, including, among other things, an examination and potential modification to existing personnel and expertise, and examination of our existing contracts, and a re-assessment of our current suppliers in order to identify possible alternative sources of supply. We may not be able to identify alternative sources of supply with competitive prices and terms and satisfactory quality in a timely manner, and any disruption to our established supply chains may lead to delays in procurement, production, and delivery, all of which could have a material adverse effect to our business, financial condition and results of operation.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in political, economic and other policies of the jurisdictions where we operate could have a material adverse effect on our business, financial condition and results of operations.

Our business, financial condition, results of operations and prospects are affected by economic and legal developments in jurisdictions where we operate. Laws, rules and regulations in relation to economic matters are promulgated from time to time, including those related to such as foreign investment, corporate organization and governance, commerce, taxation, finance, foreign exchange and trade, so as to develop a comprehensive system of commercial law. In addition, the laws and regulations relating to pharmaceutical industry also evolve from time to time. We currently do not experience or foresee any potential material adverse impact of changes in these regulations on our business operations. However, as regulations may be generally evolving, we cannot assure you if our business operations will not be adversely affected in the future.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are incorporated under the laws of China, and substantially all of our assets, Directors and senior management are located there. As a result, it may be difficult for [**REDACTED**] to effect service of process outside China. On January 14, 2019, the Supreme People's Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, under which Hong Kong court judgments may generally be recognized and enforced in the PRC even without a written choice of court agreement. However, we cannot guarantee that all judgments from Hong Kong courts will be recognized and enforced in the PRC. The recognition and enforcement of a specific judgment are subject to a case-by-case examination by the relevant court in accordance with the New Arrangement.

Holders of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Holders of H Shares, being non-PRC resident individuals or non-PRC resident enterprises, whose names appear on the register of members of H Shares of our Company, are subject to PRC income tax in accordance with the applicable tax laws and regulations, on dividends received from us and gains realized through the sale or transfer by other means of H shares by such shareholders. For further details, see "Regulatory Overview — Regulations on Taxation."

Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

In the past, local governments in China granted certain financial incentives from time to time to us and our PRC subsidiaries as part of our efforts to encourage the development of local businesses. We recognized RMB46.8 million, RMB28.0 million, RMB42.5 million, RMB29.3 million and RMB31.2 million of government grant income in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. The timing, amount and criteria of government financial incentives are determined within the sole discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. Local governments may decide to reduce or eliminate incentives at any time. In addition, most of the government grants were one-off subsidies during the Track Record Period, and some of the government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, and if we fail to satisfy any such conditions, we may be deprived of the relevant incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives would have an adverse effect on our 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"), which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, where scientific data involving state secrets needs to be provided to foreign parties during the relevant foreign contacts and cooperation, corporate entities shall provide the type, scope and usage of the scientific data, and submit the information to the competent authorities for approval according to the specified procedures for confidentiality management. Upon approval by the competent authorities, corporate entities shall undergo the required procedures, and enter into the confidentiality agreements with the users of the scientific data. 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 that the term "state secret" is not clearly defined, if and to the extent our R&D of medical 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. For further details, see "Regulatory Overview — Regulations in Relation to Information Security and Data Privacy." If we are unable to obtain necessary approvals or comply with the regulatory requirements in a timely manner, or at all, our R&D of drug candidates may be hindered, which may materially and adversely affect our business, results of operations, financial condition and prospects. If the relevant government authorities consider the transmission of our scientific data or collection to be in violation of the requirements under applicable PRC laws and regulations, we may be subject to fines and other administrative penalties imposed by those government authorities.

To the extent that any of our cross-border data transfers meet the requirements under the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》) and the Provisions on Facilitating and Regulating Crossborder Data Flows (《促進和規範數據跨境流動規定》) for declaring security assessment and fail to complete this assessment, we may not be able to carry out such transfers, which could adversely affect our ability to conduct out-licensing transactions or obtain overseas regulatory approvals for our drugs, among others, in a timely manner, or at all. Any failure to timely complete the standard contract filing for cross-border data transfers could also subject us to penalties.

Laws and regulations over foreign currency conversion and on the remittance of funds into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into and out of China are subject to PRC foreign exchange regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations.

Under China's current foreign exchange control system, foreign exchange transactions under the current account conducted by us do not require advance approval from SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we cannot obtain sufficient foreign currencies under the current foreign exchange control system to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

RISKS RELATING TO THE [REDACTED]

The characteristics of the A share and H share markets may differ.

Our A Shares were listed on the Shenzhen Stock Exchange in 2016. Following the [**REDACTED**], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current PRC laws and regulations, without approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no [**REDACTED**] or settlement between the H share and A share market. With different [**REDACTED**] characteristics, the H share and A share market have divergent [**REDACTED**], liquidity and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. Due to the different characteristics of the H share and A share market, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the prior [**REDACTED**] history of our A Shares when evaluating an [**REDACTED**] in our H Shares.

There has been no prior [REDACTED] for our H Shares and an active [REDACTED] for our H Shares may not develop or sustain.

Prior to the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. The initial [**REDACTED**] for our H Shares was the result of negotiations among our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the [**REDACTED**] for our H Shares following the [**REDACTED**]. We have applied for [**REDACTED**] of, and permission to [**REDACTED**], our H Shares (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]) on the Hong Kong Stock Exchange. A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] for our H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**] or that the [**REDACTED**] of our H Shares will not decline following the [**REDACTED**].

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. There can be no assurances that if we were to immediately liquidate after the [**REDACTED**], any assets will be distributed to Shareholders after the creditors' claims. In order to expand our business, we may consider [**REDACTED**] additional Shares in the future. 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 adversely affect your rights as a holder of our H Shares. Issuance of additional Shares, or the possibility of such issuance, may cause dilution to our shareholders if we issue additional Shares at a price which is lower than the net tangible asset value per Share prior to the issuance of such additional Shares, and may cause the [**REDACTED**] of our H Shares to decline.

The price and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The price and [**REDACTED**] of our H Shares may be highly volatile as a result of various market, industry or business factors. Some of these factors are beyond our control, including but not limited to results of clinical trials of our drug candidates and results of our applications for approval of our drug candidates, and actual or anticipated fluctuations in our revenue, earnings, cash flows, investment and expenditures. Moreover, the securities market has from time to time experienced significant price and volume volatility that were unrelated or not directly related to the operating performance of the underlying companies, and it is possible that our Shares may be subject to changes in price not directly related to our performance. These broad market and industry fluctuations may have a material and adverse effect on the [**REDACTED**] and [**REDACTED**] of our H Shares.

There can be no assurances that we will declare and distribute any amount of dividends in the future.

Under PRC law and regulations, we may only pay dividends out of distributable profits, which are our after-tax profits as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to pay dividends, even in years when our financial statements show profitability. Undistributed profits are retained and may be available for distribution in future periods. Our operating subsidiaries and joint ventures in China may also lack distributable profits under PRC GAAP, which could limit our ability to receive distributions and, in turn, pay dividends to Shareholders. There can be no assurance that future dividends will be declared or paid, as the declaration and amount of any dividends are at the discretion of our Directors and depend on our operations, earnings, financial condition, cash requirements, constitutional documents, and applicable law.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

Following the listing of our A Shares on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the China. As a result, from time to time we publicly release information, including financial statements and financial data, relating to us on the Shenzhen Stock Exchange or other media outlets designated by the Shenzhen Stock Exchange or the CSRC or other regulatory bodies. However, the information announced by us in connection with our A Shares is based on regulatory requirements of the securities authorities and market practices in the China which are different from those applicable to the [**REDACTED**]. Such information does not and will not form a part of this document. As a result, prospective [**REDACTED**] in our H Shares are reminded that, in making their [**REDACTED**] decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

Facts, forecasts and statistics obtained from official government sources in this document relating to the pharmaceutical industry may not be fully reliable.

Facts, forecasts and statistics in this document relating to the pharmaceutical industry in and outside China are obtained from various sources, comprising information provided or published by government agencies. We can guarantee neither the quality nor reliability of any source materials from official government policies. We have no reason to believe that information from official government sources is false or misleading or that any fact has been omitted that would render information from official government sources false or misleading. However, neither we, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**] nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from official governmental sources. Therefore, we make no representation as to the accuracy of such facts, forecast and statistics.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media coverage regarding us, our business, our Shareholders and management team, our industries, our Shares and the [REDACTED].

There has been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**].

None of us, the Sole Sponsor, the [**REDACTED**], or any other person involved in the [**REDACTED**] have authorized the disclosure of any such information in the press or media and none of these parties accept any responsibility for the accuracy or completeness of the information contained in such press articles and/or other media or the fairness or appropriateness of any forecasts, views or opinions expressed by the press and/or other media regarding our Shares, the [**REDACTED**], our business, our industries or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such projections, valuations, information, forecasts, views or opinions expressed or any such publications. To the extent that such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of the information contained in this document only and should not rely on any other information.

In preparation for the [**REDACTED**], our Company has sought [and has been granted] the following waivers from strict compliance with the Listing Rules.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our management, business operations and assets are primarily located outside Hong Kong. The principal management headquarters of our Group are primarily based in the PRC. Our Company considers that our Group's management is best able to attend to its functions be being based in the PRC. None of our executive Directors is or will be ordinarily resident in Hong Kong after the [**REDACTED**] of our Company. Our Directors consider that relocation of our executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong. As such, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) **Authorized Representatives**: pursuant to Rule 3.05 of the Listing Rules, we have appointed Dr. DING and Mr. TSANG Chun Ho (曾俊豪) ("**Mr. Tsang**") as our authorized representatives and will continue to maintain two authorized representatives to be our principal channel of communication at all times with the Hong Kong Stock Exchange (the "**Authorized Representatives**"). Each of them will be readily contactable by phone and email to deal promptly with enquiries from the Hong Kong Stock Exchange. Mr. Tsang ordinarily resides in Hong Kong whereas Dr. DING ordinarily resides in the PRC, and Dr. DING possesses valid travel documents to visit Hong Kong. Accordingly, each of the Authorized Representatives will be able to meet with the relevant members of the Hong Kong Stock Exchange to discuss any matters in relation to our Company within a reasonable period as and when required. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any change in the Authorized Representatives. See "Directors and Senior Management" for more information about our Authorized Representatives;

(b) **Directors**: to facilitate communication with the Hong Kong Stock Exchange, the contact details of each Director have been provided to each of our Authorized Representatives and the Compliance Adviser (as defined below) who have the means of contacting all Directors promptly at all times as and when the Hong Kong Stock Exchange wishes to contact our Directors on any matters. Furthermore, to the best of our knowledge and information, our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Hong Kong Stock Exchange within a reasonable period as and when required; and

(c) **Compliance Adviser**: pursuant to Rule 3A.19 of the Listing Rules, our Company has appointed Somerley Capital Limited as our compliance adviser (the "**Compliance Adviser**") for the period commencing from the [**REDACTED**] until the date on which our Company announces our financial results and distributes our annual report for the first full financial year after the [**REDACTED**]. The Compliance Adviser will provide us with professional advice on ongoing compliance with the Listing Rules and will act as our Company's additional channel of communication with the Hong Kong Stock Exchange. The Compliance Adviser and its representatives will be readily available to answer enquiries from the Hong Kong Stock Exchange. We will ensure that the Compliance Adviser has prompt access to our Authorized Representatives and our

Directors who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may need or reasonably request in connection with the performance of the Compliance Adviser's duties.

Our Company will inform the Hong Kong Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the compliance advisor in accordance with the Listing Rules.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into and expect to continue certain transactions upon [**REDACTED**] that will constitute partially and non-exempt continuing connected transactions of our Company under the Listing Rules, as described in the section headed "Connected Transactions" in this document. Our Directors consider that strict compliance with the applicable requirements under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules in respect of such continuing connected transactions. For further details, see "Connected Transactions" in this document.

[**REDACTED**]

[**REDACTED**]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. DING Lieming (丁列明)	Unit 1, Building 4 Xinhua Yuan Gongshu District, Hangzhou Zhejiang Province PRC	Chinese
Mr. WAN Jiang (萬江)	Room 102, Gate 3, Tower 4 No. 8 Xitucheng Road Haidian District, Beijing PRC	Chinese
Professor LI MAO	No. 355, Xingzhong Road Linping District, Hangzhou Zhejiang Province PRC	American
Mr. DING Shizhe (丁師哲)	Unit 1, Building 4 Xinhua Yuan Gongshu District, Hangzhou Zhejiang Province PRC	Chinese
Mr. FAN Jianxun (范建勛)	No. 232, Luozhuang Donghu Central Road Donghu Sub-district Yuhang District, Hangzhou Zhejiang Province PRC	Chinese
Ms. TONG Jia (童佳)	Unit 1, No. 208 Hushu South Road Gongshu District, Hangzhou Zhejiang Province PRC	Chinese
Non-executive Directors		
Professor TIAN XU	No. 600, Dunyu Road Xihu District, Hangzhou Zhejiang Province PRC	American
Dr. Yongjun LIU	Room 604, Building 5 No. 168 Wanshou Street Suzhou Industrial Park, Suzhou Jiangsu Province PRC	American

Name	Address	Nationality
Independent Non-executive Directors		
Ms. WONG Yan Ki, Angel (黃欣琪)	Flat H, 28/F, Tower 7 Century Gateway 83 Tuen Mun Heung Sze Wui Road Tuen Mun New Territories Hong Kong	Chinese (Hong Kong)
Ms. XIAO Jiajia (肖佳佳)	Room 102, Unit 55, Building 20 Shuguang Xincun Xihu District, Hangzhou Zhejiang Province PRC	Chinese
Professor Jianwei XUAN	Building 2, Unit 21A Ganghui Garden, 2118 Huashan Road Xuhui District, Shanghai PRC	American
Professor YE Jianliang (葉建亮)	Room 303, Building 10 Yaojiang Wendingyuan Xihu District, Hangzhou Zhejiang Province PRC	Chinese

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

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

[**REDACTED**]

Legal Advisers to our Company

As to Hong Kong and United States law:
Cooley HK
35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:
Zhejiang T&C Law Firm
12/F, Tower 1, Huixi Office Building
International Financial Center
No. 118 Sanxin Road
Shangcheng District
Hangzhou
PRC

As to PRC Intellectual Property Law:
Liu Shen & Associates
Hanhai Plaza (1+1 Plaza), 10th Floor
10 Caihefang Road
Haidian District
Beijing
PRC

Legal Advisers to the Sole Sponsor and the [REDACTED]

As to Hong Kong and United States law:
Davis Polk & Wardwell
10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

	As to PRC law: **Commerce & Finance Law Offices** 12-15/F, China World Office 2 No. 1 Jianguomenwai Avenue Chaoyang District Beijing PRC
Reporting Accountants and Independent Auditor	**BDO Limited** *Certified Public Accountants and Registered Public Interest Entity Auditor* 25th Floor Wing On Centre 111 Connaught Road Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 West Nanjing Road Shanghai PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered Office, Headquarters and Principal Place of Business in the PRC	No. 355 Xingzhong Road Linping Economic and Technological Development Area Hangzhou Zhejiang Province PRC
Principal Place of Business in Hong Kong	Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.bettapharma.com** *(The information contained on this website does not form part of this document)*
Company Secretary	**Mr. TSANG Chun Ho (曾俊豪)** *(ACG, HKACG)* Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Dr. DING Lieming (丁列明)** Room 2201, Unit 1 Building 4 Xinhua Yuan Gongshu District, Hangzhou Zhejiang Province PRC **Mr. TSANG Chun Ho (曾俊豪)** Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Ms. WONG Yan Ki, Angel (黄欣琪) *(Chairperson)* Ms. XIAO Jiajia (肖佳佳) Professor YE Jianliang (葉建亮) Dr. Yongjun LIU
Nomination Committee	Ms. XIAO Jiajia (肖佳佳) *(Chairperson)* Dr. DING Lieming (丁列明) Professor Jianwei XUAN
Remuneration and Appraisal Committee	Professor Jianwei XUAN *(Chairperson)* Ms. WONG Yan Ki, Angel (黄欣琪) Professor YE Jianliang (葉建亮) Professor TIAN XU
Sustainability Committee	Professor YE Jianliang (葉建亮) *(Chairperson)* Professor Jianwei XUAN Mr. FAN Jianxun (范建勛) Ms. TONG Jia (童佳)

Strategy Committee	Dr. DING Lieming (丁列明) *(Chairperson)* Mr. WAN Jiang (萬江) Professor LI MAO Mr. DING Shizhe (丁師哲) Mr. FAN Jianxun (范建勛) Ms. TONG Jia (童佳)
Compliance Adviser	**Somerley Capital Limited** 20/F, China Building 29 Queen's Road Central Hong Kong

[**REDACTED**]

Principal Banks	**China Construction Bank (Hangzhou Linping Branch)** No. 232, East Lake Middle Road East Lake Sub-district Linping District, Hangzhou Zhejiang Province PRC **Hangzhou Bank (Technology Branch)** No. 3850, Jiangnan Avenue Binjiang District Hangzhou, Zhejiang Province PRC **Agricultural Bank of China (Hangzhou Nanyuan Branch)** Room 105, 1st Floor, Unit 1 Room 1004, No. 255, South Street Nanyuan Sub-district, Linping District Hangzhou, Zhejiang Province PRC
Independent Property Valuer	**Jones Lang LaSalle Corporate Appraisal and Advisory Limited** 7/F One Taikoo Place No. 979 King¡¦s Road Quarry Bay Hong Kong

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 [**REDACTED**]*, Sole Sponsor,* [**REDACTED**]*, any of the* [**REDACTED**]*, any of their respective directors and advisers, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

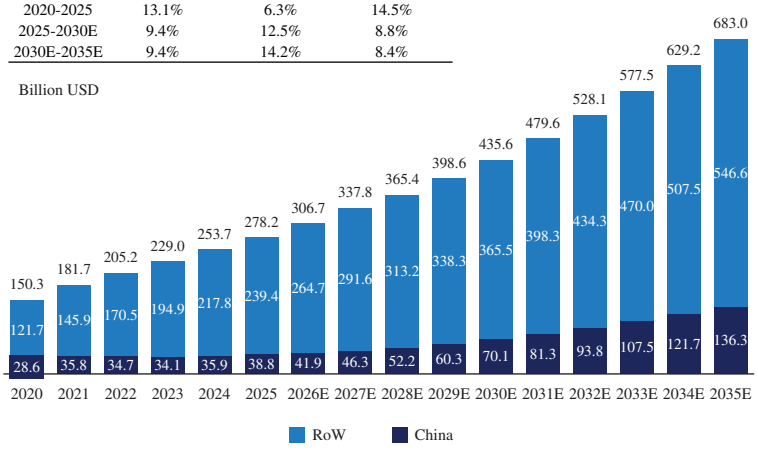
OVERVIEW OF ONCOLOGY DRUG MARKET

Market Size and Future Trends of Oncology Drug Market

Oncology remains the largest and fastest-growing therapeutic area within the global pharmaceutical market and is widely recognized as a core driver of industry expansion. Supported by demographic shifts, prolonged patient survival, rising prevalence of cancer, and continuous advances in treatment modalities, the oncology drug market is expected to maintain strong growth in the future. The slower CAGRs for the global oncology drug market from 2025 to 2030 and from 2030 to 2035 are mainly driven by a high base effect created by breakthrough therapies in the earlier period, increasing global pricing and reimbursement pressure, a moderation in innovation momentum after the initial wave of immune checkpoint inhibitors and ADCs, and intensified competition including biosimilar entries. Similar to the global market, China's oncology drug market is large and the sales of oncology products in China has risen steadily in the recent years. The projected CAGRs for China's oncology drug market from 2025 to 2030 and from 2030 to 2035 are supported by rising cancer incidence and an aging population, the continuous launch and adoption of innovative therapies, expanding reimbursement coverage, and higher treatment penetration particularly in lower-tier cities, which together underpin faster growth relative to the global average. The chart below illustrates the market size and growth rate of the historical and forecasted global and China's oncology drug market from 2020 to 2035.

Global Oncology Drug Market, 2020-2035E

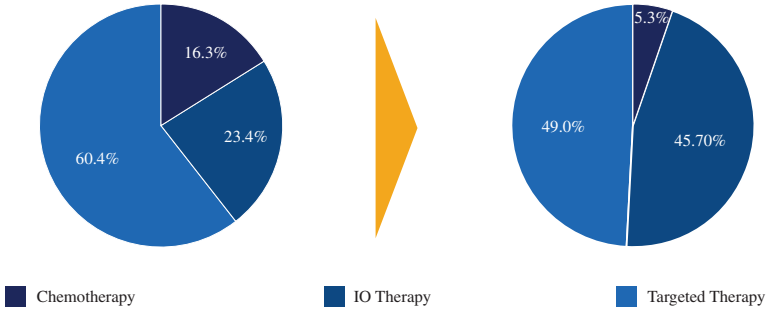
Period	CAGR		
	Global	China	RoW
2020-2025	13.1%	6.3%	14.5%
2025-2030E	9.4%	12.5%	8.8%
2030E-2035E	9.4%	14.2%	8.4%



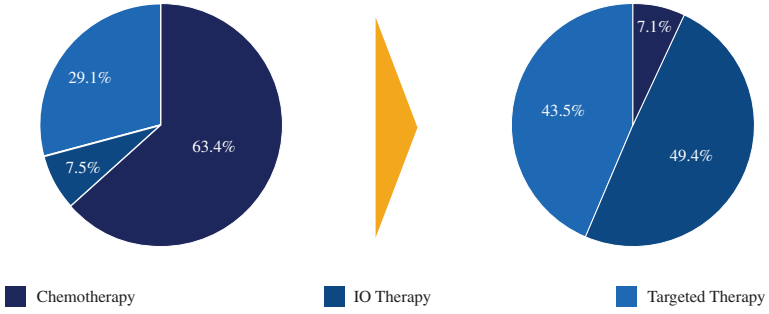
Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

Cancer therapies have gone through a long process of development in history, and they will continue to evolve over time. The chart below illustrates the comparison between the historical and forecasted global and China's market share of innovative oncology drugs and conventional oncology drugs in 2020 and 2035, respectively.

Breakdown of the Oncology Market by Therapy in Global, 2020 and 2035E



Breakdown of the Oncology Market by Therapy in China, 2020 and 2035E



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

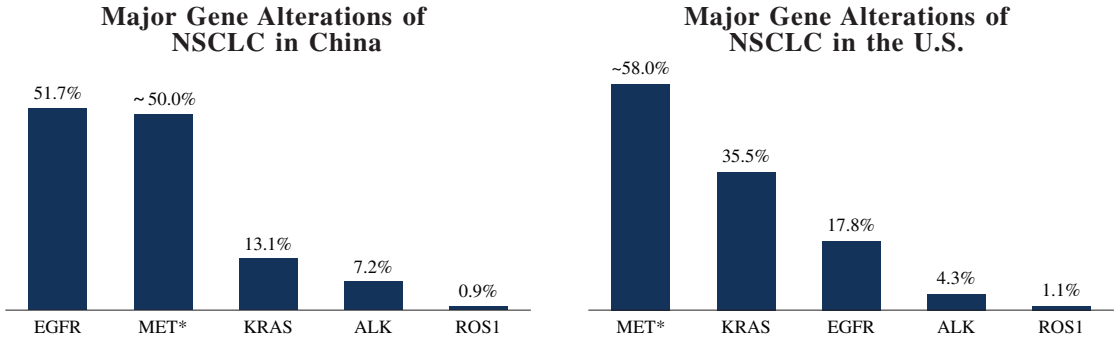
The most prevalent types of cancer globally included lung, breast and colorectal cancers. In China, lung, colorectal and thyroid cancers were major tumor types. These figures reflect the increasing burden of oncology diseases and the growing demand for effective treatment solutions. The divergence in cancer incidence creates significant opportunities for domestic biopharmaceutical companies to pursue differentiated strategies that are tailored to local epidemiological characteristics and that enhance both clinical relevance and commercial potential.

Overview of Lung Cancer Drug Market

Lung cancer is one of the most common and deadly malignancies worldwide. It is broadly divided into two categories: small cell lung cancer (SCLC), which accounts for approximately 15% of cases, and non-small-cell lung cancer (NSCLC), which accounts for the remaining 85%. NSCLC therefore represents the predominant subtype and the primary focus of therapeutic development. As a class, NSCLCs are relatively insensitive to chemotherapy, as compared to SCLC. All types of NSCLC can occur in unusual histologic variants and developed as mixed cell-type combinations.

Lung cancer incidence and mortality have been increasing worldwide and in China. The number of new cases of lung cancer patients worldwide increased from 2.3 million in 2020 to 2.7 million in 2025, and is expected to increase to 3.5 million by 2035. The number of new cases of lung cancer patients in China has increased from 1.0 million in 2020 to 1.1 million in 2025, and is expected to increase to 1.5 million by 2035. The consistently high incidence of lung cancer in China reflects a stable and substantial treatment demand. This long-term disease burden provides a strong market foundation for pharmaceutical companies' continued investment and strategic focus in the lung cancer therapeutic area.

Epidermal growth factor receptor (EGFR), v-Ki-ras2 Kirsten rat sarcoma viral oncogene (KRAS), mesenchymal-epithelial transition factor (MET) and anaplastic lymphoma kinase (ALK) are the most commonly mutated oncogenes that involve the pathogenesis of NSCLC as "genetic drivers." These four types of mutations have been widely targeted for therapeutic development. The chart below illustrates the percentage of major genetic alteration of NSCLC in China and the U.S.



Note:

* MET pathway alterations include MET exon 14 skipping, MET gene amplification, and MET protein overexpression

Source: NIH, Frost & Sullivan Analysis

- ***EGFR***. EGFR has an extracellular ligand-binding domain, a transmembrane anchoring region, and an intracellular C-terminal phosphorylation domain. Mutation and dysregulation of the EGFR family is closely linked to different types of cancer, so EGFR becomes the target of multiple cancer therapies. Blocking EGFR may impede cancer cell growth. The proportion of EGFR mutations in NSCLC patients is significantly higher in China (51.7%) compared with the U.S. (17.8%), reflecting marked differences between Asian and Western populations. The EGFR tyrosine kinase inhibitor (TKI) is a substance that blocks the activity of the EGFR protein. In specific, 47% of NSCLC patients with EGFR mutation will develop T790M mutation after disease progression on a first or second-generation EGFR TKI, and 7% of NSCLC patients with EGFR mutation will develop C797S mutation after disease progression on third-generation EGFR TKI.

- ***MET***. MET is a receptor tyrosine kinase encoded by the MET proto-oncogene located on chromosome 7q31. Upon activation by its ligand hepatocyte growth factor (HGF), MET initiates multiple downstream signaling cascades, including PI3K/AKT, RAS/MAPK and STAT3, which are critical for regulating cell proliferation, survival, motility and invasion. MET pathway alterations (including MET exon 14 skipping, MET gene amplification, and MET protein overexpression) have been reported in approximately 50% of NSCLC patients in China and approximately 58.0% of NSCLC patients in the U.S.

- ***ALK***. ALK is a member of the insulin receptor superfamily of receptor tyrosine kinases that are encoded by ALK gene. When activated through phosphorylation, ALK tyrosine kinase will activate multiple downstream signal transduction pathways, which play a pivotal role in cell proliferation and survival. In NSCLC, the EML4-ALK results from an inversion in the short arm of chromosome two, fusing the N-terminal domain of EML4 to the intracellular kinase domain of ALK (3' gene region), resulting in a constitutively active ALK tyrosine kinase. Among patients with NSCLC, 7.2% of patients in China had concomitant ALK mutations.

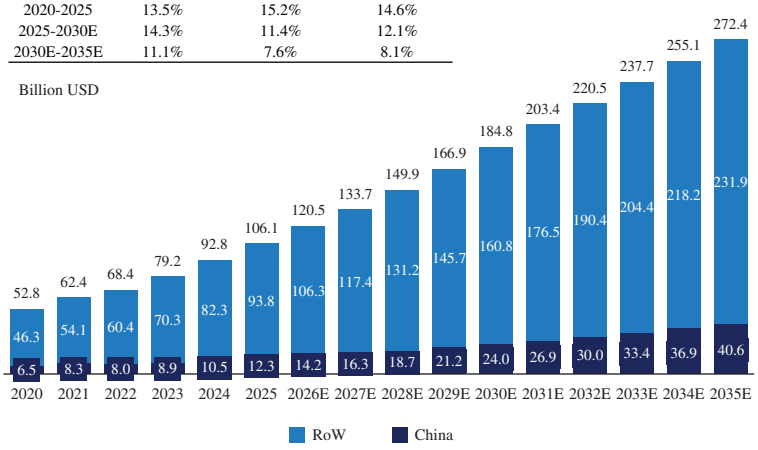
- ***KRAS***. The KRAS gene, the predominant subtype of RAS mutations within the RAS/MAPK pathway, shows marked differences in prevalence between populations. In NSCLC, KRAS mutations are observed in 13.1% of Chinese patients compared with 35.5% of patients in the United States.

The global NSCLC drug market is expected to grow at slower CAGRs from 2025 to 2030 and from 2030 to 2035, as the market shifts from a period of breakthrough innovation to structural consolidation. The slowdown is mainly driven by the maturity of first- and second-generation immunotherapies and targeted therapies, pricing and reimbursement pressures across major markets, and increasing competition arising from patent expiries and biosimilar entries. While next-generation modalities such as ADCs, bispecific antibodies and cell and gene therapies are expected to support continued expansion, their incremental contribution and smaller eligible patient

populations limit their overall impact, especially as diagnosis and treatment rates in developed markets have largely stabilized. The chart below illustrates the market size and growth rate of the historical and forecasted global and China's NSCLC drug market from 2020 to 2035.

Global NSCLC Drug Market, 2020-2035E

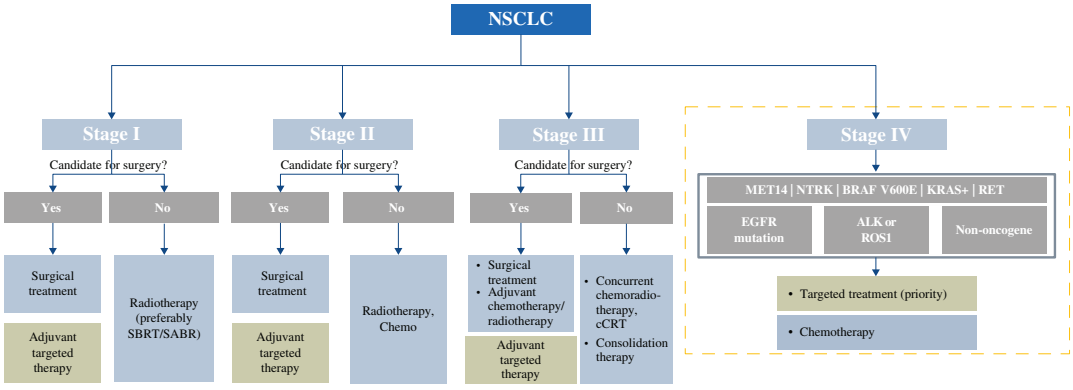
Period	CAGR		
	China	ROW	Global
2020-2025	13.5%	15.2%	14.6%
2025-2030E	14.3%	11.4%	12.1%
2030E-2035E	11.1%	7.6%	8.1%



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

Surgical treatment, chemotherapy, radiotherapy, targeted therapies and postoperative adjuvant therapies play different roles in treatment of patients at different stages. The following charts summarized the treatment paradigm of NSCLC and Stage IV NSCLC, and postoperative adjuvant treatment pathways for NSCLC in China.

Treatment Paradigm of NSCLC in China

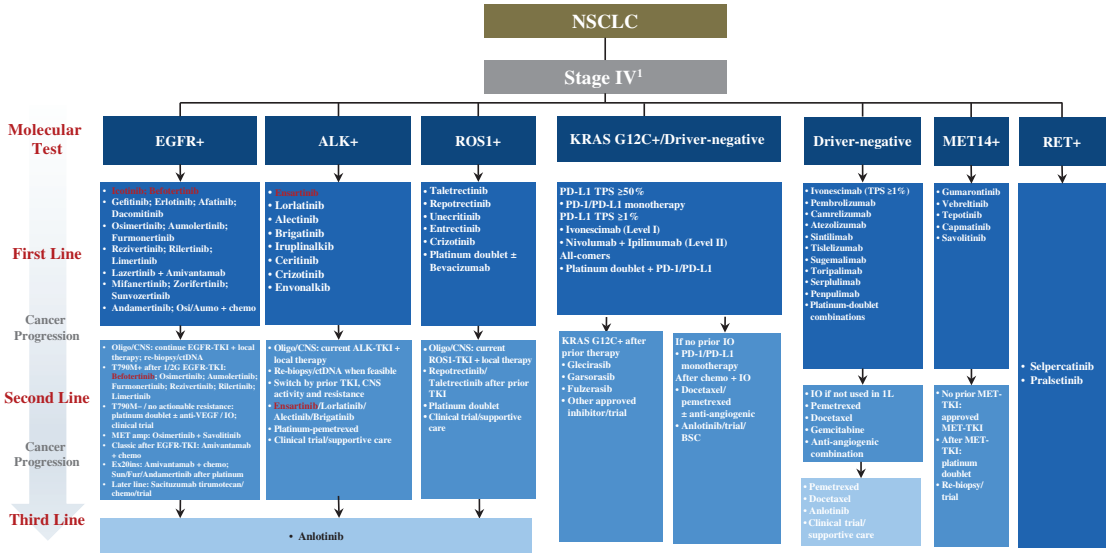


Note:

(1) The treatment paradigm for patients with BRAF V600E mutation and NTRK rearrangement can refer to the non-oncogene-driven part.

Sources: CSCO Guidelines for the Diagnosis and Treatment of Non-Small Cell Lung Cancer (2026 Edition), Literature Review, Frost & Sullivan Analysis

Treatment Paradigm of Stage IV NSCLC in China

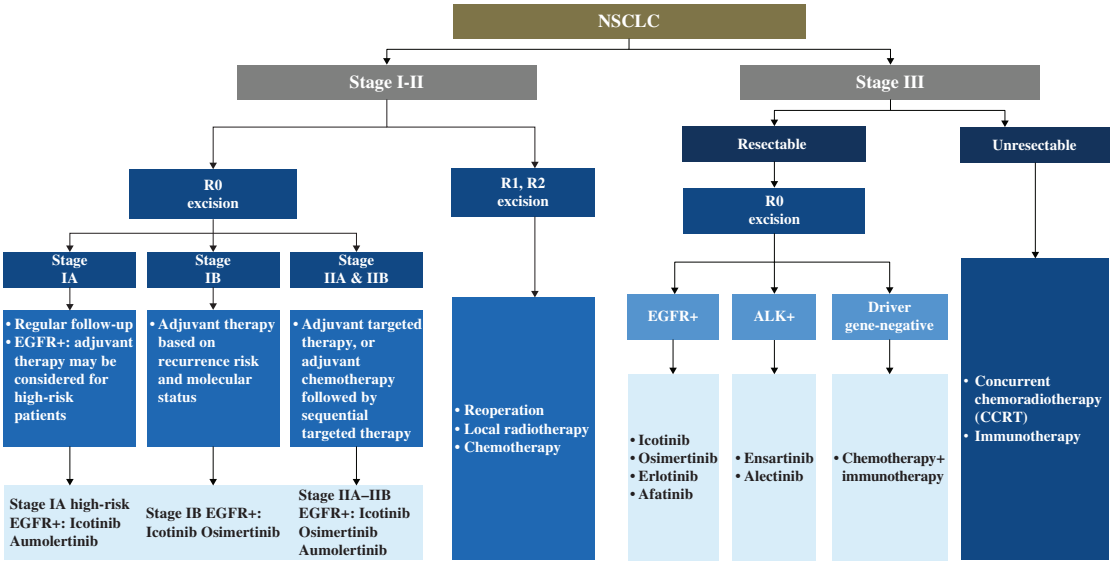


Note:

(1) The treatment paradigm focuses more on the innovative drugs, without the inclusion of conventional chemotherapy.

Sources: CSCO Guidelines for Diagnosis and Treatment of NSCLC (2026 Edition), Frost & Sullivan Analysis

Postoperative Adjuvant Treatment Pathways for NSCLC in China



Sources: Guidelines for Perioperative Diagnosis and Treatment of Driver Gene-Positive Non-Small Cell Lung Cancer (2026 Edition), CMA, Frost & Sullivan Analysis

Even after radical resection, a significant proportion of NSCLC patients experience disease recurrence, with relapse rates estimated at 30% to 55%. Though platinum-based adjuvant chemotherapy has long been the standard of care, its benefit remains limited, only improving five-year survival rate by 5.4%. This modest efficacy underscores that conventional chemotherapy alone is insufficient to fully reduce the recurrence risk in high-risk early-stage NSCLC patients. As a result, there remains a substantial unmet clinical need for more effective postoperative therapies capable of reducing recurrence risk and improving long-term survival outcomes.

Recent clinical trials have demonstrated the potential of adjuvant targeted therapies to transform the treatment paradigm. The Phase III EVIDENCE trial showed that adjuvant treatment with icotinib extended median disease-free survival (mDFS) to 47.0 months compared with 22.1 months for platinum-based chemotherapy, representing a 64% reduction in recurrence risk (HR = 0.36, $p < 0.0001$). Our Phase III trial of ensartinib in stage IB–IIIB ALK+ NSCLC has reported encouraging interim results in the adjuvant setting, indicating the potential to reshape the current treatment landscape for ALK+ NSCLC patients after curative surgery.

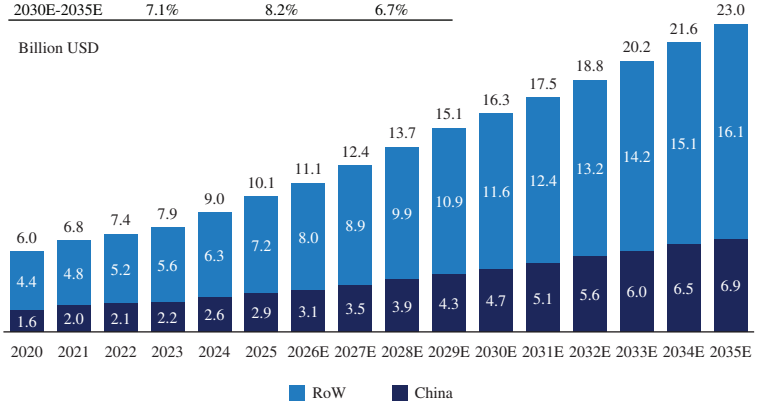
Overview of EGFR TKI Market

EGFR+ lung cancer refers to lung cancers that show evidence of an EGFR mutation. EGFR TKIs are now the main choice for treating NSCLC with EGFR mutations. These medications tend to have fewer side effects than chemotherapy by targeting cancer cells with specific mutation while sparing normal cells.

The global market size of EGFR TKIs is expected to reach US$23.0 billion by 2035. China's EGFR TKI drug market demonstrates a more balanced but still steady growth outlook. Market expansion will continue to be supported by broader use of EGFR TKIs in combination and sequential treatment regimens and increasing patient access. However, growth will be partially tempered by price reductions under NRDL negotiations as well as competition from generics and other follow-on products. The following charts show the historical and forecasted market size and growth rate of EGFR TKIs drug in global and China's market from 2020 to 2035.

Global EGFR TKI Drug Market, 2020-2035E

Period	CAGR		
	Global	China	RoW
2020-2025	10.9%	12.9%	10.2%
2025-2030E	10.1%	10.2%	10.1%
2030E-2035E	7.1%	8.2%	6.7%



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

The development of EGFR TKIs has undergone several generations of innovation, reflecting continuous advances in the understanding of resistance mechanisms, mutation coverage and treatment safety. First-generation EGFR TKIs reversibly bind to EGFR and demonstrated clear efficacy in prolonging progression-free survival in patients with EGFR-mutant NSCLC. However, resistance mutations, particularly T790M, limited their long-term effectiveness. Second-generation EGFR TKIs were designed to irreversibly bind EGFR via covalent bonds and to broaden HER family inhibition. While these agents improved potency, they were still unable to fully overcome T790M-driven resistance and were associated with higher toxicity. Third-generation EGFR TKIs target common EGFR-sensitizing mutations in patients with NSCLC and are also specifically active against the T790M resistance mutation. They also demonstrated blood-brain barrier penetration, thereby improving outcomes in patients with brain metastases and offering enhanced safety and efficacy. Currently, fourth-generation EGFR TKIs are under clinical investigation. These agents are designed to overcome emerging resistance mechanisms with the aim of expanding mutation coverage, further improving safety profiles and providing more durable disease control.

In China, the treatment of EGFR+ NSCLC has become increasingly precise and stage-specific. For operable patients, postoperative adjuvant therapy provides the greatest therapeutic benefit, with different options for patients of different stages. In advanced NSCLC, including certain Stage IIIB and Stage IV disease, patients are typically treated with first-generation EGFR TKIs or with second-generation agents. Upon the development of resistance, including resistance associated with the T790M mutation, third-generation EGFR TKIs offer effective subsequent treatment options. This structured treatment pathway reflects the continuous evolution of EGFR-targeted therapies.

We distinguish ourselves in the competitive market of EGFR TKIs with a portfolio covering both first-generation and third-generation EGFR TKIs, namely icotinib and befotertinib. This enables comprehensive patient care from initial treatment to resistance management. Notably, icotinib has outperformed peers to become the best-selling first-generation EGFR TKI in China, further reinforcing our strong market position. The following diagram summarized the competitive landscape of marketed EGFR TKIs in China as of the Latest Practicable Date.

Competitive Landscape of Marketed EGFR-TKIs in China

	Brand Name	Generic Name	Originator	Treatment Line	NMPA Approval	NRDL/NEML
1st generation	Iressa	Gefitinib	AstraZeneca	1L/2L/3L	Dec 2004	List B/NEML
	Tarceva	Erlotinib	Roche	1L/2L/3L/Adj	Apr 2006	List B
	Conmana®/ 凯美纳®	**Icotinib**	**Betta Pharmaceuticals**	**1L/2L/Adj**	**Jun 2011**	**List B/NEML**
2nd generation	Giotrif	Afatinib	Boehringer Ingelheim	1L/2L	Feb 2017	List B
	Vizimpro	Dacomitinib	Pfizer	1L	May 2019	List B
3rd generation	Tagrisso	Osimertinib	AstraZeneca	1L/2L/Adj	Mar 2017	List B/NEML
	Ameile	Aumolertinib	Jiangsu Hansoh Pharmaceutical	1L/2L/Adj	Mar 2020	List B
	Aifusha	Furmonertinib	Allist	1L/2L	Mar 2021	List B
	Surmana® 赛美纳®	**Befotertinib**	**Betta Pharmaceuticals**	**1L/2L**	**May 2023**	**List B**
	Zegfrovy	Sunvozertinib	Dizal Pharmaceutical Co., Ltd	2L	Aug 2023	List B
	Sanrisso	Rilertinib	Nanjing Shenghe Pharm	1L/2L	Jun 2024	List B
	Ruibida	Rezivertinib	Beta Pharm	1L/2L	May 2024	List B
	Zorifer	Zorifertinib	AstraZeneca/Chentai Pharm	1L	Nov 2024	List B
	Aoyixin	Limertinib	Innovent/ASK Pharm	1L/2L	Jan 2025	List B
	Lazcluze	Lazertinib	Johnson & Johnson	1L	Jul 2025	Not included
	/	Mefatinib	East China Pharmaceutical/Suzhou Maitai Bio-Technology	1L	Oct 2025	Not included
	/	Andamertinib	Beijing avistone	2L	Apr 2026	Not included

Note: NEML: National Essential Medicines List

Sources: Literature Review, Frost & Sullivan Analysis

The following diagram summarized the competitive landscape of EGFR TKIs pipelines at Phase II clinical stage or later in China as of the Latest Practicable Date.

Drug Name/Code	Company	Clinical Phase	Treatment Line	Date[1]
Zipalertinib	Otsuka Pharma	NDA	2L	Nov 2025
Adonertinib	Jiangsu Chia Tai Fenghai/Shanghai Henlius	NDA	1L	Feb 2026
TY-9591	TYK Medicines	NDA	1L	Feb 2026
Gefitinib	AstraZeneca	III	Adj	Jul 2011
Olafertinib	Neu Pharma	III	1L	Oct 2020
Alflutinib	Allist Pharmaceuticals	III	Adj	Mar 2021
Lazertinib	Johnson & Johnson	III	2L/3L	Aug 2021
Rilertinib	Nanjing Shenghe Pharm	III	Adj	Dec 2022
Befotertinib	**Betta Pharmaceuticals**	**III**	**Adj**	**Feb 2023**
YK-029A	Yuekang BioPharma	III	1L	Mar 2023
Sutetinib	Suzhou Taolve	III	1L	Jul 2025
HS-10504	Hansoh	III	2L/3L	Aug 2026
BEBT-109	BeBetter Med	II	2L	Dec 2021
WSD0922	Wayshine Biopharm	II	2L	Mar 2025
AP-L1898	Wigen	II	2L/3L	Apr 2026

Note:

(1) For drugs in the clinical trial phase, date refers to the date of first public announcement. For drugs in the NDA phase, date refers to the CDE acceptance date.

Sources: CDE, Frost & Sullivan Analysis

The future development trends of EGFR+ NSCLC treatment primarily include the following:

- ***Sequential Treatment***. In China, first-generation TKIs maintain substantial cost-effectiveness advantages while continuing to deliver meaningful clinical benefit. Some clinical studies further indicate that sequential treatment strategies, in which patients start with first-generation EGFR TKIs and later transition to third-generation agents once resistance develops, may potentially achieve greater overall survival than single-agent approaches. This makes sequential therapy a compelling option that balances affordability with clinical outcomes.

- ***Adoption in the Adjuvant Setting***. The clinical use of EGFR TKIs is extending from advanced NSCLC to earlier disease stages. Given the strong clinical evidence and rapidly growing demand for effective postoperative management, EGFR TKIs are expected to see broad adoption in the adjuvant setting, becoming a key growth driver of the overall market.

- ***Accelerated Adoption of Combination Strategies***. Combination regimens involving EGFR TKIs with anti-angiogenic agents, chemotherapy or immunotherapy are advancing rapidly and in some cases are becoming standard practice. Both clinical and real-world data show that such strategies improve PFS and enhance management of resistance. These developments are expected to strengthen the role of EGFR TKIs in multi-line treatment strategies and expand their overall clinical value.

The EGFR+ NSCLC drug market is supported by sustained patient growth driven by high mutation prevalence, wider gene testing and improving treatment accessibility, while clinical practice continues to evolve toward earlier diagnosis and optimized full-cycle management. As the market becomes more mature, pricing pressure from reimbursement negotiations, the entry of generics and increasing competition among similar agents are expected to temper growth. The landscape is also influenced by patent expiries and the emergence of newer modalities that may gradually draw a small portion of later-line demand. Despite these dynamics, the market maintains notable entry barriers, as participants must meet stringent clinical and regulatory requirements, demonstrate clear therapeutic differentiation and build sufficient physician confidence to compete effectively.

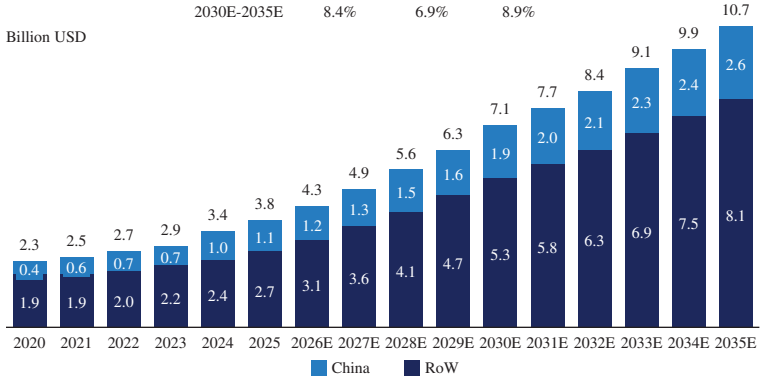
Overview of ALK TKI Market

ALK+ lung cancer refers to lung cancer that shows evidence of an ALK mutation. The treatment period of ALK+ lung cancer patients is almost two times of that for EGFR+ lung cancer patients. For late stage ALK+ NSCLC patients, ALK tyrosine kinase inhibitor (ALK TKI) is typically recommended as the first-line treatment option. If ALK+ tumors keep progressing after initial treatment of chemotherapy, ALK TKI is also recommended as second-line and later-lines treatment option until the patients develop resistance to all suitable targeted therapy options of ALK TKIs and switch to other alternative treatments.

The estimated CAGRs for the global ALK TKI drug market from 2025 to 2030 and from 2030 to 2035 are underpinned by the continued adoption of second- and third-generation ALK TKIs with improved CNS penetration and resistance profiles, as well as broader molecular testing coverage that supports earlier and wider detection of ALK-positive NSCLC. Earlier high growth for the China ALK TKI drug market was driven by the rapid uptake of second- and third-generation ALK TKIs and improvements in molecular testing coverage. Looking ahead, the market is expected to remain supported by wider use of ALK TKIs in first-line and combination settings, as well as the growing evidence supporting their use as adjuvant therapy in patients with early-stage disease, although overall growth will be tempered by NRDL price reductions, the entry of domestic generics and the gradual saturation of later-generation products. The following charts show the historical and forecasted market size and growth rate of ALK TKI drug in the global and China's market from 2020 to 2035.

Global ALK TKI Drug Market, 2020-2035E

Period	CAGR		
	Global	China	RoW
2020-2025	10.7%	19.9%	8.0%
2025-2030E	13.3%	11.5%	14.0%
2030E-2035E	8.4%	6.9%	8.9%



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

Currently, there are six marketed ALK TKIs approved by the FDA, five approved by the EMA and ten approved by the NMPA. Ensartinib stands out as the first and only domestically developed ALK TKI to enter the global market. The following diagram summarized the competitive landscape of marketed ALK TKI in China as of the Latest Practicable Date.

	Brand Name	Generic Name	Originator	Treatment Line	NMPA Approval	NRDL Status
1st generation	Xalkori	Crizotinib	Pfizer	1L/2L	Jan 2013	List B
2nd generation	Zykadia	Ceritinib	Novartis	1L/2L	May 2018	List B
	Alecensa	Alectinib	Roche	1L/2L/Adj	Aug 2018	List B
	Ensacove®/ 贝美纳®	**Ensartinib**	**Betta Pharmaceuticals**	**1L/2L**	**Nov 2020**	**List B**
	Alunbrig	Brigatinib	Takeda	1L/2L	Mar 2022	List B
	Qilikin	Iruplinalkib	Qilu Pharmaceutical	1L/2L	Jun 2023	List B
	Anluqing	Envonalkib	Chia Tai Tianqing	1L	Jun 2024	List B
	Xuanfeining	Dirozalkib	Xuanzhu Biotechnology/Simcere Pharmaceutical	1L	Aug 2025	Not Include
	/	Conteltinib	Shouyao Holdings	1L/2L	Jun 2026	Not Include
3rd generation	Lorbrena	Lorlatinib	Pfizer	1L/2L	Apr 2022	List B

Sources: NMPA, Frost & Sullivan Analysis

The following diagram summarized the competitive landscape of marketed ALK TKI in the U.S. as of the Latest Practicable Date.

	Brand Name	Generic Name	Originator	Treatment Line	FDA Approval
1st generation	Xalkori	Crizotinib	Pfizer	1L/2L	Aug 2011
2nd generation	Zykadia	Ceritinib	Novartis	1L/2L	Apr 2014
	Alecensa	Alectinib	Roche	1L/2L/Adj	Dec 2015
	Alunbrig	Brigatinib	Takeda	1L/2L	Apr 2017
	Ensacove®/ 贝美纳®	**Ensartinib**	**Xcovery Holdings/ Betta Pharmaceuticals**	**1L**	**Dec 2024**
3rd generation	Lorbrena	Lorlatinib	Pfizer	1L/2L	Nov 2018

Note:

(1) Alectinib was initially granted accelerated approval in December 2015. Brigatinib was initially granted accelerated approval in April 2017.

Sources: FDA, Frost & Sullivan Analysis

The following diagram summarized the competitive landscape of marketed ALK TKI in the EU as of the Latest Practicable Date.

	Brand Name	Generic Name	Originator	Treatment Line	EMA Approval
1st generation	Xalkori	Crizotinib	Pfizer	1L/2L	Oct 2012
2nd generation	Zykadia	Ceritinib	Novartis	1L/2L	May 2015
	Alecensa	Alectinib	Roche	1L/2L/Adj	Feb 2017
	Alunbrig	Brigatinib	Takeda	1L/2L	Nov 2018
3rd generation	Lorbrena	Lorlatinib	Pfizer	1L/2L	May 2019

Sources: EMA, Frost & Sullivan Analysis

The following diagram summarized the competitive landscape of ALK TKI pipelines in clinical stage in the global market as of the Latest Practicable Date.

Competitive Landscape of ALK-TKI Pipeline for NSCLC in China

Drug Name/Code	Company	Clinical Stage	Indications	First Posted
Ensartinib	**Betta Pharmaceuticals**	**NDA**	**Adj**	**Nov 2025**
Deulorlatinib	Shenzhen TargetRx Biopharmaceutical	III	1L/2L	Oct 2023
Ficonalkib	Shouyao Holdings	III	1L	Jan 2024
XZP-3621	Xuanzhu Biopharmaceutical	II	1L/2L	Jul 2022
Iruplinalkib	Qilu Pharmaceutical	II	Adj	Mar 2023
CGT-9475	CGeneTech	I/II	2L	Mar 2025
SY-12321	Shouyao Holdings	I/II	1L/2L/3L	Jul 2026
APG-2449	Ascentage Pharma Group International	I	1L/2L	Apr 2019

Competitive Landscape of ALK-TKI Pipeline for NSCLC in US

Neladalkib	Nuvalent	NDA	2L/3L	Apr 2026

Competitive Landscape of ALK-TKI Pipeline for NSCLC in EU

Ensartinib	**Xcovery/Betta Pharmaceuticals**	**NDA**	**1L**	**Feb 2025**
Neladalkib	Nuvalent	III	1L	Jan 2025

Sources: CDE, Frost & Sullivan Analysis

The future development trends of ALK+ NSCLC treatment primarily include the following:

- ***Increasing ALK+ NSCLC Incidence***. The incidence of ALK+ NSCLC grows continually, due to population aging and air pollution. Subject to CSCO guideline of NSCLC, patients with ALK+ NSCLC take the proportion of 7.2% among all NSCLC patients. The amount of ALK+ NSCLC patients will keep increasing, thereby driving the sustainable increase of the ALK TKI market.

- ***Demand for Next-Generation ALK TKI***. Drug resistance occurs commonly in most ALK+ NSCLC cases, which leads to inevitable tumor progression accompanied by cerebral metastasis. Sequential treatment is accepted by most HCPs as the preferred follow-up treatment for drug-resistant ALK+. Patient desire innovative ALK TKI to extend their lives.

- ***Molecular Testing***. With the development of gene sequencing and biomarkers, the detection of ALK rearrangement is becoming one of routine diagnosis items for NSCLC. Along with the approval of NGS based molecular testing kits covering ALK test, precision diagnosis will be widely applied in diagnosis of ALK+ NSCLC.

- ***Combination Immunotherapy***. Immune checkpoint inhibitors have transformed cancer treatment, but immune monotherapy has shown limited efficacy in ALK+ NSCLC. Combining immunotherapy with ALK TKIs offers promising potential, as TKIs can enhance cytotoxic T lymphocyte activity and reduce T-cell apoptosis. Such combinations may help overcome resistance to initial therapy and extend PFS in ALK+ NSCLC patients.

- ***Guideline-Endorsed Role of Second-Generation ALK Inhibitors***. Leading oncology guidelines recommend second-generation ALK TKIs as the preferred first-line treatments for advanced ALK+ NSCLC, owing to their superior central nervous system efficacy and overall survival benefits compared with first-generation agents.

The ALK TKI drug market is supported by rising molecular testing coverage and increasing availability of next-generation inhibitors, which continue to drive patient uptake and reinforce their role as guideline-recommended first-line therapies. As diagnosis improves and the ALK+ NSCLC population gradually grows, treatment strategies are shifting toward more structured long-term management, including sequential use of later-generation agents and early exploration of combination approaches for resistant disease. Nevertheless, pricing pressure from NRDL negotiations, the entry of domestic generics and the challenge of resistance are expected to moderate future revenue growth. Emerging oncology modalities may introduce incremental competition, although validated alternatives to ALK-targeted therapies remain limited. High R&D requirements, the clinical complexity of overcoming resistance mutations and strong physician confidence in established products continue to create meaningful barriers to entry.

Overview of Drug Market for Pan-Tumor Indications

The incidence of solid tumors worldwide increased from approximately 18.0 million cases in 2020 to approximately 20.5 million cases in 2025, and is expected to further increase to approximately 25.3 million cases by 2035. The incidence of solid tumors in China increased from approximately 4.4 million cases in 2020 to approximately 4.9 million cases in 2025, and is expected to further increase to approximately 6.0 million cases by 2035.

Overview of Market of EGFR/c-MET Bispecific Antibodies

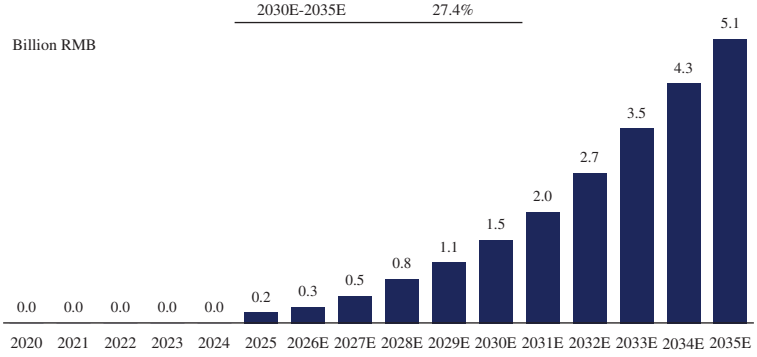
EGFR is a transmembrane receptor tyrosine kinase that plays a crucial role in regulating cell proliferation, survival, and differentiation, and its over-expression or constitutive activation due to mutations can lead to uncontrolled tumor growth and metastasis. Mesenchymal-epithelial transition factor (c-MET) is another receptor tyrosine kinase that, when aberrantly activated, including MET exon14 skipping alteration, MET gene amplification and MET protein over-expression, can promote tumor progression, invasion, and resistance to targeted therapies, making it an attractive therapeutic target in various cancer types.

The synergistic relationship between EGFR and c-MET in cancer pathogenesis is characterized by cross-talk, co-activation, and reciprocal regulation, leading to enhanced tumor growth, survival, and resistance to targeted therapies. In particular, EGFR TKI resistance is closely attributed to c-MET aberrant activation. The collaborative effects of these receptor tyrosine kinases extend beyond the tumor cells themselves, influencing the tumor microenvironment by promoting angiogenesis, epithelial-mesenchymal transition, and immune evasion. Given their synergistic relationship, dual inhibition of EGFR and c-MET has emerged as a promising therapeutic strategy to overcome resistance and improve patient outcomes in various cancers driven by these aberrant signaling pathways.

The following charts show the historical and forecasted market size and growth rate of China's EGFR/c-MET bispecific antibody drug market from 2020 to 2035.

China EGFR/C-Met Bispecific Antibody Market, 2020-2035E

Period	CAGR
2020-2025	/
2025-2030E	56.9%
2030E-2035E	27.4%



Source: Expert Interviews, Frost & Sullivan Analysis

As of the Latest Practicable Date, only one EGFR/c-MET bispecific antibody had been approved in China and seven were in clinical development. The following diagram summarized the competitive landscape of approved drugs and pipelines in clinical stage in China's EGFR/c-MET bispecific antibody drug market as of the Latest Practicable Date.

Drug Name/Code	Company	Clinical Stage[1]	Indications	Date[2]
Amivantamab	Johnson & Johnson/Gemab	Approved	NSCLC	Feb 2025
HS-20117	Changzhou Hengbang Pharmaceutical	III	NSCLC	May 2024
MCLA-129	**Betta Pharmaceuticals**	**II**	**NSCLC**	**Mar 2025**
EMB-01	Epimab Biotherapeutics	I/II	Advanced/Metastatic Solid Tumors	Dec 2018
SHR-9839	Jiangsu Hengrui Pharmaceuticals	I/II	Advanced Solid Tumors	Jun 2024
TQB2922	Chiatai Tianqing Pharmaceutical Group	I/II	Colorectal Cancer	Jun 2025
HS-20117-2	Shanghai Hansoh	I/II	Advanced/Metastatic Solid Tumors	Aug 2025
JH021	Biotech Pharmaceutical	I	NSCLC	May 2026

Notes:

(1) Clinical stage shown refers to the most advanced indication currently under clinical development.

(2) Date refers to the date of first public announcement.

Sources: CDE, Frost & Sullivan Analysis

A major trend in EGFR/c-MET bispecific antibody development is the exploration of combination therapies. Bispecific antibodies inherently integrate the mechanisms of two distinct therapeutic targets, creating a natural advantage for combination strategies. Current clinical studies mainly focus on the combined use of EGFR/c-MET bispecific antibodies with EGFR TKIs and other targeted therapies. These approaches aim to overcome acquired resistance, enhance clinical efficacy and extend treatment durability, thereby positioning EGFR/c-MET bispecific antibodies as an important next-generation option in precision oncology.

Overview of Market of RAS-Targeted Drugs

RAS proteins regulate multiple signaling pathways and play a critical role in cellular processes such as proliferation and division. The RAS family consists of three isoforms encoded by distinct genes: KRAS, HRAS, and NRAS. RAS mutations are among the most common oncogenic drivers in human cancers, with approximately 19% of patients harboring a RAS mutation. KRAS is by far the most frequently altered isoform, accounting for about 75% of all RAS mutations. In pancreatic ductal adenocarcinoma (PDAC), the prevalence of KRAS mutations is particularly high, reaching up to 85%.

The evolving landscape of RAS-targeted therapy, two novel strategies are gaining increasing attention:

- *KRAS-directed PROTACs.* By degrading KRAS proteins rather than simply inhibiting them, PROTACs can eliminate multiple mutant variants, including those resistant to conventional inhibitors. Their catalytic clearance mechanism allows for sustained suppression without requiring continuous occupancy of the binding site, offering the potential for more durable therapeutic benefit. The trend is to extend beyond single mutations toward multi-KRAS mutant coverage, broadening applicability across diverse patient subgroups.

- *Pan-RAS inhibitors.* Unlike mutation-specific drugs, pan-RAS inhibitors simultaneously target KRAS, NRAS, and HRAS isoforms, preventing compensatory activation of wild-type RAS proteins. This pan-isoform approach is expected to deliver broader clinical utility and reduce the likelihood of acquired resistance. The trend is toward positioning pan-RAS as a "next frontier," with preclinical data showing strong activity across tumor types such as pancreatic cancer, NSCLC, and colorectal cancer.

As of the Latest Practicable Date, four small-molecule drugs targeting RAS had been approved in China, and 49 drug candidates were in clinical development.

Overview of Bevacizumab Market

Vascular endothelial growth factor (VEGF) is a signal protein produced by cells that stimulates the formation of blood vessels and other important physiologic process. A potential anticancer therapy can be developed by using anti-VEGF agent with several medicinal effects. Bevacizumab is designed to directly bind to VEGF extracellularly to prevent interaction with VEGF receptors (VEGFRs) on the surface of endothelial cells, and thereby inhibiting VEGF's angiogenic activity. By suppressing tumor angiogenesis, bevacizumab has established its clinical role in the treatment of multiple solid tumors, including colorectal cancer, NSCLC, renal cell carcinoma and ovarian cancer, and has become one of the representative drugs of anti-angiogenic therapy. There is abundant clinical evidence indicating the superior efficacy of bevacizumab when used in combination with other therapies. By exerting both anti-vascular and anti-angiogenesis effect on vessel surrounding the tumor, bevacizumab can result in both reduction of tumor size and inhibition of tumor growth.

As of the Latest Practicable Date, a total of 13 bevacizumab products have been approved in China. Certain biosimilars have obtained broader approvals covering glioblastoma, cervical cancer and hepatocellular carcinoma. This variation in approved indications has created a differentiated competitive landscape. The following diagram summarized the competitive landscape of marketed drugs in China's bevacizumab market as of the Latest Practicable Date.

Competitive Landscape of Marketed Bevacizumab in China

Brand Name	Generic Name	Company	Original Drug/ Biosimilar	NMPA Approval	Indications	NRDL/NEML
Avastin	Bevacizumab	Roche	Original Drug	Feb 2010	Glioblastoma Hepatocellular carcinoma Non-squamous NSCLC Colorectal cancer Cervical cancer Epithelial ovarian carcinoma	List B/NEML
Ankeda	Bevacizumab -QL1101	Qilu Pharmaceutical	Biosimilar	Dec 2019	Colorectal cancer Non-squamous NSCLC	List B
Byvasda	Bevacizumab -IBI305	Innovent	Biosimilar	Jun 2020	NSCLC Non-squamous NSCLC Hepatocellular carcinoma Colorectal Cancer Glioblastoma Cervical cancer Epithelial ovarian carcinoma	List B
Boyounuo	Bevacizumab -LY01008	Shandong BoAn Biotechnology	Biosimilar	Apr 2021	Colorectal cancer Non-squamous NSCLC Epithelial ovarian carcinoma	List B
Airuituo	Bevacizumab -BP102	Hengrui Pharma	Biosimilar	Jun 2021	Non-squamous NSCLC Colorectal cancer Glioblastoma	List B
Pobevcy	bevacizumab -tnjn	Bio-Thera Solutions	Biosimilar	Nov 2021	NSCLC Colorectal cancer Glioblastoma Cervical cancer Epithelial ovarian carcinoma	List B
贝安汀®	**Bevacizumab-MIL60**	**Betta Pharmaceuticals**	**Biosimilar**	**Nov 2021**	**Cervical cancer Glioblastoma Ovarian epithelial cancer Colorectal cancer Non-squamous NSCLC**	**List B**
Pusintin	Bevacizumab -TAB008	TOT Biopharm (Suzhou)	Biosimilar	Nov 2021	Non-squamous NSCLC Colorectal cancer Glioblastoma Cervical cancer Hepatocellular carcinoma Epithelial ovarian carcinoma	List B
HLX04	Bevacizumab -HLX04	Shanghai Henlius Biopharmaceutical	Biosimilar	Nov 2021	Colorectal cancer Non-squamous NSCLC Glioblastoma Hepatocellular carcinoma Cervical cancer Epithelial ovarian carcinoma	List B
Anbeisi	Bevacizumab -TQB2302	Nanjing Shunxin Pharmaceutical of Chiatai Tianqing	Biosimilar	Feb 2023	Glioblastoma Colorectal cancer Cervical cancer NSCLC Epithelial ovarian carcinoma Hepatocellular carcinoma	List B
Anbeizhu	Bevacizumab -SCT510	SinoCelltech	Biosimilar	Jun 2023	NSCLC Hepatocellular carcinoma Glioblastoma Colorectal cancer Cervical cancer Epithelial ovarian carcinoma	List B
Anbeiyou	Bevacizumab -WBP264	Hualan Genetic Engineering	Biosimilar	Nov 2024	Non-squamous NSCLC Colorectal cancer Glioblastoma Cervical cancer Hepatocellular carcinoma Epithelial ovarian carcinoma	List B
Shengweining	Bevacizumab -SIBP 04	Shanghai Institute Of Biological Products	Biosimilar	Jan 2025	Non-squamous NSCLC Colorectal cancer Glioblastoma Cervical cancer Hepatocellular carcinoma Epithelial ovarian carcinoma	List B

Sources: NMPA, Frost & Sullivan Analysis

Overview of Breast Cancer Drug Market

Breast Cancer is the most commonly diagnosed malignant tumor in women worldwide and one of the leading causes of death from malignant tumors. Clinically, breast cancer is classified into distinct molecular subtypes based on the expression of hormone receptors (HRs) and human epidermal growth factor receptor 2 (HER2). This molecular stratification provides a clear framework for individualized treatment selection.

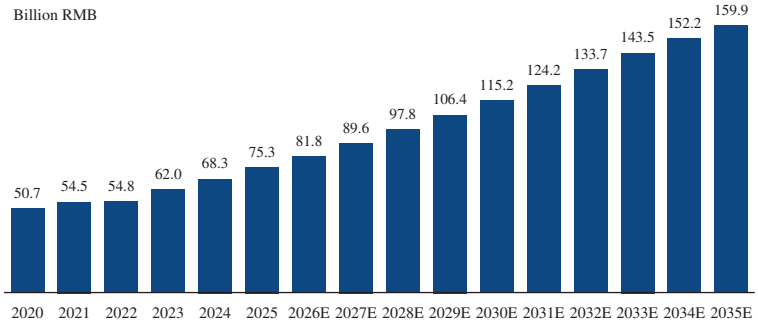
The incidence of breast cancer increases year by year. The number of breast cancer patients in China increased from 339.3 thousand in 2020 to 379.1 thousand in 2025, and is expected to increase to 407.7 thousand by 2035.

According to the 2025 CACA guidelines, early-stage HER2+ breast cancer is mainly treated with surgery, followed by adjuvant therapy, while Stage III patients generally require neoadjuvant therapy before surgery. In Stage IV disease, systemic and targeted therapies are the mainstay. In advanced settings, treatment follows a stepwise approach. First-line therapy is centered on trastuzumab plus pertuzumab combined with chemotherapy, which has become the global and domestic standard of care due to its proven survival benefits. After disease progression, patients may receive T-DXd as the preferred second-line treatment, followed by regimens such as pyrotinib, T-DM1 or other HER2-targeted combinations, providing multiple treatment options across later lines. This pathway demonstrates the pivotal role of trastuzumab and pertuzumab dual blockade in shaping the standard treatment paradigm for HER2+ breast cancer in China.

The total breast cancer drug market of China is forecasted to reach RMB159.9 billion by 2035. The estimated CAGRs from 2025 to 2030 and from 2030 to 2035 are supported by rising disease incidence, increased screening and early detection, and the broader adoption of innovative therapies including CDK4/6 inhibitors, ADCs and bispecific antibodies. Growth is further underpinned by NRDL inclusion and expanding treatment access in lower-tier cities. The following chart shows the historical and forecasted market size and growth rate of breast cancer drug in China's market from 2020 to 2035.

China Breast Cancer Drug Market, 2020-2035E

Period	CAGR
2020-2025	8.2%
2025-2030E	8.9%
2030E-2035E	6.8%



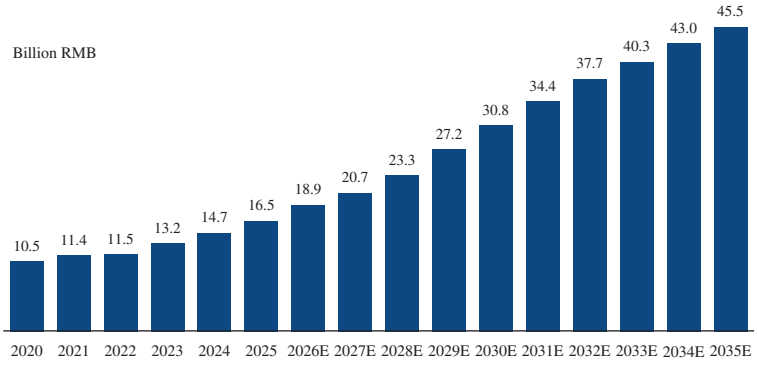
Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

Overview of Market of HER2 Monoclonal Antibodies

The total HER2+ breast cancer drug market in China is forecasted to reach RMB45.5 billion by 2035. The projected market growth is supported by the mature use of HER2-targeted therapies such as trastuzumab, pertuzumab and ADCs, as well as the entry of domestic biosimilars that improve accessibility. Growth will remain moderate given the high level of market penetration, though combination regimens and continued ADC innovation are expected to sustain long-term expansion. The following chart shows the historical and forecasted market size and growth rate of HER2+ breast cancer drug in China's market from 2020 to 2035.

China HER2+ Breast Cancer Drug Market, 2020-2035E

Period	CAGR
2020-2025	9.5%
2025-2030E	13.3%
2030E-2035E	8.2%



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

As of the Latest Practicable Date, a total of five pertuzumab drugs have been approved for the treatment of HER2+ breast cancer in China. The following diagram summarized the competitive landscape of marketed pertuzumab drugs in China's market as of the Latest Practicable Date.

Drug Name	Code	Company	Patent Drug/Biosimilar	Phase	Date[1]
Perjeta	Pertuzumab	Roche	Patent Drug	Approved	Dec 2018
帕乐坦®	Pertuzumab-TQB2440	Chia Tai-tianqing Pharmaceutical	Biosimilar	Approved	Dec 2024
安赛珠®	Pertuzumab-QL1209	Qilu Pharmaceuticals	Biosimilar	Approved	Dec 2024
贝泽汀®	**Pertuzumab-HS627**	**BioRay Pharmaceuticals/ Betta Pharmaceuticals**	**Biosimilar**	**Approved**	**Feb 2026**
汉倍优®	Pertuzumab-HLX11	Fosun	Biosimilar	Approved	May 2026

Note:

(1) Date refers to the date of first public announcement.

Sources: CDE, Frost & Sullivan Analysis

As of the Latest Practicable Date, a total of six trastuzumab drugs have been approved for the treatment of HER2+ breast cancer in China. The following diagram summarized the competitive landscape of marketed trastuzumab drugs in China's market as of the Latest Practicable Date.

Drug Name	Code	Company	Patent Drug/Biosimilar	Phase	Date[(1)]
赫赛汀®	Trastuzumab*	Roche	Patent Drug	Approved	Sep 2002
安曲妥®	Trastuzumab-QL 1701	Alteogen/Qilu Pharmaceuticals	Biosimilar	Approved	Jun 2024
安赛汀®	Trastuzumab (ANKEBIO)	Anhui Anke Biotechnology (Group) Co., Ltd	Biosimilar	Approved	Oct 2023
赛妥®	Trastuzumab-TQB211	Chia Tai-tianqing Pharmaceutical	Biosimilar	Approved	Jul 2023
安瑞泽®	**Trastuzumab-HS022**	**BioRay Pharmaceuticals/ Betta Pharmaceuticals Co. Ltd**	**Biosimilar**	**Approved**	**Feb 2023**
汉曲优®	Trastuzumab-HLX02	Shanghai Henlius Biotech, Inc.	Biosimilar	Approved	Aug 2020
/	Trastuzumab-SIBP 01	China National Medicines Corporation Ltd.	Biosimilar	NDA	Nov 2025
/	Trastuzumab-HL02	Hualan Genetic Engineering Co., Ltd	Biosimilar	III	Apr 2019

Note: Trastuzumab* is included in the NEML List.

(1) Date refers to the date of first public announcement.

Sources: CDE, Frost & Sullivan Analysis

The HER2+ breast cancer drug market in China continues to expand, supported by rising breast cancer incidence, higher HER2 testing penetration and broader access to targeted therapies driven by NRDL inclusion. Market growth is further reinforced by the widespread use of trastuzumab and pertuzumab, together with the uptake of biosimilars that improve affordability and regional accessibility, while next-generation therapies such as HER2-targeted ADCs are being gradually introduced into clinical practice. At the same time, increasing biosimilar competition and reimbursement-driven price pressure are expected to weigh on margins, placing greater emphasis on manufacturing quality, clinical comparability and real-world data to support product differentiation. Over the longer term, emerging modalities including ADCs, bispecific antibodies and combination regimens may expand treatment options for advanced or resistant patients and modestly shift market share. Despite these dynamics, high development and manufacturing requirements for biologics, strict clinical comparability standards and strong physician loyalty to established brands continue to create meaningful barriers to entry.

Overview of Market of CDK4/6 Inhibitors

Cyclin-dependent kinases (CDKs) are a family of enzymes that play a crucial role in regulating the cell cycle, the process by which cells divide and replicate. CDKs are activated by binding to regulatory proteins called cyclins, forming cyclin-CDK complexes. Two specific members of the CDK family, CDK4 and CDK6, are essential for the G1 phase of the cell cycle. In this phase, cells prepare for DNA synthesis and eventual division. When binding to cyclin D proteins, these kinases (cyclin D-CDK4/6 complexes) can inactivate tumor suppressor proteins, ultimately promoting cell cycle progression. However, in many cancers, including breast cancer, the CDK4/6 pathway becomes dysregulated, leading to uncontrolled cell proliferation and tumor growth. This has made CDK4 and CDK6 attractive targets for cancer therapies. Targeting this dysregulated pathway, CDK4/6 inhibitors are a class of drugs designed to selectively inhibit the activity of CDK4 and CDK6 enzymes. By blocking these kinases, CDK4/6 inhibitors can induce cell cycle arrest in the G1 phase, preventing cancer cells from dividing and proliferating. This mechanism of action is particularly effective in cancers driven by CDK4/6 pathway dysregulation, such as HR+/HER2- breast cancer.

As of the Latest Practicable Date, a total of seven CDK4/6 inhibitors have been approved and seven were in clinical development for the treatment of HR+/HER2- breast cancer in China. The following diagram summarized the competitive landscape of marketed CDK4/6 inhibitors in China's market as of the Latest Practicable Date.

Brand Name	Generic Name	Originator	Treatment Line	Approval Time
Ibrance	Palbociclib	Pfizer/Amgen/Seagen	1L	Jul 2018
Verzenio	Abemaciclib	Eli Lilly	1L/2L/Adj	Dec 2020
Airuikang	Dalpiciclib	Jiangsu Hengrui Medicine	1L/2L/Adj	Dec 2021
Kisqali	Ribociclib	Novartis/Otsuka Pharmaceutical	1L/Adj	Jun 2023
Rujianing	Lerociclib	Genor BioPharma	1L/2L	May 2025
Futuoning	Fovinaciclib	Fosun Pharmaceutical	1L/2L	May 2025
康美纳®	**Tibremciclib**	**Betta Pharmaceuticals**	**2L**	**Jun 2025**

Sources: Literature Review, Frost & Sullivan Analysis

Overview of Kidney Cancer Drug Market

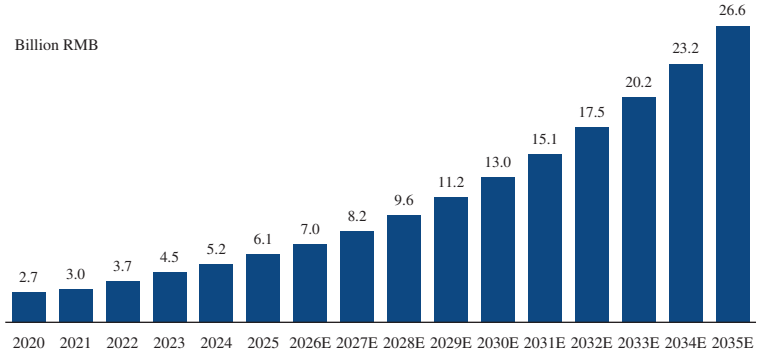
Kidney cancer occurs when healthy cells in one or both kidneys grow out of control and form a tumor. RCC is the most common type of kidney cancer, accounting for approximately 90% of cases. RCC represents the dominant subtype and the principal focus of clinical management and therapeutic development, making it the primary target of innovation in kidney cancer treatment.

The number of kidney cancer patients in China increased from 71.0 thousand in 2020 to 78.0 thousand in 2025, and is expected to increase to 92.7 thousand by 2035. In China, the treatment of RCC is centered on surgery for localized disease and systemic therapy for advanced cases. With the development of innovative therapies, targeted therapy and immunotherapy have become the core treatment strategies, either as monotherapy or in combination, and are now widely adopted in clinical practice.

The growth of the kidney cancer drug market in China is driven by rising renal cell carcinoma incidence, broader adoption of VEGFR TKI and IO TKI combination therapies, and expanding NRDL coverage that improves treatment accessibility. The chart below illustrates the market size and growth rate of the historical and forecasted China's kidney cancer drug market from 2020 to 2035.

China Kidney Cancer Drug Market, 2020-2035E

Period	CAGR
2020-2025	17.3%
2025-2030E	16.6%
2030E-2035E	15.4%



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

VEGF signaling pathway is a complex process in which VEGF stimulates the formation of new blood vessels that supply oxygen and nutrients to support tumor growth and metastasis. The pathway is activated through binding of VEGF with VEGFR. VEGFR inhibitors block this pathway by preventing receptor activation, thereby suppressing the formation of tumor-associated vasculature. Through the inhibition of neovascularization, VEGFR inhibitors effectively deprive tumors of their nutrient and oxygen supply, leading to growth arrest and delayed disease progression. Clinically, VEGFR inhibitors have been widely applied in the treatment of multiple solid tumors, including RCC, hepatocellular carcinoma and thyroid cancer. In particular, RCC treatment has long relied on VEGFR-targeted agents as a standard therapeutic backbone, establishing VEGFR inhibition as one of the most validated and widely used anti-angiogenic strategies in oncology.

As of the Latest Practicable Date, a total of seven VEGFR inhibitors have been approved for the treatment of kidney cancer in China. The following diagram summarized the competitive landscape of marketed VEGFR inhibitors in China as of the Latest Practicable Date.

Generic Name	Representative Product			Earliest NMPA Approval Date	NRDL Inclusion
	Brand Name	Manufacturer	Treatment Line		
Fruquintinib	Elunate	Hutchmed	2L	May 2026	Yes
Anlotinib	Fokewei	Chia Tai-tianqing Pharmaceutical	1L	May 2025	Yes
Vorolanib	**伏美纳®**	**Betta Pharmaceuticals**	**2L**	**Jun 2023**	**Yes**
Pazopanib	Votrient	Novartis	1L/2L	Feb 2017	Yes
Axitinib	Inlyta	Pfizer	1L/2L	Apr 2015	Yes
Sunitinib	Sutent	Pfizer	1L/2L	Oct 2007	Yes
Sorafenib	Nexavar	Bayer AG/Amgen	2L	Aug 2006	Yes

Sources: CDE, Frost & Sullivan Analysis

The clinical application of VEGFR inhibitors is evolving beyond traditional monotherapy. Increasingly, VEGFR inhibitors are being developed and adopted in combination with immune checkpoint inhibitors, where synergistic effects can enhance anti-tumor efficacy and improve long-term outcomes. At the same time, their use is expanding from later-line therapy toward earlier treatment settings, reflecting both clinical evidence and guideline support.

China's kidney cancer drug market continues to expand, supported by rising RCC incidence and the broad clinical use of VEGFR inhibitors as the backbone of targeted therapy, with NRDL inclusion and wider adoption in earlier-line and maintenance settings further enhancing patient access. Treatment practice is gradually shifting toward VEGFR inhibitor and PD-1 inhibitor combination regimens, which are increasingly used in advanced disease. At the same time, intensified competition among VEGFR inhibitors, reimbursement-driven price pressure, and ongoing challenges in resistance management and treatment sequencing are expected to moderate revenue growth. Over the longer term, immune checkpoint inhibitors and emerging targeted combinations may divert part of the advanced-line population. Despite these competitive dynamics, the market maintains meaningful entry barriers due to the need for robust long-term survival evidence, complex kinase selectivity optimization, high CMC reproducibility standards and strong physician familiarity with established products.

OVERVIEW OF HYPOALBUMINEMIA DRUG MARKET

Overview of Hypoalbuminemia

Hypoalbuminemia is a clinical condition characterized by plasma albumin levels falling below 30 g/L. As the most abundant plasma protein synthesized by the liver, albumin plays a vital role in maintaining oncotic pressure and transporting a variety of endogenous and exogenous substances.

A decline in albumin concentration often reflects underlying systemic disorders and is commonly associated with conditions such as liver cirrhosis, nephrotic syndrome, severe infections, and cerebral edema. Clinically, human albumin is widely used to restore oncotic pressure and stabilize hemodynamics in a range of critical conditions, including cirrhosis with ascites, severe sepsis or septic shock, malignant ascites, and perioperative or postoperative hypotension.

Limitations of Traditional Human Serum Albumin Therapy

Traditional human serum albumin therapy faces multiple constraints that limit its long-term sustainability and scalability, including supply constraints, production and safety challenges, and technological limitations. In addition to supply constraints, human serum albumin production itself is highly complex, requiring multiple steps of extraction, purification, and viral inactivation. Pathogen risks cannot be fully eliminated, and stringent regulations have further limited expansion of capacity. Technological limitations also persist, as many domestic manufacturers still rely on cold ethanol fractionation with lower yields, longer cycles, and weaker safety profiles compared with chromatography. While chromatography has been widely adopted internationally, only a few Chinese firms employ it, resulting in reduced efficiency and narrower product portfolios.

Innovative Pathway and Technology Advantages of Recombinant Human Albumin Injection (Rice)

Recombinant human albumin injection (rice) is developed using a proprietary plant expression system. The human serum albumin gene is stably introduced into rice endosperm cells, enabling high-level synthesis and accumulation of the target protein in rice grains. The harvested rice undergoes milling, buffer extraction, and a series of purification processes including precipitation, filtration, removal of host proteins, and viral inactivation. This results in recombinant human serum albumin of high purity and quality, demonstrating structural and functional equivalence to plasma-derived human serum albumin while ensuring a controlled and scalable production process.

The rice expression system offers multiple advantages over traditional plasma fractionation. It is highly cost-efficient, with yields equivalent to the albumin content of plasma but at significantly lower production costs. The platform achieves high yield and scalability, producing 20–30 g/kg of brown rice and supporting large-scale, cGMP-compliant manufacturing. As a plant-derived product, recombinant human albumin injection (rice) eliminates risks of bloodborne pathogen transmission, strengthening both safety and regulatory acceptance. Moreover, standardized cultivation and purification enhance batch-to-batch consistency and reduce variability, ensuring a stable supply of recombinant human serum albumin with reliable quality.

Competitive Landscape of Recombinant Human Albumin in China

As of the Latest Practicable Date, only one recombinant human albumin has been approved for the treatment of hypoalbuminemia in China. The following diagram summarizes the competitive landscape of marketed and clinical-stage recombinant human albumin products in China as of the Latest Practicable Date.

Name	Company	Expression System	Indication	Phase	Date[1]
HY1001/ 奥福民®	**Wuhan Healthgen Biotechnology Corp/ Betta Pharmaceuticals**	**Rice**	**Hypoalbuminemia**	**Approved**	**Jul 2025**
Recombinant Human Albumin	Shanghai Anruite Biomedical Technology	Yeast	Hypoalbuminemia	NDA	Mar 2026
Recombinant human serum albumin	Beijing Protgen Biotechnology Development	Yeast	Hepatic ascites	NDA	Aug 2026
Recombinant human serum albumin	Shandong Kingtone Biotechnology	Bacterial	Hypoalbuminemia	I	Feb 2024

Note:

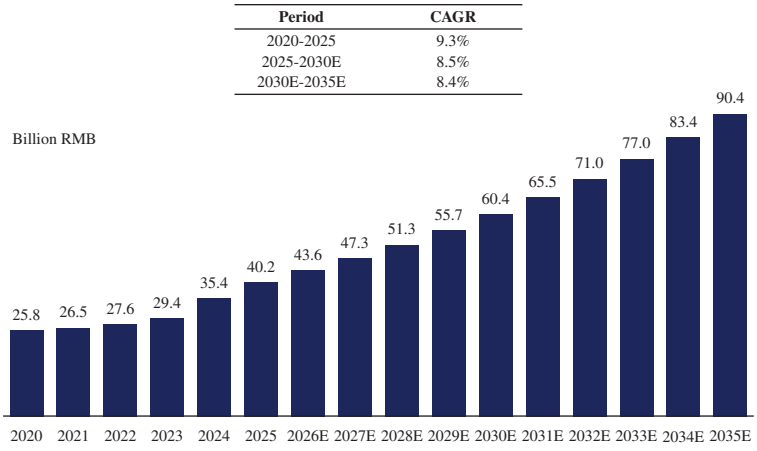
(1) Date refers to the date of first public announcement.

Sources: CDE, Frost & Sullivan Analysis

Market Size of Albumin-Based Therapeutics Drug Market in China

The growth of the total hypoalbuminemia drug market in China reflects steady clinical demand for albumin and increasing contribution from recombinant human serum albumin, particularly rice-derived recombinant human serum albumin, which is gradually supplementing plasma-derived supply under national self-sufficiency initiatives. The chart below illustrates the market size and growth rate of the historical and forecasted China's albumin-based therapeutics drug market from 2020 to 2035.

China Albumin-Based Therapeutics Drug Market, 2020-2035E



Source: Annual Reports, Expert Interviews, Frost & Sullivan Analysis

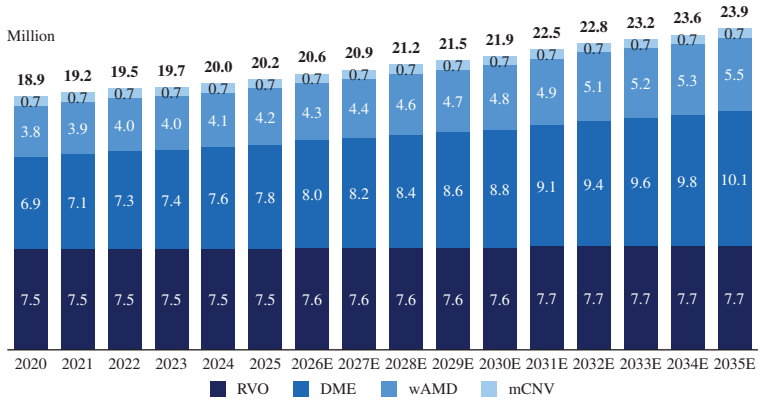
China's albumin-based therapeutics drug market continues to be driven by strong and persistent clinical demand from liver cirrhosis, nephrotic syndrome and critical-care indications amid structurally limited plasma-derived supply and increasing policy support for recombinant alternatives. Adoption is gradually shifting toward recombinant human albumin products, which is expected to first supplement supply shortages and expand as clinical comparability, cost-effectiveness and hospital procurement access strengthen. Nonetheless, large-scale substitution remains at an early stage and is constrained by the need for further clinical validation, hospital acceptance, clear reimbursement pathways and the high cost and complexity of recombinant biologics manufacturing. The market may also be influenced by fluctuations in plasma collection capacity and competition from emerging recombinant platforms. Entry barriers remain substantial due to demanding process-development and GMP requirements, quality-consistency standards and the significant investment and regulatory engagement needed to secure hospital uptake.

OVERVIEW OF OPHTHALMIC DRUG MARKET

Overview of Retinal Diseases

Retinal diseases are vision-threatening conditions caused by abnormal blood vessel growth, hemorrhage, and exudation in the retina. Major clinical indications include (i) wet age-related macular degeneration (wAMD): the leading cause of irreversible blindness in the elderly, characterized by abnormal choroidal neovascularization and leakage; (ii) Diabetic macular edema (DME): a complication of diabetic retinopathy, which arises from vascular leakage and swelling in the macula; (iii) retinal vein occlusion-associated macular edema (RVO-ME): vision loss caused by obstruction of central or branch retinal veins leading to ischemia and fluid accumulation; and (iv) Pathologic myopic choroidal neovascularization (mCNV): a complication of high myopia driven by structural stress and abnormal neovascularization in the choroid. The chart below shows the epidemiology analysis of major retinal diseases in China from 2020 to 2035.

Epidemiology Analysis of Major Retinal Diseases in China, 2020-2035E



Sources: Literature Review, Frost & Sullivan Analysis

Treatment for wAMD and mCNV

According to current clinical guidelines in China, intravitreal anti-VEGF therapies are the standard first-line treatment for wAMD. Anti-VEGF agents are administered via intravitreal injection, and many patients require frequent injections, particularly in the initial treatment phase, to achieve optimal disease control and maintain vision. Combination regimens are also recommended for certain subtypes.

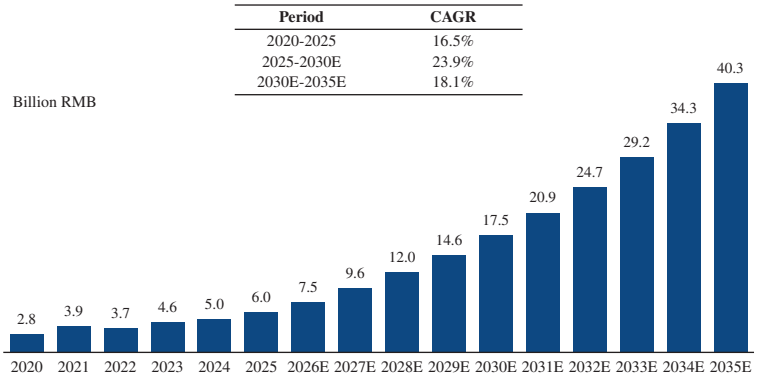
For mCNV, intravitreal anti-VEGF therapies are also considered the preferred treatment option. Clinical practice guidelines recommend anti-VEGF agents as the mainstay of therapy to effectively inhibit neovascularization, reduce fluid leakage, and preserve visual function.

Overview of Anti-VEGF Biologic Market

Pathological retinal vascular diseases are primarily driven by excessive VEGF signaling. Elevated VEGF levels promote abnormal vessel growth beneath the retina and increase vascular permeability, resulting in hemorrhage, fluid accumulation, retinal scarring, and progressive vision loss. Intravitreal injection of anti-VEGF drugs effectively inhibits the formation of new blood vessels, reduces vascular leakage, and restores retinal stability, thereby helping to preserve central vision. The therapeutic effect typically lasts for several months, and anti-VEGF therapy remains the cornerstone of treatment for retinal vascular diseases.

With the launch of biosimilars in the future, the popularization of education on the use of monoclonal antibodies for fundus diseases by doctors, and the improvement of patients' medication compliance, the total market of anti-VEGF antibody drugs for fundus diseases in China is expected to grow. The growth is supported by rising prevalence of wAMD, DME and RVO and broader adoption of anti-VEGF therapies following NRDL inclusion. Growth is further driven by the launch of long-acting and dual-target agents and improved diagnosis and treatment uptake in lower-tier cities. The chart below illustrates the market size and growth rate of the historical and forecasted China's market of anti-VEGF drugs for fundus diseases from 2020 to 2035.

China Anti-VEGF Drug Market for Fundus Diseases, 2020-2035E



Sources: Literature review, Frost & Sullivan analysis

As of the Latest Practicable Date, a total of five anti-VEGF drugs, namely LUCENTIS® (Novartis), EYLEA® (Bayer), Langmu® (Kanghong), VABYSMO® (Roche) and BEOVU® (Novartis), and two biosimilars have been approved for the treatment of fundus diseases in China.

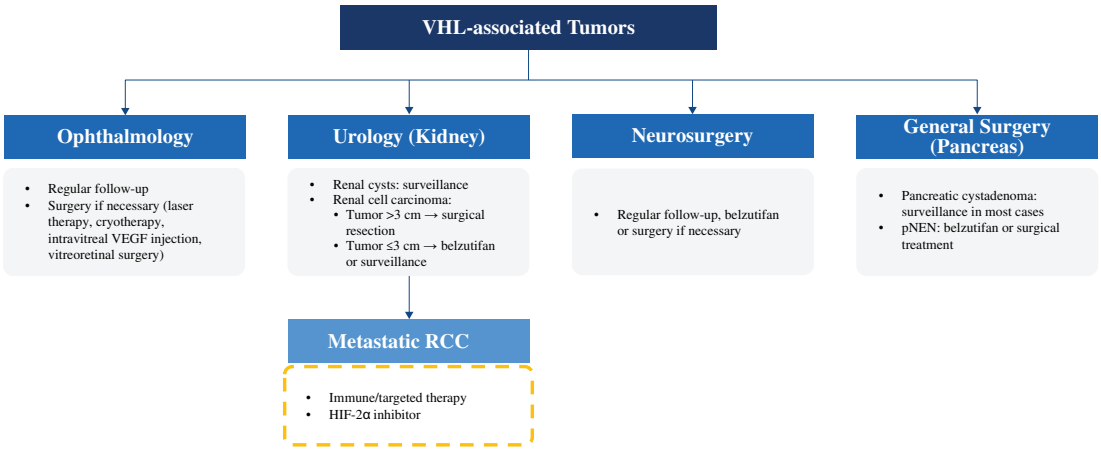
China's anti-VEGF market for fundus diseases continues to expand, supported by the rising prevalence of wAMD, DME and RVO, population aging and improving diagnostic coverage through OCT and fundus screening, with reimbursement expansion substantially increasing patient access across regions. As treatment practice evolves, the market is moving toward long-acting agents, biosimilars and dual-target therapies that reduce injection burden and improve compliance, alongside growing domestic innovation and broader uptake in lower-tier cities. Nonetheless, frequent intravitreal injections, limited reimbursement scope, hospital capacity constraints and pricing pressure following NRDL inclusion remain key challenges that may temper growth. Over the longer term, emerging modalities such as gene therapy, sustained-release delivery systems and intensified tender competition may influence demand patterns and add competitive pressure. Despite these dynamics, meaningful entry barriers persist due to stringent requirements for aseptic formulation, intraocular safety and long-term vision outcomes, as well as the need for robust hospital-based injection networks, economic evidence and formulary inclusion to support broad commercialization.

OVERVIEW OF OTHER DRUG MARKET

Overview of VHL Drug Market

Von Hippel-Lindau (VHL) syndrome is an autosomal dominant hereditary disorder caused by mutations in the VHL tumor suppressor gene. The following charts summarized the treatment flow of VHL-related tumors.

Treatment flow of VHL-Associated Tumors



Sources: Chinese Expert Consensus on the Diagnosis and Treatment of von Hippel-Lindau Syndrome (2025 Edition), Frost & Sullivan Analysis

As of the Latest Practicable Date, only one HIF-2α drug has been approved for the treatment of VHL-associated tumors in China. The following diagram summarizes the competitive landscape of marketed and clinical-stage HIF-2α pipelines for the treatment of VHL-associated tumors in China as of the Latest Practicable Date.

Code/Drug Name	Company	Indications	Phase	Date[(1)]
Belzutifan	Merck Sharp & Dohme	VHL-associated Tumors	Approved	Nov 2024
NKT2152	Hansoh Pharmaceutical/ NiKang Therapeutics/ Shanghai Hansoh BioMedical	VHL-associated Tumors	I	Jun 2024
BPI-452080	**Betta Pharmaceuticals**	**VHL-associated Tumors**	**I**	**Apr 2023**

Note:

(1) Date refers to the date of first public announcement.

Sources: CDE, Frost & Sullivan Analysis

Overview of AML Drug Market

Acute myeloid leukemia (AML) is a cancer of the early blood-forming cells. AML is characterized by a rapid increase in the number of immature blood cells, in which the genetic information of the blood cells is damaged, and cannot shoulder the responsibility of normal blood cells. AML is usually found in the blood and bone marrow, the spongy, red tissue in the inner part of the large bones. It can sometimes spread to other parts of the body. AML usually progresses quickly and aggressively, requires immediate treatment. The incidence of AML in China increased from 27.6 thousand in 2020 to 30.5 thousand in 2025, and is expected to reach 38.1 thousand by 2035.

SOURCE OF INFORMATION

We engaged Frost & Sullivan, a market research consultant, to prepare the Frost & Sullivan Report for use in this document. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report and is disclosed with the consent of Frost & Sullivan. In preparing the Frost & Sullivan Report, Frost & Sullivan collected and reviewed publicly available data such as government-derived information, annual reports, trade and medical journals, industry reports and other available information gathered by not-for-profit organizations as well as market data collected by conducting interviews with industry key opinion leaders. Frost & Sullivan has exercised due care in collecting and reviewing the information so collected and independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. We agreed to pay Frost & Sullivan a fee of RMB900,000 for the preparation and update of the Frost & Sullivan Report, which is not contingent on the [**REDACTED**] proceeding.

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

This section summarizes the principal PRC laws, rules and regulations that are relevant to our business.

Regulatory Authorities

The regulatory authorities of the drug industry in the PRC include: the National Medical Products Administration of the PRC (中華人民共和國國家藥品監督管理局) (the "**NMPA**"), the National Health Commission (國家衛生健康委員會) (the "**NHC**", formerly known as the National Health and Family Planning Commission) and the National Healthcare Security Administration (國家醫療保障局) (the "**NHSA**").

The NMPA is an authority under 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) (the "**SAMR**") and is primarily responsible for supervising and managing drugs, medical devices and cosmetics. The NHC is primarily responsible for drafting and implementing national health policies, and supervising and regulating public health, healthcare services, and health emergency systems. The NHSA is primarily responsible for drafting and implementing policies and standards on medical insurance, maternity insurance and medical assistance; supervising and administering the healthcare security funds, and pricing of drugs, medical disposables and healthcare services.

Laws and Regulations in Relation to New Drugs

Administration of Drug Registration

The Measures for the Administration of Drug Registration (《藥品註冊管理辦法》) effective from July 1, 2020, govern the development, registration, supervision and management activities carried out in the territory of the PRC for marketing of drugs. These measures provide that a drug registration applicant files an application and other supplementary applications for clinical trials of drugs, approval for drug marketing, and re-registration, among others, according to the relevant requirements, and that the medical products administrative department examines the safety, effectiveness, and quality based on the laws and regulations, and the existing scientific cognitions, to decide whether to approve the applications. A drug registration certificate shall be valid for five years.

Non-clinical Research

The non-clinical safety assessment of drugs for marketing approval shall be conducted in accordance with the Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) promulgated by the State Food and Drug Administration (國家食品藥品監督管理局) (the "**SFDA**", predecessor of the CFDA) as last amended in July 2017 and effective from September 1, 2017.

Application for Clinical Trial

After completing the preclinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of clinical trials. 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》) effective from May 2017, the decision on the approval of clinical trials of drugs can be made by the Center for Drug Evaluation of NMPA (國家藥品監督管理局藥品審評中心) (the "**CDE**"). 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**") in 2019, the dossier on a new drug R&D shall be truthfully submitted to the CDE for approval before clinical drug trial is conducted. The CDE shall decide whether to approve the clinical trial application and notify the decision to the clinical trial applicant within sixty (60) business days from the date of accepting the clinical trial application. If the CDE fails to do so, the clinical trial application shall be deemed as approval, and if the bioequivalence test is conducted, it is required to report it to the CDE for filing.

Conduct of Clinical Trial

After obtaining clinical trial approval, the applicant shall choose qualified institutions to conduct clinical trials. Pursuant to the Administrative Regulations for Drug Clinical Trial Institutions (《藥物臨床試驗機構管理規定》), drug development activities and clinical trials of drugs (including bioequivalence test conducted after filing) approved by the NMPA within the territory of the PRC shall be conducted in the drug clinical trial institutions.

A drug clinical trial to be carried out shall be examined and approved by the ethics committee. A sponsor approved to carry out a drug clinical trial shall, before carrying out subsequent drug clinical trial by stages, develop corresponding plan for drug clinical trials, carry out drug clinical trial upon examination and with consent of the ethics committee, and submit a corresponding plan for drug clinical trial and supporting materials on the website of the CDE.

In compliance with the Measures for the Administration of Drug Registration, clinical trials are divided into Phase I, Phase II, Phase III and Phase IV and bioequivalence trial. According to the Announcement of the National Medical Products Administration on Adjusting the Review and Approval Procedures for Drug Clinical Trials (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》), if a new drug clinical trial has been approved to be carried out, after the completion of Phase I and Phase II clinical trials and before the implementation of Phase III clinical trials, the applicant shall submit an application for a communication meeting to the CDE to discuss with the CDE on key technical issues including the Phase III clinical trial design. According to the Measures for the Administration of Drug Registration and the Measures for the Administration of Communication and Exchange in Drug Development and Technology Review (《藥物研發與技術審評溝通交流管理辦法》) latest amended by the CDE on December 10, 2020, the applicant can also apply for communication on key technical issues at different stages of clinical R&D.

Good Clinical Practices (GCP)

To improve the quality of clinical trials, the NMPA and NHC promulgated the Good Clinical Practices for Drug Trials (《藥物臨床試驗質量管理規範》) in 2020 and latest amended in May, 2026 which will come into effect on September 1, 2026, which stipulates the criteria for the entire procedure of the clinical trial including trial preparation and the necessary conditions, protection of testees' rights and interests, trial protocols, duties of researchers, duties of sponsors, duties of monitors, trial record and report, data management and statistical analysis, administration of drug products for trial, guarantee for quality, polycentric trials, with reference to the internationally recognized principles. Clinical trials should also follow GCP and protocols approved by the ethics committee of each research center.

Regulations on International Multi-Center Clinical Trials and Acceptance of Overseas Clinical Trial Data

According to the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》), promulgated by the CFDA and effective from 2015, clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicants plan to use the data derived from the international multi-center clinical trials for approval of a drug registration in the PRC, it shall involve at least two countries, including China, and shall satisfy the requirements for clinical trials set forth in the Multi-Center Clinical Trial Guidelines and other related laws and regulations.

New Drug Application

Pursuant to the Measures for the Administration of Drug Registration, after completing the pharmaceutical research, pharmacological and toxicological research, drug clinical trial, and other research supporting the marketing registration of a drug, determining the quality standards, completing the verification of commercial large-scale production process, and making sound preparation for the acceptance of drug registration inspection and examination, an applicant shall file an application for drug marketing authorization, and submit relevant research materials in accordance with the requirements of the application materials. After the formal examination of the application materials, an application that satisfies the requirements shall be accepted.

The CDE shall evaluate the accepted applications for drug marketing authorization and decide to approve the marketing application or not. If the application is approved, a drug registration certificate shall be issued and shall specify the drug approval number, holder, manufacturer and other information.

After an application for drug registration is accepted, the CDE shall conduct preliminary examination within forty (40) business days of acceptance, notify the Center for Food and Drug Inspection of NMPA (the "**Center for Inspection**") of organizing inspection and provide the relevant materials required for inspection, where production site inspection for drug registration is required, and concurrently notify the local applicant and the medical products administrative department. In principle, the Center for Inspection shall complete the inspection work forty (40) business days prior to the expiry of the time limit for inspection, and report the inspection information, inspection results and other relevant materials to the CDE.

Normally, the review period for an application for drug marketing authorization shall be 200 business days. The review period for the procedures for prioritized review and approval shall be one hundred and thirty (130) business days, and the review period for the procedures for prioritized review and approval for clinically urgently needed overseas-marketed drug for a rare disease shall be seventy (70) business days.

Regulations of Biosimilars

In February 2015, the CFDA promulgated the Technical Guidelines for the Research, Development and Evaluation of Biosimilars (《生物類似藥研發與評價技術指導原則》) (the "**Biosimilars Guidelines**"), which outline the regulatory framework for biosimilars in China and provide the basic principles for the evaluation and management of biosimilars. The Biosimilars Guidelines set forth the definition of biosimilars and reference drugs, the requirements in relation to the selection of reference drugs, the basic principles for technical review, the criteria for comparability and the conditions under which extrapolations of indications would be permissible.

According to the Biosimilar Guidelines, biosimilars shall refer to therapeutic biological products that are similar to approved and registered reference drugs in terms of quality, safety and efficacy. The R&D and marketing of biosimilars need to comply with the relevant regulations of the Drug Administration Law and the Measures for the Administration of Drug Registration. After completion of preclinical studies, the applicant is required to apply for a clinical trial, and once approved complete the clinical trial in accordance with the clinical trial protocol. The applicant shall submit the new drug application after completion of the clinical trials and relevant preparations.

Marketing Authorization Holder System

Pursuant to the Drug Administration Law and the Measures for the Administration of Drug Registration, the state implements the drug marketing authorization holder system for drug management. After obtaining a drug registration certificate, an applicant shall be the drug marketing authorization holder. During the validity period, a holder of a drug registration certificate shall continue to ensure the safety, effectiveness and quality of the marketed drug, and apply for re-registration of the drug six months prior to the expiry of the validity period.

The drug marketing authorization holder shall proactively carry out post-marketing research on drugs, further confirm the safety, effectiveness and quality of drugs, and strengthen the continuous management of marketed drugs. Where a drug registration certificate and its annex require the marketing authorization holder to carry out relevant research work after the drug is marketed, the marketing authorization holder shall complete the research within the prescribed time limit and file a supplementary application, undergo recordation formalities or report as required. After a drug is approved for marketing, the marketing authorization holder shall continue to conduct research on drug safety and effectiveness, undergo recordation formalities in a timely manner or file a supplementary application for revising the instructions according to the relevant data, and continuously update and improve the instructions and labels. According to the duties, the medical products administrative department may require the marketing authorization holder to revise the instructions and labels based on the monitoring of adverse drug reactions and the post- marketing reevaluation results of the drug.

Transfer of Drug Marketing Authorization

Pursuant to the Drug Administration Law, subject to the approval by the drug administrative department of the State Council, a drug marketing authorization holder may transfer its marketing authorization. The transferee shall possess the capability of quality management, risk prevention and control and liability compensation to ensure the safety, efficacy and quality of the drug, and perform the obligations of the drug marketing authorization holder. Pursuant to the Administrative Measures for Drug Post-marketing Changes (for Trial Implementation) (《藥品上市後變更管理辦法(試行)》), drug post-marketing changes shall not have any adverse impact on the safety, effectiveness and quality of drugs.

Laws and Regulations in Relation to Drug Manufacturing

Drug Manufacturing Permit

Pursuant to the Drug Administration Law, the state adopts an industry entry permit system for drug manufacturers. The conduct of drug manufacturing activities shall be approved and granted with a Drug Manufacturing License (《藥品生產許可證》) by the drug regulatory authority of the people's government at provincial, autonomous regional or municipal level. The Drug Manufacturing License shall indicate the validity period and the scope of production, and shall be reviewed for renewing upon expiration.

Good Manufacturing Practices

Pursuant to the Drug Administration Law, and the Announcement 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》) in 2019, when engaging in drug manufacturing activities, a manufacturer shall comply with the GMP and establish a sound GMP management system, to ensure that the entire process of drug manufacturing maintain to meet the statutory requirements, and meet the GMP requirements enacted by the drug regulatory authority under the State Council in accordance with the law. 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 Good Manufacturing Practices (《藥品生產質量管理規範》), promulgated by the Ministry of Health of the PRC (now known as the NHC) in March 1988, newly amended in January 2011 and came into effect on March 1, 2011, provided guidance for the quality management, organization and staffing, production premises and facilities, equipment, material and products, recognition and inspection, documentation maintenance, manufacture management, quality control and quality assurance, contractual manufacture and contractual inspection for the products, product delivery and recalls of a manufacturer in a systematical manner.

Contract Manufacturing of Drugs

Pursuant to the Administrative Regulations for the Contract Manufacturing of Drugs (《藥品委託生產監督管理規定》) issued by the CFDA in August 2014, only when a drug manufacturer temporarily lacks manufacturing conditions due to technology upgrade or is unable to ensure market supply due to insufficient manufacturing capabilities, could such drug manufacturer entrust the manufacturing of the drug to another domestic drug manufacturer. Such contract manufacturing arrangements shall be approved by the provincial branch of the NMPA.

The Administrative Measures on Supervision of Drug Manufacturing (《藥品生產監督管理辦法》) in 2020 further stipulates that drug marketing authorization holders entrusting others to manufacture drugs shall enter into outsourcing agreements and quality agreements with qualified drug manufacturing enterprises and submit the relevant agreements together with the actual manufacturing site application materials to the competent drug administrative authority in order to apply for the Drug Manufacturing Certificate.

NMPA further issued the Announcement on Strengthening the Supervision and Administration of Entrusted Production by Drug Listing License Holders (《國家藥監局關於加強藥品上市許可持有人委託生產監督管理工作的公告》) in October, 2023 and the Announcement on Strengthening the Supervision and Management of Entrusted Production of Drugs (《國家藥監局關於加強藥品受託生產監督管理工作的公告》) in December 2025 regarding the supervision and administration of contract manufacturing of drugs.

Laws and Regulations on Drug Supply

Drug Supply Permit

According to the Drug Administration Law and the Measures for the Supervision and Administration of Drug Supply and Usage (《藥品經營和使用質量監督管理辦法》) took into effect on January 1, 2024, the operation of drug business, including drug wholesale and drug retail, is prohibited without a Drug Supply Permit. A Drug Supply Permit is valid for five years. Each holder of the Drug Supply Permit must apply for an extension of its permit six months to two months prior to expiration.

Good Supply Practice

The Good Supply Practice for Pharmaceutical Products (《藥品經營質量管理規範》) (the "**GSP Rules**") was recently amended and came into effect on July 13, 2016. The GSP Rules set forth the basic standards in management of drug supply and apply to enterprises engaged in drug supply in the PRC, which require drug suppliers to implement strict controls on its supply of pharmaceutical products, including standards regarding staff qualifications, premises, warehouses, inspection equipment and facilities, management and quality control.

Other Laws and Regulations in Relation to Pharmaceutical Industry

Basic Medical Insurance Policy

Pursuant to the Decision on the Establishment of the Urban Employee Basic Medical Insurance Program (《關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council on December 14, 1998 and the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城鎮職工基本醫療保險用藥範圍管理暫行辦法》) promulgated by the NDRC, the SFDA and other authorities, came into effect on May 12, 1999, all employers in cities and towns, including enterprises (state-owned enterprises, collective enterprises, foreign-invested enterprises, private enterprises, etc.), institutions, public institutions, social organizations, private non-enterprise units and their employees are required to participate in basic medical insurance. Pursuant to the Opinions of the State Council on the Integration of the Basic Medical Insurance System for Urban and Rural Residents (《國務院關於整合城鄉居民基本醫療保險制度的意見》) promulgated by the State Council on January 3, 2016, a unified basic medical insurance system for urban and rural residents was established, including the existing urban residents' medical insurance and all the insured personnel of New Rural Cooperative Medical System, covering all urban and rural residents except those who should be covered by the employee's basic medical insurance.

National Reimbursement Drug List of China

The National Reimbursement Drug List for Basic Medical Insurance, Work Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》) (the "**NRDL**") sets out the standards for payment of medicines by the basic medical insurance, work injury insurance and maternity insurance funds. The NHSA and other governmental organizations have the authority to determine the drugs to be included in the NRDL. Drugs listed in the NRDL are divided into two parts: Class A and Class B. Class A drugs are widely used for clinical treatment, with favorable efficacy and lower prices than their counterparts, while Class B drugs are used for clinical treatment, with favorable efficacy and slightly higher prices than Class A drugs.

On July 30, 2020, the NHSA issued the Provisional Measures for the Administration of Medicines for Basic Medical Insurance (《基本醫療保險用藥管理暫行辦法》) (the "**Measures for the Administration of the NRDL**"), which came into effect on September 1, 2020. The Measures for the Administration of the NRDL provides guidance on the inclusion and adjustment of the NRDL and the payment, management and supervision of basic medical insurance. According to the Measures for the Administration of the NRDL, a dynamic adjustment mechanism shall be established for the NRDL, which shall be adjusted annually in principle. According to the Opinions of the NHSA and the Ministry of Finance on Establishing a List-Based System for Healthcare Security Benefits (《國家醫保局、財政部關於建立醫療保障待遇清單制度的意見》), which came into effect in January 2021, all provinces shall implement the NRDL in a strict manner, and shall not have the discretion to formulate the catalog or increase the drugs in any form, or adjust the scope of limited payment unless explicitly stipulated. On December 5, 2025, the NHSA and the Ministry of Human Resources and Social Security of the PRC released the latest NRDL (effective from January 1, 2026), which has been expanded to cover a total of 3,253 drugs. Inclusion in the NRDL will generally result in increased sales volume and lower drug prices (which are determined on a case-by-case basis and negotiated based on factors such as the initial drug price).

National Essential Drug List

Pursuant to the Opinions of the General Office of the State Council on Improving the National Essential Drug System (《國務院辦公廳關於完善國家基本藥物制度的意見》) issued on 13 September 2018 and the Circular on the Printing and Issuance of the Measures for the Administration of the National Essential Drug List (《關於印發國家基本藥物目錄管理辦法的通知》) newly issued and promulgated on 27 January 2026, primary healthcare institutions operated by the government (mainly including county hospitals, county hospitals of traditional Chinese medicine, township health centers and community outpatient clinics) shall be equipped with and use the drugs listed in the National Essential Drug List. Drugs in the National Essential Drug List must be procured through a centralized bidding process and are subject to price control by the NDRC. Therapeutic drugs in the National Essential Drug List are included in the medical insurance catalogue and the full cost of purchasing such drugs is reimbursed.

Drug Price

Pursuant to the Drug Administration Law, for drug products with market-regulated prices in accordance with the law, the drug marketing authorization holder, the drug manufacturer, the drug distributor and medical institution shall determine the price pursuant to the principles of fairness, reasonableness, integrity and trustworthiness as well as quality for value in order to supply drug users with reasonably priced drug products; and shall comply with the requirements relating to drug price administration promulgated by the State Council's pricing authorities, determine and clearly mark the retail prices of drug products. Pursuant to the Notice on Issuing Opinions on Promoting Drug Price Reform (《關於印發<推進藥品價格改革意見>的通知》) jointly promulgated by NDRC, NHC, the Ministry of Human Resources and Social Security, Ministry of Industry and Information Technology (the "**MIIT**"), the Ministry of Finance, the Ministry of Commerce of the PRC (the "**MOFCOM**") and the CFDA on May 4, 2015 and came into effect on June 1, 2015, from June 1, 2015, except for narcotic drugs and first-class psychotropic drugs, the price of drugs set by the government will be canceled.

Drug Purchases by Hospitals

According to the Guiding Opinions concerning the Urban Medical and Health System Reform (《關於城鎮醫藥衛生體制改革的指導意見》) promulgated and came into effect on February 21, 2000, and the Opinions on the Implementation of Classification Management of Urban Medical Institutions (《關於城鎮醫療機構分類管理的實施意見》) promulgated on July 18, 2000 and came into effect on September 1, 2000, a medical institution must be defined as a for-profit or not-for-profit institution at the time of its establishment. A not-for-profit medical institution refers to a medical institution established for the purpose of public interest services, which maintains and develops the institution with its income, while a for-profit medical institution is established by investors for the purpose of investment return.

According to the Notice on the Trial Implementation of the Centralized Tender with Respect to Drug Purchases by Medical Institutions (《關於印發醫療機構藥品集中招標採購試點工作若干規定的通知》) promulgated and came into effect on July 7, 2000, the Notice on the Further Standardizing of the Centralized Tender with respect to Drug Purchases By Medical Institutions (《關於進一步做好醫療機構藥品集中招標採購工作的通知》) promulgated and came into effect on August 8, 2001 and the Opinions concerning Further Regulating Drug Purchases by Medical Institutions through Centralized Tendering (《關於進一步規範醫療機構藥品集中採購工作的意見》) promulgated and came into effect on January 17, 2009, any not-for-profit medical institutions established and/or controlled by any government at the county level or above must use a centralized tender system for the procurement of drugs which are listed in the Catalog of Drugs for National Basic Medical Insurance (《國家基本醫療保險藥品目錄》) and are generally for clinical use and bulk purchase.

The Good Practice of Medical Institutions with respect to Centralized Procurement of Drugs (《醫療機構藥品集中採購工作規範》) promulgated and came into effect on July 7, 2010, provides detailed provisions on the catalog and procurement methods of centralized procurement of drugs, the procedures of centralized procurement of drugs, the evaluation methods of centralized procurement of drugs, and the construction and management of the expert pools, further regulates the centralized procurement of drugs and clarifies the code of conduct of the parties involved in centralized procurement of drugs.

According to the Guidance Opinion of the General Office of the State Council on the Improvement of the Drug Centralized Procurement Work of Public Hospitals (《國務院辦公廳關於完善公立醫院藥品集中採購工作的指導意見》) promulgated and came into effect on February 9, 2015, the centralized procurement work of public hospitals will be improved through the purchase of drugs by classification. All drugs used by public hospitals (with the exception of traditional Chinese medicine decoction pieces) should be procured through a provincial centralized pharmaceutical procurement platform. The provincial drug procurement agency should work out a summary of the procurement plans and budget submitted by hospitals and compile reasonably a drug procurement catalog of the hospitals within its own administration region, listing by classification the drugs to be procured through bids, negotiations, direct purchases by hospitals or to be manufactured by appointed pharmaceutical manufacturers.

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 enterprises (groups) may 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 Notice on Promulgation of the Key Points for the Special Campaign to Rectify the Misconduct in the Medicine Purchase and Sales Field and Medical Services in 2018 (《關於印發<2018年糾正醫藥購銷領域和醫療服務中不正之風專項治理工作要點>的通知》), which was issued on August 15, 2018, the Two-Invoice System shall be fully implemented for drug purchase and sale among public medical institutions. Pharmaceutical companies must comply with the Two-Invoice System in order to engage in procurement processes with public hospitals.

Advertising of Pharmaceutical Products

Pursuant to the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》), which was promulgated by the SAMR in December 2019 and came into effect on March 1, 2020, advertisements for drugs, medical devices, health food and formula food for special medical purposes shall be true and legitimate, and shall not contain any false or misleading contents. Holders of registration certificates or filing certificates of drugs, medical devices, health food and formula food for special medical purposes as well as the production enterprises and operating enterprises authorized by such holders of certificates shall be applicants for advertising (the "**Applicants**"). The advertisement review authorities shall review the materials submitted by the Applicants and shall complete the review within ten business days from the date of acceptance. After review, for advertisements that are in line with laws, administrative regulations and these Measures, approval decisions of review shall be made and advertisement approval numbers shall be issued. The validity period of the advertisement approval number for drugs, medical devices, health food and formula food for special medical purposes shall be consistent with the shortest validity period of the product registration certificate, filing certificate or production license. If no valid period is prescribed in the product registration certificate, filing certificate or production license, the valid period of the advertisement approval number shall be two years.

Insert Sheet, Labels and Packaging of Pharmaceutical Products

Pursuant to the Measures for the Administration of the Insert Sheets and Labels of Drugs (《藥品說明書和標籤管理規定》), which was promulgated by the SFDA and came effective on June 1, 2006, the insert sheets and labels of drugs should be reviewed and approved by the SFDA. Pursuant to the Measures for The Administration of Pharmaceutical Packaging (《藥品包裝管理辦法》) which came effective on September 1, 1988, pharmaceutical packaging must comply with the national and professional standards.

Regulations in Relation to Product Liability

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) (the "**Civil Code**") promulgated by the National People's Congress of the PRC (the "**NPC of the PRC**") on May 28, 2020 and came into effect on January 1, 2021, where a patient suffers damage due to defects in drugs, he may seek compensation from the drug marketing authorization holder, producer or also from the medical institution. Where the patient seeks compensation from the medical institution, the medical institution, after it has made the compensation, shall have the right to recover the compensation from the liable drug marketing authorization holder or producer.

The Product Quality Law of the PRC (《中華人民共和國產品質量法》), promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") on February 22, 1993 and latest amended on December 29, 2018 (the "**Product Quality Law**"), is the principal governing law relating to the supervision and administration of product quality. According to the Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A person who is injured or whose property is damaged by the defects in the product may claim for compensation from the manufacturer or the seller.

The Law of the PRC on the Protection of the Rights and Interests of Consumers (《中華人民共和國消費者權益保護法》) was promulgated on October 31, 1993 and latest amended on October 25, 2013 and came into effect on March 15, 2014 to protect consumers' rights when they purchase or use goods and accept services. All business operators must comply with this law when they manufacture or sell goods and/or provide services to customers. All business operators must pay high attention to protecting customers' privacy and must strictly keep confidential any consumer information they obtain during their business operations.

The Company Law and Regulations

The Company Law, which was amended by the SCNPC on December 29, 2023 and became effective on July 1, 2024, provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in the PRC.

Regulations in Relation to Foreign Direct Investment

Since January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") promulgated by the NPC of the PRC has come into effect and 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 and other laws. The PRC government implements the management system of pre-entry national treatment and the Negative List for foreign investment. The PRC accords national treatment to foreign investment outside of the Negative List. The current Negative List is the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Revision) (《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 and came into effect on November 1, 2024, which lists the special management measures for foreign investment access for industries regulated by the Negative List, such as equity requirements and senior management requirements.

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM 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. Foreign-invested listed companies may report information on changes in investors and their shareholdings only when the cumulative change in the foreign investors' shareholding ratio exceeds 5% or the foreign parties' shareholding or relative holding status has changed.

Regulations relating to Outbound Investment

Pursuant to the Administrative Measures on Outbound Investments (境外投資管理辦法) issued by the MOFCOM on March 16, 2009 and amended on September 6, 2014, the MOFCOM and the provincial competent departments of commerce shall subject the outbound investments of enterprises to filing or approval, depending on the actual circumstances of such investments. Outbound investments of enterprises involving sensitive country or region, or sensitive industry shall be subject to approval. Other outbound investments of enterprises shall be subject to filing.

Pursuant to the Administrative Measures for the Outbound Investments of Enterprises (企業境外投資管理辦法) issued by the NDRC on December 26, 2017 and effective from March 1, 2018, if an enterprise in the territory of the PRC (the "**Investor**") intends to make outbound investments, it shall go through the formalities, such as approval or filing, for the outbound investment project (the "**Project**"), report relevant information and cooperate in the supervisory inspections. The sensitive Projects invested directly by the Investor or through the foreign enterprises controlled by the Investor shall be subject to approval. The non-sensitive Projects invested directly by the Investor, which involve the direct contribution of assets, rights and interests, or provision of financing or guarantee by the Investor, shall be subject to filing. The aforementioned sensitive Projects include the Projects involving sensitive country of region, or sensitive industry. The Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (境外投資敏感行業目錄(2018年版)) issued by the NDRC on January 31, 2018 and effective from March 1, 2018 listed in detail the sensitive sectors.

The Provisions on Outbound Investment by the State Council (《國務院關於對外投資的規定》) issued by the Executive Meeting of the State Council in April 2026 and came into effect on July 1, 2026, further strengthen the regulation and administrative liability on the non-compliance of outbound investment.

Laws and Regulations in Relation to Intellectual Property

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》), latest amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the "**Implementation Rules**"), latest amended on December 11, 2023 and came into effect on January 20, 2024. The Patent Law and the Implementation Rules provide for three types of patents, namely "invention," "utility model" and "design." The duration of a patent right for "invention" is twenty (20) years; the duration of a patent right for "utility model" is ten (10) years; and the duration of a patent right for "design" is fifteen (15) years, all of which duration is from the date of application.

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 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 last amended on January 30, 2013, and became effective on March 1, 2013. These law and regulation provide provisions on the classification of works and the obtaining and protection of copyright.

Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》) amended by the SCNPC and came into effect in 2019 (which has been latest amended in June 2026 and will come into effect on January 1, 2027), and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) and latest amended by the State Council and came into in 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal within twelve (12) months before the expiration in accordance with the requirements. If such an application cannot be filed within that period, an extension period of six months may be granted. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

Domain Names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT, on August 24, 2017 and effective from November 1, 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain names registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade Secret

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by SCNPC, as lastest amended in June 2025 and came into effect as of October 15, 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 Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others' trade secrets by: (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other means; (ii) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (i) above; (iii) disclosing, using, or allowing another person 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; (iv) abetting a person, or tempting another person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Laws and Regulations in Relation to Real Properties

Self-Owned Real Properties

According to the Civil Code, properties referred to in this law include real property and personal property. Establishment, modification, assignment and extinguishment of real rights to immovables shall be effective upon registration pursuant to law. The construction land use right may be established through assignment or allotment, etc. The holder of the construction land use right shall reasonably use the land and may not alter the use purpose.

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), promulgated by the SCNPC on June 25, 1986, became effective on January 1, 1987 and last amended on August 26, 2019, China implements "socialist public ownership of land", that is, ownership by the whole people or collective ownership by the working masses. The State formulates an overall land utilization plan to stipulate land use, classifying land into agricultural land, construction land, or unused land. Entities or individuals using land must use the land strictly in accordance with the purposes of land use determined in the overall land utilization plan.

Real Estate Leasing

According to the Civil Code, a lease contract is a contract whereby the lessor delivers to the lessee the item for the latter's use or benefit therefrom, and the lessee pays the lease expense. The contents of a lease contract generally include terms such as the name, quantity and purpose of the leased property, lease term, lease expense as well as time limit and method for its payment, and maintenance of the leased property.

According to Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of PRC on December 1, 2010 and became effective on February 1, 2011, the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development (real estate) department of the People's Government of the centrally-administered municipality, municipality or county where the leased property is located. Failure to comply with the above requirements may subject the relevant lessors and lessees to administrative penalties, including orders to make corrections within a certain period of time and fines.

Regulations in Relation to Environment, Health and Safety

Environmental Impact Assessment

According to the Code of the People's Republic of China on the Ecological Environment promulgated by the SCNPC in March, 2026 and came into effect on August 15, 2026 (the "**Ecological Environment Code**"), and the Administrative Regulations on the Environmental Protection of Construction Project (《建設項目環境保護管理條例》), latest amended on July 16, 2017 and came into effect on October 1, 2017, enterprises which plan to construct projects shall engage qualified professionals to provide the assessment reports, assessment form, or registration form on the environmental impact of such projects. The assessment reports, assessment form, or registration form shall be filed with or approved by the relevant environmental protection bureau prior to the commencement of any construction work.

Pollutant Discharge

According to the Ecological Environment Code and the Regulations on the Administration of Pollutant Discharge Permits (《排汙許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, and the Administrative Measures on Pollutant Discharge Permit (《排汙許可管理辦法》) issued by the Ministry of Ecology and Environment on April 1, 2024 and came into effect on July 1, 2024, enterprises, public institutions and other producers and operators that are subject to the administration of pollutant discharge permits shall apply for pollutant discharge permit and discharge pollutants in accordance with the requirements of the pollutant discharge permit; and those who have not obtained the pollutant discharge permits shall not discharge pollutants. According to the Classification Management List for Fixed Source Pollution Permits (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》), the manufacturing of biological drugs and products falls into the classification management scope for fixed source pollution permits.

Disposal of Hazardous Wastes

According to the Ecological Environment Code, entities generating hazardous wastes shall store, utilize and dispose of hazardous wastes pursuant to the relevant provisions of the State and the requirements of environmental protection standards, and shall not arbitrarily dump or pile up such wastes. Entities that undertake the collection, storage, utilization and treatment of hazardous wastes shall apply for and obtain a permit. The hazardous wastes shall be defined by the National Catalogue of Hazardous Wastes (《國家危險廢物名錄》), of which the latest version was issued by the Minister of Ecology and Environment and other authorities on November 26, 2024 and entered into force as of January 1, 2025.

Discharge of Urban Sewage

Enterprises that engage in the activities of industry, construction, catering, and medical treatment, etc. that discharges sewage into urban drainage facilities shall apply to the relevant competent urban drainage department for the permit for discharging sewage into drainage pipelines under the Ecological Environment Code and the Regulations on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated on October 2, 2013 and came into effect on January 1, 2014, and the Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), recently amended on December 1, 2022 and came into effect on February 1, 2023. Where a drainage entity needs to discharge sewage into urban drainage facilities, it shall apply for a drainage license in accordance with the provisions of these Measures.

Fire Safety

According to the Fire Safety Law of the PRC (《中華人民共和國消防法》) last amended and effective on April 29, 2021, and the Interim Provisions on Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) (the "**Interim Provisions**") last amended on August 21, 2023, the fire protection design or construction of a construction project must conform to the national fire protection technical standards for project construction and construction projects shall undergo the fire protection design review and acceptance system. The special construction projects as defined in the Interim Provisions must apply to the fire control department for fire protection design review, and complete the fire protection acceptance procedures after the completion of the construction project. The construction unit of other construction projects must complete the fire protection filing of the fire protection design and the completion acceptance within five (5) business days after the completion acceptance of the construction project. If a construction project fails to pass the fire safety inspection before it is put into use, or does not meet the fire safety requirements after the inspection, it will be ordered to suspend the construction and use of such project, or suspend production and business, and be imposed a fine.

Production Safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and latest amended on June 10, 2021 and came into effect on September 1, 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. The production and business operation entities shall educate and train employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety, are familiar with the relevant regulations and rules for safe production and the rules for safe operation, master the skills of safe operation in their own positions, understand the emergency measures, and know their own rights and duties in terms of production safety. Employees who fail the education and training programs on production safety may not commence working in their positions. Safety facilities of new building, rebuilding or expanding project (as the construction project) shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the construction project.

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. Any entity other than the producer of civil explosives, when purchasing hyper-toxic chemicals, shall apply to the public security organ of the local people's government at the county level for a permit for purchasing hyper-toxic chemicals; when hazardous chemicals that can be used to make explosives are purchased, the explanations on the legal use of such chemicals issued by such entity shall be presented.

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 and latest revised on September 18, 2018, stipulates and regulates the production, operation, purchase, transportation, import and export of precursor chemicals. The precursor chemicals are classified into three categories. An enterprise that applies for purchasing the precursor chemicals in Category I, which refers to the major materials that may be used to produce drugs, shall submit the related certificates and shall obtain the purchase license upon the examination and approval of the supervisory and administrative department of drugs of the people's government of the province, autonomous region or centrally administered municipality where the applicant is located. An entity that purchases any precursor chemicals in Category II or III, which refers to the chemical auxiliary substances that may be used to produce drugs, shall, before the purchase, report the variety and quantity in demand to the public security organ of the local people's government at the county level for archival filing.

According to the Measures for the Public Security Management of Explosives Precursors (《易製爆危險化學品治安管理辦法》) issued by the Ministry of Public Security on July 6, 2019 and effective on August 10, 2019, enterprises which have obtained permits for safe production of hazardous chemicals, permits for the safe use of hazardous chemicals and permits for business operation of hazardous chemicals in accordance with the law shall purchase explosive precursor hazardous chemicals with the corresponding licenses. A buyer of explosives precursors shall, within five days after purchasing, report the information about the types, quantity and flowing direction of explosives precursors purchased to the local county-level public security organ for filing through the Explosive Precursors Information System.

Prevention and Control of Occupational Diseases

According to the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) which was lately amended on December 29, 2018, the prevention and control of occupational diseases shall follow the guideline of "focusing on prevention and combining prevention with control." An employer shall: (i) establish and improve the accountability system for prevention and treatment of occupational diseases, enhance management of, and raise the level in this field, and bear responsibility for the occupational disease hazards produced; (ii) contribute to occupational injury insurance; (iii) provide facilities for the effective prevention and protection of occupational diseases, and provide materials to employees for personal use against occupational diseases; (iv) provide alarm equipment, allocate on-spot emergency treatment materials, washing equipment, emergency safety exits and necessary safety zones for work places where acute occupational injuries are likely to take place due to poisonous and harmful elements therein; and (v) inform the employees of, and specify in the labor contracts with the employees the potential harm of, occupational disease as well as the consequences thereof, and the prevention and protection measures and treatment against occupational diseases when signing the labor contracts with employees.

According to the Law of the PRC on the Prevention and Control of Occupational Diseases, in the event that any newly built, expanded or renovated construction project, or technology renovation or introduction project (as the construction project) may generate occupational disease hazards, the owner shall conduct the assessment of occupational disease hazards during the feasibility study stage. The occupational disease hazard preassessment report shall assess the construction project as to possible occupational disease hazard factors and their impact on the workplace and health of the workers, and determine the type of the hazards and the measures for protection against occupational diseases.

Regulations in Relation to Employment and Social Securities

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994 and latest amended on December 29, 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012 and came into effect on July 1, 2013, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers shall establish a comprehensive management system to protect the rights of their employees, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, working location, occupational hazards, and status of safe production as well as remuneration and other conditions.

According to the Social Security Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on 28 October 2010 and amended on 29 December 2018, an employer is required to make contributions to social insurance schemes for its employees, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work-related injury insurance. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer to make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

According to the Interpretation (ll) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which became effective on September 1, 2025, where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law ofthePeople's Republic of China(《中華人民共和國勞動合同法》), the people's court shall uphold such claim.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》) currently effective from 24 March 2019 (which has been latest amended in August, 2026 and will come into effect on September 20, 2026), employers are required to make contribution to housing provident funds for their employees. Where an employer fails to pay up housing provident funds, the housing provident fund administration center may order it to make payment within a prescribed time limit. If the employer still fails to do so, the housing provident fund administration center may apply to the court for compulsory enforcement of the unpaid amount.

Regulations in relation to Import and Export of Goods

According to the Provisions of the PRC on the Administration of Recordation of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021 and come into effect on January 1, 2022, and the Announcement of the General Administration of Customs on Further Clarifying Issues Concerning the Record-filing of Customs Declaration Entities (《海關總署關於進一步明確報關單位備案有關事宜的公告》) promulgated on November 16, 2022 and come into effect on December 1, 2022, where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for recordation, it shall obtain the qualification of market entities; particularly where the consignee or consignor of imported or exported goods applies for recordation, it shall be filed as a foreign trade business. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise has undergone the formalities of recordation for customs declaration entities, branches that meet the requirements of the preceding paragraph may also apply for recordation for customs declaration entities.

Regulations in Relation to Information Security and Data Privacy

Data Security and Export

The SCNPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), on June 10, 2021 (effective from September 1, 2021), for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

According to the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》) issued by the Cyberspace Administration of China on July 7, 2022 and came into effect 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 critical information infrastructure operator 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.

According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), a data handler that is not a critical information infrastructure operator, will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal protection certification, if such data handler accumulatively transfers overseas ordinary personal information (excluding sensitive personal information) of less than 100,000 individuals since the January 1 of the current year.

Personal Information Protection

According to the Civil Code, 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 and ensure the security of the information. They must not illegally collect, use, process, or transmit other people's personal information, and must not illegally buy, sell, provide, or disclose the information. The Personal Information Protection Law of the People's Republic of China 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 People's Republic of China (《中華人民共和國網絡安全法》) latest amended by the SCNPC in 2025 and effective on January 1, 2026, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and 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 in Relation to Anti-money Laundering, Anti-corruption and Anti-bribery

Anti-money Laundering

According to the Anti-money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》) promulgated by the SCNPC on November 8, 2024 and effective from January 1, 2025, financial institutions shall, according to the provisions of the present law, establish a sound internal control system for anti-money laundering, set up a special body or designate an internal body to take the lead to take charge of the anti-money laundering work. The entities and individuals in business relationship with a financial institution shall cooperate with the financial institution in conducting customer due diligence by providing authentic and valid identity documents or other identity certificates, filling in identity information accurately and completely, and faithfully providing materials relating to transactions and funds. Where an entity or individual refuses to cooperate with the financial institution in taking reasonable measures for customer due diligence according to the present law, the financial institution may take money laundering risk management measures, such as limiting or refusing to handle business and terminating business relationship under the prescribed procedures, and submit a report on doubtful transactions in the light of the situation.

Anti-corruption

According to the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), as last amended by the SCNPC on December 29, 2023, the crime of job appropriation means that an employee of any company, enterprise or any other organization unlawfully takes possession of the money or property of the organization by taking advantage of office, if the amount is relatively large, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention and shall be fined concurrently; if the amount is huge, he shall be sentenced to fixed-term imprisonment of not less than three years but not more than 10 years and shall be fined concurrently; or if the amount is extremely huge, he shall be sentenced to fixed-term imprisonment of not less than 10 years or life imprisonment and shall be fined concurrently.

Anti-bribery

According to the Anti-Unfair Competition Law of the PRC and the Interim Provisions on the Prohibition of Commercial Bribery (《關於禁止商業賄賂行為的暫行規定》) promulgated by the SAIC on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

Pursuant to the Provisions on the Establishment of Adverse Records of Commercial Briberies in the Medicine Purchase and Sales Industry (《關於建立醫藥購銷領域商業賄賂不良記錄的規定》), which was promulgated by the National Health and Family Planning Commission (currently the NHC) and came into effect on March 1, 2014, any medicine production and operation enterprises or agents that are involved in criminal, investigational or administrative procedures for commercial bribery will be listed in the adverse records of commercial briberies by the relevant government authorities, as a result of which, for two years from the date the list of adverse records of commercial briberies is published, (i) their products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies within the relevant provinces, and (ii) the scores of their products in the centralized tender processes of public medical institutions or medical and health institutions receiving financial subsidies in other provinces will be reduced. As for those enterprises or agents listed in adverse records twice within five years, their products cannot be purchased by public medical institutions or medical and health institutions receiving financial subsidies throughout China for two years from the date the list of adverse records of commercial briberies is published.

Regulations on Taxation

Enterprise Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China, which was promulgated by the SCNPC and was latest amended on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law, which was promulgated by the State Council and was effective from January 2025, a uniform 25% enterprise income tax rate is imposed on both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. Key high-tech enterprises that are supported by the PRC's government may enjoy a reduced tax rate of 15% for enterprise income tax.

Value-added Tax

Pursuant to the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值税法》), promulgated by the SCNPC on December 25, 2024 and effective from January 1, 2026 and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance and was latest amended on October 28, 2011 and effective from November 1, 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the VAT.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates (《財政部税務總局關於調整增值税税率的通知》) effective in May 2018, the VAT rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部税務總局海關總署關於深化增值税改革有關政策的公告》) promulgated on March 20, 2019 and effective from April 1, 2019, the VAT rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

According to the Provisional Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值税暫行條例》) promulgated on and effective from November 19, 2017, the tax rate for taxpayers engaging in sale of services and intangible assets shall be 6%, unless otherwise stipulated under this regulation.

According to the Notice on VAT Policies for Anti-cancer Drugs (《關於抗癌藥品增值税政策的通知》) promulgated on April 27, 2018 by the Ministry of Finance, the General Administration of Customs, the State Administration of Taxation and the NMPA, VAT general taxpayers engaging in manufacturing and sale, wholesale and retail of anti-cancer drugs may opt to compute and pay VAT at the tax rate of 3% under the simplified method.

Regulation on Foreign Exchange

On January 29, 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 became effective on April 1, 1996 and was amended on January 14, 1997 and August 5, 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.

Later, the SAFE promulgated the Circular on Further Simplifying and Improving Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) in February 2015 and further amended in 2019, prescribed that the bank instead of SAFE can directly handle the foreign exchange registration and approval under foreign direct investment while SAFE and its branches indirectly supervise the foreign exchange registration and approval under foreign direct investment through the bank.

The SAFE issued the Administrative Provisions on Foreign Exchange in Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》), latest amended on October 10, 2018, specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

According to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas (《中國人民銀行、國家外匯管理局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 SAFE in 2025 and came into effective on April 1, 2026, the domestic companies shall register the overseas listed with the foreign exchange control bureau located at its registered address in 30 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

On October 23, 2019, SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which became effective on the same date (except for Article 8.2, which became effective on January 1, 2020), and partially amended on December 4, 2023 and effective since then. The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-funded enterprises. In addition, restrictions on the use of funds for foreign exchange settlement of domestic accounts for the realization of assets have been removed and restrictions on the use and foreign exchange settlement of foreign investors' security deposits have been relaxed. Eligible enterprises in the pilot area are also allowed to use revenues under capital accounts, such as capital funds, foreign debts and overseas listing revenues for domestic payments without providing materials to the bank in advance for authenticity verification on an item-by-item basis, while the use of funds should be true, in compliance with applicable rules and conforming to the current capital revenue management regulations.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall conduct post spot checking in accordance with the relevant requirements.

Regulations in Relation to Overseas Securities Offering and Listing by Domestic Companies

According to 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》) issued by the CSRC on February 17, 2023 and effective from March 31, 2023, where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measure for Overseas Listing. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing.

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強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》) jointly issued by the CSRC and other departments on February 24, 2023 and effective on March 31, 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises, and securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People's Republic of China and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfill the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, publicly discloses or provides to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

U.S. Government Regulation of Drug and Biological Products

In the United States, the FDA regulates drugs under the Federal Food Drug and Cosmetic Act (the "FDCA"), its implementing regulations, and biologics under the FDCA and the Public Health Service Act (the "PHSA") and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations, such as those related to competition. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or following approval may subject an applicant to administrative actions or judicial sanctions.

Once a product candidate is identified for development, it enters preclinical testing. Preclinical testing is conducted in accordance with FDA's Good Laboratory Practice regulations. A sponsor of an investigational new drug application (IND) to conduct clinical studies in the United States must typically submit the results of the preclinical tests, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA before commencing the studies described in the IND. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. FDA may also impose clinical holds or partial clinical holds at any time during clinical trials including due to safety concerns or non-compliance.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial.

Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. An Institutional Review Board (the "IRB"), must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and re-approve the study at least annually. Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the investigators 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible. Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at **www.clinicaltrials.gov**.

A number of other requirements also apply to FDA regulated clinical trials. For instance, FDA seeks to ensure that clinical trial data is meaningful for and applicable to a U.S. population and medical practice, which may impact FDA's acceptance of data from foreign clinical studies. Sponsors or distributors of investigational products for the diagnosis, monitoring, or treatment of one or more serious disease or conditions must also have a public policy on expanded access. Sponsors must further make certain disclosure statements to FDA with respect to investigator conflicts of interest.

Additionally, the manufacture of investigational drugs and biologics for clinical trials is subject to Good Manufacturing Practice ("cGMP") requirements. Investigational drugs/biologics and active ingredients/substances that are imported into the United States must also comply with FDA requirements. Further, the export of investigational products from the United States is subject to regulatory requirements of the receiving country as well as U.S. export requirements. Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with cGMP.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of a NDA or BLA. Unless deferred or waived, NDA or BLAs (and after approval, supplements to NDAs or BLAs) must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant subpopulations and to support dosing and administration for each subpopulation for which the product is found to be safe and effective. The submission of an NDA or BLA is subject to the payment of a substantial user fee and an annual prescription drug program fee.

Within 60 days of its receipt, the FDA reviews the NDA or BLA to ensure that it is sufficiently complete for substantive review before it accepts the application for filing. After accepting the application for filing, the FDA begins an in-depth substantive review to determine, among other things, whether a product is safe and effective for its intended use. The FDA also evaluates whether the product's manufacturing processes are cGMP-compliant and is sufficient to ensure the product's identity, strength, quality and purity. Before approving the application, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to ensure consistent production of the product within required specifications.

The FDA may refuse to approve the application if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. The FDA will issue a complete response letter describing all of the specific deficiencies that the FDA identified in the application that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor; for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. The applicant may either resubmit the application, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

The regulatory approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including phase IV clinical trials, to further assess a product's safety and effectiveness after approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

Expedited Development and Review Programs

The FDA has various programs that are intended to expedite or streamline the process for the development and FDA review of drugs and biologics that are intended for the treatment of serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs, such as fast-track designations, priority review designations, accelerated approvals, breakthrough therapy designations and orphan drug designations. The purpose of these programs is to provide important new therapies to patients earlier than under standard FDA review procedures.

Post-Marketing Requirements

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations, known as "off-label use," and limitations on industry-sponsored scientific and educational activities. Although FDA does not regulate off-label prescription by physicians, FDA restricts the marketing and promotion of such uses by manufacturers. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new BLA or BLA supplement, which may require the development of additional data or preclinical studies and clinical trials. FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations on an on-going basis, which require, among other things, quality control and quality assurance, the maintenance of records and documentation and the obligation to investigate and correct any deviations from cGMP. Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval of the product if compliance with statutory or regulatory requirements and standards is not maintained or if safety or efficacy problems occur or come to light after the drug or biologic reaches the market.

Coverage and Reimbursement

In the United States, sales of any product depend, in part, on the extent to which such product will be covered by third-party payers, such as federal, state and foreign government healthcare programs, commercial insurance and managed healthcare organizations, and the level of reimbursement for such product by third-party payers. Significant uncertainty exists as to the coverage and reimbursement status of any pharmaceutical or biological product which obtains regulatory approval. Decisions regarding the extent of coverage and amount of reimbursement to be provided are made on a plan-by-plan basis. As there is no uniform policy of coverage and reimbursement for drug products among third-party payers in the United States, coverage and reimbursement policies for drug products can differ significantly from payer to payer.

In the United States, the principal decisions about reimbursement for new products are typically made by the Centers for Medicare & Medicaid Services (CMS), an agency within the Department of Health & Human Services (HHS). CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare, and private payors tend to follow CMS to a substantial degree. As a condition of participating in, and having products covered under, certain federal healthcare programs, such as Medicare and Medicaid, the business will be subject to federal laws and regulations that require drug manufacturers to calculate and report certain price reporting metrics to the government, such as Medicaid Average Manufacturer Price, or AMP, and Best Price, Medicare Average Sales Price, the 340B Ceiling Price and Non-Federal AMP reported to the Department of Veteran Affairs, and with respect to Medicaid, pay statutory rebates on utilization of manufacturers' products by Medicaid beneficiaries. Compliance with such laws and regulations require significant resources and any findings of non-compliance could have a material adverse effect on the business' revenues. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products.

Privacy and Security

The business may be subject to data privacy and security regulations by both the federal government and the states in which the business is conducted. For example, under the administrative simplification provisions of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, HHS issued regulations that establish uniform standards governing the conduct of certain electronic healthcare transactions and requirements for protecting the privacy and security of protected health information, or PHI, used or disclosed by covered entities. Covered entities and their business associates (and their covered subcontractors) are subject to HIPAA and HITECH.

HIPAA and HITECH include privacy and security rules, breach notification requirements and electronic transaction standards. The HIPAA Privacy Rule generally prohibits the use or disclosure of PHI except as permitted under the rule. The rule also sets forth individual patient rights, such as the right to access or amend certain records containing his or her PHI, or to request restrictions on the use or disclosure of his or her PHI. The HIPAA Security Rule requires those subject to HIPAA to safeguard the confidentiality, integrity, and availability of electronically transmitted or stored PHI by implementing administrative, physical, and technical safeguards. Under HIPAA's Breach Notification Rule, a covered entity must notify individuals, the Secretary of the HHS, and in some circumstances, the media of breaches of unsecured PHI.

If found to be in violation of HIPAA as the result of a breach of unsecured PHI, a complaint about their privacy practices or an audit by HHS, entities may be subject to significant civil and criminal fines and penalties and/or additional reporting and oversight obligations if such entities are required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance.

In addition, the business may be subject to federal laws, including federal health information privacy laws and consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act) and state health information privacy, security and data breach notification laws, which may govern the collection, use, disclosure and protection of health-related and other personal information.

The U.S. regulatory framework for privacy, data security and data transfers is rapidly evolving, and there has been an increasing focus on privacy and data protection issues. As a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future.

Foreign Research Activities

Recently, certain foreign activities related to drugs, biologics, and research, especially with respect to China, have come under increased scrutiny in the United States. This scrutiny and regulation may continue or may increase which may make the conduct of our business more difficult. Solely by example, some of the recent United States actions include:

- Steps to encourage use of U.S. domestic manufacturing and supply chains.
- FDA restrictions on certain foreign research, such as an immediate review of new clinical trials that involve sending American citizens' living cells to China and other hostile countries for genetic engineering.
- The issuance of a final rule (the DSP Rule) by the U.S. Department of Justice, or DOJ, which took effect in April 2025 and for which enforcement began in July 2025, to impose restrictions on access to US bulk sensitive personal data and government-related data by certain foreign countries and persons. The DSP Rule prohibits and restricts "bulk" data transactions involving China (including Hong Kong and Macau) and other specified "countries of concern" and individuals and entities under their control. Bulk U.S. sensitive personal data includes covered personal identifiers, precise geolocation data, biometric identifiers, human 'omic (including genomic) data, personal health data, personal financial data, or any combination thereof that exceeds certain specified thresholds of number of U.S. persons. To be subject to the DSP Rule, the data transaction must involve providing a "country of concern" or "covered person" with "access" to such controlled data. Exemptions to the prohibitions and restrictions of the DSP Rule include certain data transactions that involve "regulatory approval data" necessary to obtain or maintain regulatory authorization or approval to research or market a drug, biological product, device, or combination product, if reporting and recordkeeping

requirements are met. There is also an exemption for data transactions to the extent that they are ordinarily incident to and part of certain clinical investigations or the collection and processing of certain clinical care data or post-marketing surveillance data.

- Many biological agents, toxins, and related technology are restricted by the United States for export to China for national security reasons and require an export authorization from the U.S. Department of Commerce. Export controls also apply to genetic elements and genetically modified organisms that contain DNA associated with the pathogenicity of these biological materials.

- Chinese-origin goods imported into the United States have recently become subject to fluctuating tariffs, and these tariff regimes continue to change rapidly, which may impact trade in drugs and biologics, and other goods between the two countries.

The BIOSECURE Act

On December 18, 2025, the U.S. Senate passed the BIOSECURE Act (the "**Act**") as a part of the National Defense Authorization Act for Fiscal Year 2026, which was signed into law by the U.S. President. This version of the Act materially mitigates potential impacts, specifically, the Act eliminates the prior, explicit designation of "biotechnology company of concern" ("**BCC**") and instead adopts a dynamic identification framework tied to the U.S. Department of Defense's annual List of Chinese Military Companies, also known as the 1260H List, and the U.S. Government also has the ability to designate entities as BCCs through a separate designation process. In addition, the legislation narrows the definition of restricted "biotechnology equipment or services," expressly excluding certain core technologies, including mass spectrometry and PCR instruments, from the scope of prohibitions.

Specifically, the Act prohibits the U.S. Government from procuring or obtaining biotechnology equipment or services produced or provided by a "BCC"; entering into, extending, or renewing government contracts with an entity that directly or indirectly (e.g., via a subcontractor) uses biotechnology equipment or services from a BCC in performance of that federal contract; and/or issuing grants or loans to purchase, obtain, or use biotechnology equipment or services produced by a BCC. The Act also prohibits U.S. government loan and grant recipients from using federal loan or grant money to enter into contracts with entities that use equipment from BCCs in the performance of any federal prime contract or subcontract.

Now in the implementation phase, U.S. agencies will further define compliance obligations under the Act through the U.S. regulation approval process known as notice and comment rulemaking or through other procedures. The President of the United States may also issue executive orders with respect to the content of the Act.

OVERVIEW

Our history traces back to January 2003 when Zhejiang Beta Pharma Inc. (浙江貝達藥業有限公司), our predecessor, was established in Hangzhou, Zhejiang Province, the PRC by Dr. DING and certain institutional investors. For the background and experience of Dr. DING, see "Directors and Senior Management" in this document.

After years of development, we have become a key player in the field of innovative drug in China, having evolved from a biotech company focused solely on drug R&D to a benchmark, profitable biopharmaceutical company. On August 29, 2013, Zhejiang Beta Pharma Inc. was converted into a joint-stock limited company and was renamed as Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司). Since November 7, 2016, our A Shares have been listed on the ChiNext market of the Shenzhen Stock Exchange (stock code: 300558). See "— Corporate Development — 4. Initial Public Offering of A Shares and Listing on the Shenzhen Stock Exchange in 2016" for more details.

BUSINESS MILESTONES

The following table sets forth certain key corporate and business development milestones of our Group.

Year	Milestone
2003	• Zhejiang Beta Pharma Inc., our predecessor, was established.
2006	• Icotinib obtained the IND approval from NMPA to conduct Phase I clinical trial.
2007	• Our Company merged our subsidiary Hangzhou Renchuntang Pharmaceuticals Limited (杭州仁春堂藥業有限公司) and commenced design and renovation of workshops, warehouses and equipment for the production of icotinib based on the production sites of Hangzhou Renchuntang Pharmaceuticals Limited.
2008	• Icotinib obtained the IND approval from NMPA to conduct Phase II and Phase III clinical trials.
2011	• Icotinib (Conmana®/凱美纳®) was approved for commercialization by NMPA, making it the first domestically developed small molecular targeted cancer drug in China.
2012	• The project of Icotinib-related patent has been awarded the Gold Medal at the 14th China Patent Award.
2013	• Zhejiang Beta Pharma Inc. was converted into a joint-stock limited company and was renamed as Betta Pharmaceuticals Co., Ltd.
	• Results of Phase III clinical trial (ICOGEN) of icotinib were published on *The Lancet Oncology*. Icotinib became the first Chinese innovative drug the clinical trial results of which were published on The Lancet Oncology.
2014	• We established Betta Investment as an investment platform for overseas expansion.
	• We acquired 19.84% equity interests in Xcovery Holding Company LLC (the predecessor of Xcovery Holdings) and obtained an exclusive license to develop, manufacture and commercialize ensartinib in Greater China (including Hong Kong, Macau and Taiwan).
	• Icotinib obtained the NDA approval from NMPA to treat first-line NSCLC with EGFR mutations.
	• The project of Icotinib Hydrochloride and Its Preparation Method, Crystal Form, Pharmaceutical Composition, and Applications has been awarded the Gold Medal at the 16th China Patent Awards.
2016	• The research, development and commercialization of icotinib won the First Prize of PRC National Science and Technology Progress Award 2015.
	• We completed the initial public offering of our A Shares which were listed on the Shenzhen Stock Exchange.
	• Icotinib won "Chinese Industry Award" which was the highest award in Chinese industries.
	• The annual sales revenue of icotinib reached RMB1 billion for the first time.

Year	Milestone
2017	• Icotinib was included in the National Reimbursement Drug List (2017 Edition).
	• We obtained an exclusive, sub-licensable and perpetual license to develop, manufacture and commercialize MIL60 in Greater China (including Hong Kong, Macau and Taiwan).
	• We subscribed for Series D preferred shares issued by Xcovery Holding Company LLC and increased our shareholding to approximately 86.24%(1).
	• We acquired Anew Pharmaceuticals and obtained the right to develop, manufacture and commercialize CM082 (a small molecule VEGFR/PDGFR inhibitor) in Greater China (including Hong Kong, Macau and Taiwan).
2018	• Icotinib was included in the list of anti-cancer targeted therapies under the National Essential Drug List (2018 Edition).
	• We reached a collaboration with InventisBio Co., Ltd. to acquire all its intellectual property rights in Chinese Mainland, Hong Kong, and Taiwan related to befotertinib (third-generation EGFR TKI), and obtained the exclusive right to develop, manufacture and commercialize it in Chinese Mainland, Hong Kong, and Taiwan.
	• We established a strategic collaboration with Merus N.V. and obtained an exclusive license in Chinese Mainland, Hong Kong and Macau to develop and commercialize MCLA-129 (EGFR/c-MET bispecific antibody).
2019	• Icotinib was included in the National Reimbursement Drug List (2019 Edition).
2020	• NMPA accepted our NDA of MIL60 (our biosimilar to bevacizumab (Avastin®)) for the treatment of metastatic or relapsed NSCLC and metastatic colorectal cancer in combination with chemotherapy.
	• Our Company was ranked first on the list of 2020 China Pharmaceutical Emerging Power (2020年中國醫藥新銳創新力量).
	• Icotinib's NDA submitted for the postoperative adjuvant treatment of early stage NSCLC patients was accepted by the NMPA, and received priority review status in October.
	• Ensartinib (Ensacove®/贝美纳®) was approved for marketing by the NMPA. It is the first Category 1 innovative drug independently developed by a Chinese company for the treatment of advanced NSCLC with ALK mutation.
	• We were awarded the Quality Innovation Prize by the People's Government of Zhejiang Province (浙江省人民政府質量創新獎).
2021	• Ensartinib was shortlisted for the 13th China Annual Health Forum — Top 10 New Drugs (Domestic) (第十三屆健康中國年度論壇•十大新藥(國內)榜單).
	• Results of dynamic ctDNA analysis of ensartinib Phase II was published on the *Journal of Thoracic Oncology*.
	• Icotinib's NDA submission for the postoperative adjuvant treatment of early stage NSCLC patients was approved by NMPA.
	• Results from EVIDENCE trial were published on *The Lancet Respiratory Medicine*.
	• Our Company was ranked No. 1 on the list of 2021 China Pharmaceutical Emerging Power (2021年中國醫藥新銳創新力量).
	• The results from eXalt3 trial cut off at July 1, 2020 were published on *JAMA Oncology*.
	• Icotinib and ensartinib were represented at the National 13th Five-Year Plan Science and Technology Innovation Achievement Exhibition (國家"十三五"科技創新成就展).
2022	• Ensartinib was awarded the Special Prize for Science and Technology by the Zhejiang Pharmaceutical Association (浙江省藥學會).

Note:

(1) As of the Latest Practicable Date, our shareholding in Xcovery Holdings increased to approximately 98.44% by subscribing for their Series E preferred shares and Series F preferred shares.

Year	Milestone
	• Ensartinib was approved for the first-line treatment of NSCLC in China.
2023	• Ensartinib was awarded the First Prize for Scientific and Technological Progress in Zhejiang Province.
	• Befotertinib (Surmana®/赛美纳®) received marketing approval for its second-and first-line indications in China.
	• Vorolanib (伏美纳®) was approved for commercialization in combination with everolimus for the treatment of patients with advanced RCC in China.
	• The results of the first-line clinical study of befotertinib were published in full in *The Lancet Respiratory Medicine*.
2024	• The NDA for tibremciclib (康美纳®) was officially accepted by the NMPA.
	• The Company was recognized as a leading enterprise in high-quality development by the Zhejiang Provincial Government.
	• Ensartinib received marketing approval for its first-line indication from the FDA in the United States.
2025	• Tibremciclib was approved in combination with fulvestrant for the treatment of adult patients with HR+/HER2- locally advanced or metastatic breast cancer who had progressed on prior endocrine therapy in China.
	• Ensartinib was approved for marketing in Macau.
	• Phase I of Betta Pharmaceuticals' Innovative Drug Industrialization Base in Shengzhou (貝達藥業(嵊州)創新藥產業化基地一期項目) was completed and successfully passed the acceptance inspection under NDRC's special program for supporting the development of advanced manufacturing and modern service industries.
	• We entered into a comprehensive collaboration with BioRay with a "trastuzumab-pertuzumab combo" framework.
	• HY1001/奥福民®, a plant-derived recombinant human albumin product developed under our Betta Ecosystem, received marketing approval.
	• The first prescription for ensartinib was issued in the United States.
2026	• We completed a strategic investment in Hangzhou Zhixing Pharmaceutical Co., Ltd. (杭州知興製藥有限公司) and are jointly advancing the research and development and regulatory filings of high-end inhalation formulation pipelines.
	• Pertuzumab injection (贝泽汀®) in-licensed from BioRay Biopharmaceutical Co., Ltd. (浙江博銳生物製藥股份有限公司) received marketing approval from the NMPA for the treatment of early-stage breast cancer and metastatic breast cancer and may be used in combination with trastuzumab injection (Anruize®/安瑞泽®) for the treatment of breast cancer.
	• Our strategic partner, Hangzhou Gensciences Biopharmaceutical Co.,Ltd. (杭州晟斯生物製藥有限公司), submitted an NDA for FRSW117 (its first once-weekly ultra-long-acting PEGylated recombinant FVIII fusion protein candidate) to the NMPA in April 2026. We hold the exclusive distribution rights for FRSW117 in Greater China.
	• Our subsidiary, Xcovery Holdings, entered into a collaboration with Eversana, a global provider of commercialization services, to support the commercialization of ensartinib in the U.S.
	• Bevacizumab was newly included in the National Essential Drug List (2026 Edition) (《國家基本藥物目錄(2026年版)》), while icotinib and trastuzumab continued to be included in the list.
	• The study results of ensartinib as adjuvant treatment for patients with stage IB–IIIB (T3N2M0) ALK-positive NSCLC were published in The New England Journal of Medicine.

CORPORATE DEVELOPMENT

The following sets forth the major corporate development and shareholding changes of our Company.

1. Establishment of our Company in 2003

Our predecessor, Zhejiang Beta Pharma Inc. (浙江貝達藥業有限公司) ("**Zhejiang Beta**"), was established in January 2003 with a registered capital of RMB10,000,000.

Upon establishment, the shareholding structure of Zhejiang Beta was as follows:

Name of Shareholder	Capital Contribution	Shareholding Percentage
	(RMB)	
Dr. DING	2,500,000	25.00%
BETA[(1)]	5,000,000	50.00%
Hangzhou Jihe Science and Technology Investment Limited (杭州濟和科技投資有限公司) ("**Hangzhou Jihe**")[(2)]	2,500,000	25.00%
Total	10,000,000	100%

Notes:

(1) To the knowledge of our Company, at the time of its investment in the Company, BETA was controlled by Mr. Don Xiaodong ZHANG, who was the legal representative and the chairman of the board of directors of Zhejiang Beta from its establishment to 2008 and the vice chairman of the board of directors from 2008 to 2013 before our Company was converted into a joint-stock limited company.

(2) Hangzhou Jihe subsequently transferred all the Shares held by it to Jihe Venture Capital in 2011. Both Hangzhou Jihe and Jihe Venture Capital were controlled by Mr. WANG Xuechao (王學超) ("**Mr. Wang**"). Mr. Wang had been acquainted with Dr. DING before the establishment of our Company, and decided to invest in our Company after learning about the prospects of EGFR TKI. As of the Latest Practicable Date, Mr. Wang remained as a substantial shareholder of our Company.

2. Capital Increases and Equity Transfers between 2003 and 2013

After several capital increases and equity transfers between 2003 and 2013, Zhejiang Beta's issued share capital increased to RMB150,000,000. The increased share capital was subscribed by a number of investors, including several institutional investors with extensive investment experience in pharmaceutical industry such as Lilly Asia Ventures (through LAV Equity (Hong Kong) Co., Limited) and Sequoia Capital China (through Sequoia Capital China GFII (HK) Limited).

3. Conversion into a Joint-stock Limited Company in 2013 and Subsequent Capital Increase in 2014

In August 2013, Zhejiang Beta was converted into a joint-stock limited company with an issued share capital of RMB150,000,000 and was renamed as Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司).

In September 2014, our issued share capital was increased to RMB360,000,000 by capitalizing our Company's share premium and unpaid dividend.

4. Initial Public Offering of A Shares and Listing on the Shenzhen Stock Exchange in 2016

Our Company completed the initial public offering of 41 million A Shares and was listed on the ChiNext Market of the Shenzhen Stock Exchange under the stock code of 300558 on November 7, 2016. The net proceeds raised from the initial public offering of A Shares were approximately RMB657.35 million and had been fully utilized as of June 30, 2019.

Upon completion of the initial public offering of A Shares, our issued share capital was increased to RMB401,000,000 comprising 401,000,000 A Shares, and the shareholding structure of our Company was as follows.

Name of Shareholder	Number of A Shares held	Shareholding percentage
Kaiming Investment	80,064,000	19.97%
Jihe Venture Capital	57,456,000	14.33%
Ningbo Meishan Bonded Port Area Teruixichuang Investment Partnership (Limited Partnership) (寧波梅山保税港區特瑞西創投資合夥企業(有限合夥)[(1)]	38,520,000	9.61%
BETA	28,644,840	7.14%
Beicheng Investment	27,000,000	6.73%
Dr. Yinxiang WANG	23,425,560	5.84%
LAV Equity (Hong Kong) Co., Limited ("**LAV HK**")	21,600,000	5.39%
Hangzhou Beichang Investment Management Partnership (Limited Partnership) (杭州貝昌投資管理合夥企業(有限合夥))	21,240,000	5.30%
Sequoia Capital China GFII (HK) Limited	17,088,120	4.26%
Chengdu Guangkong Century Healthcare Venture Capital Company Limited (成都光控世紀醫療健康創業投資有限公司)	11,412,000	2.85%
Mr. Hancheng ZHANG	11,229,480	2.80%
Ningbo Meiyu Equity Investment Partnership (Limited Partnership) (寧波美域股權投資合夥企業(有限合夥))	10,800,000	2.69%
Hangzhou Jinyan Ruicheng Qihan Investment Management Partnership (杭州金研睿成啟漢投資管理合夥企業(有限合夥))	7,200,000	1.80%
Dr. Fenlai TAN	4,320,000	1.08%
Other A Share Holders	41,000,000	10.22%
Total	401,000,000	100.00%

Note:

(1) Ningbo Meishan Bonded Port Area Teruixichuang Investment Partnership (Limited Partnership) (寧波梅山保税港區特瑞西創投資合夥企業(有限合夥)) changed its name to Wenzhou Teruixichuang Enterprise Management Partnership (Limited Partnership) (溫州特瑞西創企業管理合夥企業(有限合夥)) in March 2020, and further changed to Hangzhou Teruixichuang in July 2022.

5. Non-public Placing of A Shares in 2020

In September 2020, our issued share capital was further increased to RMB403,024,292 due to the exercise of certain options granted by the Company under the 2018 Second Tranche Share Option Incentive Scheme adopted by our Company in 2018 ("**2018 Share Option Incentive Scheme**").

In order to fund our research and development of innovative drugs and improve our financial structure, our Company placed 10,138,621 A Shares to 14 placees, and such A Shares were listed on the Shenzhen Stock Exchange on December 17, 2020. The net proceeds raised from the non-public placing of A Shares were RMB995.4 million and was intended to be used for funding the development of new pharmaceutical products, upgrade research and development equipment, and supplement working capital. As of the Latest Practicable Date, approximately 79.91% of the net proceeds had been utilized.

As of December 29, 2021, our issued share capital was increased to RMB415,388,667 comprising 415,388,667 A Shares as a result of the exercise of certain options granted under the 2018 Share Option Incentive Scheme, and the shareholding structure of our Company was as follows:

Name of Shareholder	Number of A Shares held	Shareholding percentage
Kaiming Investment[(1)(7)]	80,064,000	19.28%
Jihe Venture Capital[(2)]	54,324,000	13.08%
Hangzhou Teruixichuang[(2)]	28,797,061	6.93%
Dr. Yinxiang WANG[(6)]	16,436,112	3.96%
Beicheng Investment[(3)(7)]	14,713,531	3.54%
HKSCC[(4)]	14,018,129	3.37%
LAV HK	10,800,000	2.60%
National Social Security Fund – 102 (全國社保基金一零二組合, "**NSSF-102**")[(5)]	5,822,775	1.40%
Mr. Hancheng ZHANG[(6)]	4,554,007	1.10%
BETA	4,550,015	1.10%
Other A Share Holders	181,284,173	43.64%
Total	415,363,803	100.00%

Notes:

(1) As of the Latest Practicable Date, its general partner was Dr. DING with 33.33% capital contribution, and its limited partner was Mr. DING Shizhe (our executive Director) with 66.67% capital contribution, respectively.

(2) As of the Latest Practicable Date, to the knowledge of our Directors, (i) Mr. Wang controlled (directly and indirectly) 95% equity interest in Jihe Venture Capital, and (ii) as confirmed by Hangzhou Teruixichuang, AVIC Trust Co., Ltd. (中航信託股份有限公司), the limited partner of Hangzhou Teruixichuang, was acting as (i) the trustee of Mr. Wang's family trust (in which Mr. Wang acted as the settlor and beneficiary) with approximately 93.78% capital contribution, and (ii) the trustee of the other two family trusts (being (i) the family trust of Ms. JIN Hong (金虹) ("**Ms. Jin**") with approximately 1.12% capital contribution and (ii) the family trust of Ms. SHEN Qifen (沈其芬) ("**Ms. Shen**") with approximately 5.00% capital contribution, both of which were Independent Third Parties). Ms. CHEN Xiangli (陳香莉), the general partner of Hangzhou Teruixichuang, Ms. Jin and Ms. Shen have confirmed that Mr. Wang was the de facto controller of Hangzhou Teruixichuang. Other than that, to the best knowledge of our Company, Mr. Wang, Ms. Jin and Ms. Shen are independent from each other.

(3) Beicheng Investment is an employee share incentive platform of our Group. As of the Latest Practicable Date, its general partner was Dr. DING with 59.43% capital contribution, and its 36 limited partners were former and existing employees of our Group each with less than 3% capital contribution.

(4) HKSCC, as the trustee, held shares on behalf of investors in Hong Kong and other overseas jurisdictions pursuant to the rules of the Shenzhen-Hong Kong Stock Connect.

(5) NSSF-102 is a fund managed by National Council for Social Security Fund of the PRC (全國社會保障基金理事會). Bosera Asset Management Co., Ltd. (博時基金管理有限公司), a fund management company incorporated in the PRC, was appointed as the investment manager of NSSF-102. Each of National Council for Social Security Fund of the PRC and Bosera Asset Management Co., Ltd. is an Independent Third Party.

(6) Each of Dr. Yinxiang WANG and Mr. Hancheng ZHANG is an Independent Third Party.

(7) According to the partnership agreements of Kaiming Investment and Beicheng Investment, the general partner is exclusively vested with power to manage, control and operate the partnership, whereas the limited partners can only exercise limited customary protective rights as a limited partner as required by the Partnership Enterprise Law of the PRC. Therefore, Dr. DING is considered as having control over Kaiming Investment and Beicheng Investment and Mr. DING Shizhe is not regarded as a member of our Single Largest Group of Shareholders under Listing Rules. See "— Our Single Largest Group of Shareholders" below in this section for further details.

6. Exercise of Options under the 2018 Share Option Incentive Scheme and Restricted Shares Issued under the A Share Incentive Schemes

From April 2021 to December 2022, our issued share capital was increased to RMB417,467,045 comprising 417,467,045 A Shares due to the exercise of certain options granted by the Company under the 2018 Share Option Incentive Scheme.

In 2023, our issued share capital was increased to RMB418,485,885 comprising 418,485,885 A Shares due to the issue of Shares upon vesting of certain restricted Shares granted by the Company under the 2021 Restricted Share Incentive Scheme.

In 2025, our issued share capital was increased to RMB420,733,843 comprising 420,733,843 A Shares due to the issue of Shares upon vesting of certain restricted Shares granted by the Company under the 2023 Restricted Share Incentive Scheme.

As of the Latest Practicable Date, our issued share capital was increased to RMB423,331,685 comprising 423,331,685 A Shares due to the issue of Shares upon vesting of certain restricted Shares granted by the Company under the 2023 Restricted Share Incentive Scheme.

For details of the 2021 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme, see "Appendix V — Statutory and General Information — 4. A Share Incentive Schemes. For shareholding structure of the Company as of the Latest Practicable Date, see "— Shareholding Structure Prior to the [**REDACTED**]" in this section.

MAJOR ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisition, disposal or merger material to us or which would fall within the scope of Rule 4.05A of the Listing Rules.

OUR PRINCIPAL SUBSIDIARIES

We have carried out our business through our subsidiaries across different geographical locations. As of the Latest Practicable Date, we had eleven PRC subsidiaries and six overseas subsidiaries. We consider the following subsidiaries as our principal subsidiaries taking into account, among other things, financial contribution and strategical importance of those subsidiaries:

Name of subsidiary	Place of incorporation	Date of establishment and commencement of business	Equity interest held by the Company or subsidiary	Principal business activities
Betta Investment . . .	Hong Kong	October 14, 2014	100%	Investment holding
Xcovery Holdings . .	Delaware	December 29, 2017	98.44%	Pharmaceutical development, production and sales
Betta Shengzhou . . .	PRC	October 26, 2020	100%	Pharmaceutical production
Betta Dream Works (Zhejiang) pharmaceutical Co., Ltd. (貝達夢工場(浙江)醫藥控股有限公司)..	PRC	August 18, 2020	100%	Provision of operational support services to incubated enterprises

* Details of our subsidiaries are set out in Note 17 to the Accountants' Report as set out in Appendix I to this document.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE, AND PREVIOUS [REDACTED] ATTEMPT AND REASONS FOR [REDACTED] ON THE HONG KONG STOCK EXCHANGE

Our A Shares have been listed on the Shenzhen Stock Exchange since November 2016. Our Directors have confirmed that the Company has no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the

public domain, our PRC Legal Adviser is of the view that during the Track Record Period and up to the Latest Practicable Date, the Company has not been subject to any material administrative penalties or regulatory measures imposed by PRC securities regulatory authorities. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Adviser's view as set out above, nothing has come to the Sole Sponsor's attention that would cause it to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in all material respects.

The Company submitted an initial [**REDACTED**] to the Hong Kong Stock Exchange for the [**REDACTED**] of its H Shares and the [**REDACTED**] on February 8, 2021 (the "**Previous [REDACTED] Attempt**"). In relation to such [**REDACTED**], a hearing by the Listing Committee was held on May 27, 2021 and the Company received the post-hearing letter issued by the Hong Kong Stock Exchange on May 28, 2021. In December 2021, the Company refiled its [**REDACTED**] to the Hong Kong Stock Exchange. However, considering the fluctuations in the capital markets condition at that time, the Company voluntarily suspended the Previous [**REDACTED**] Attempt in June 2022 following the lapse of such [**REDACTED**].

To the best of the Directors' knowledge and belief, the Directors are not aware of any material matter concerning the Previous [**REDACTED**] Attempt that would adversely affect the Company's suitability for [**REDACTED**] on the Hong Kong Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange, the Shareholders or potential [**REDACTED**]. Based on the independent due diligence performed by the Sole Sponsor, the Sole Sponsor confirms that they are not aware of any matters that may cause them to disagree with the Directors' view above.

Our Directors believe that the [**REDACTED**] of its H Shares on the Hong Kong Stock Exchange will be in the interests of our Group's business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons: (i) the [**REDACTED**] will provide an additional fund raising platform for our Company and give us the access to a wider pool of finance for our future expansion. For more details, see "Business" and "Future Plans and [**REDACTED**]"; and (ii) a [**REDACTED**] status on the Hong Kong Stock Exchange will further strengthen our business profile and global presence, and help us to recruit, motivate and retain talents to support our long-term and sustainable growth.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Single Largest Group of Shareholders comprises Dr. DING, Kaiming Investment and Beicheng Investment. As of the Latest Practicable Date, Dr. DING, our founder of the Group, chairman of our Board, general manager, chief executive officer and executive Director, was able to exercise approximately 21.50% of the voting rights in our Company through: (i) 1,024,238 Shares directly held by himself, (ii) 80,064,000 Shares held by Kaiming Investment and (iii) 9,924,563 Shares held by Beicheng Investment. Both Kaiming Investment and Beicheng Investment are limited partnerships incorporated in the PRC of which their respective executive partner is Dr. DING.

Dr. DING is considered as having control over Kaiming Investment and Beicheng Investment and Dr. DING is regarded as our *de facto* controller (實際控制人) under the applicable PRC laws, regulations and rules.

SHARE INCENTIVE PLANS OF THE COMPANY

In order to enhance our Company's competitiveness in the talent market, comprehensively address our growing needs for talent and build a high-quality workforce, we have adopted the 2018 A Share Option Incentive Scheme, the 2021 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme.

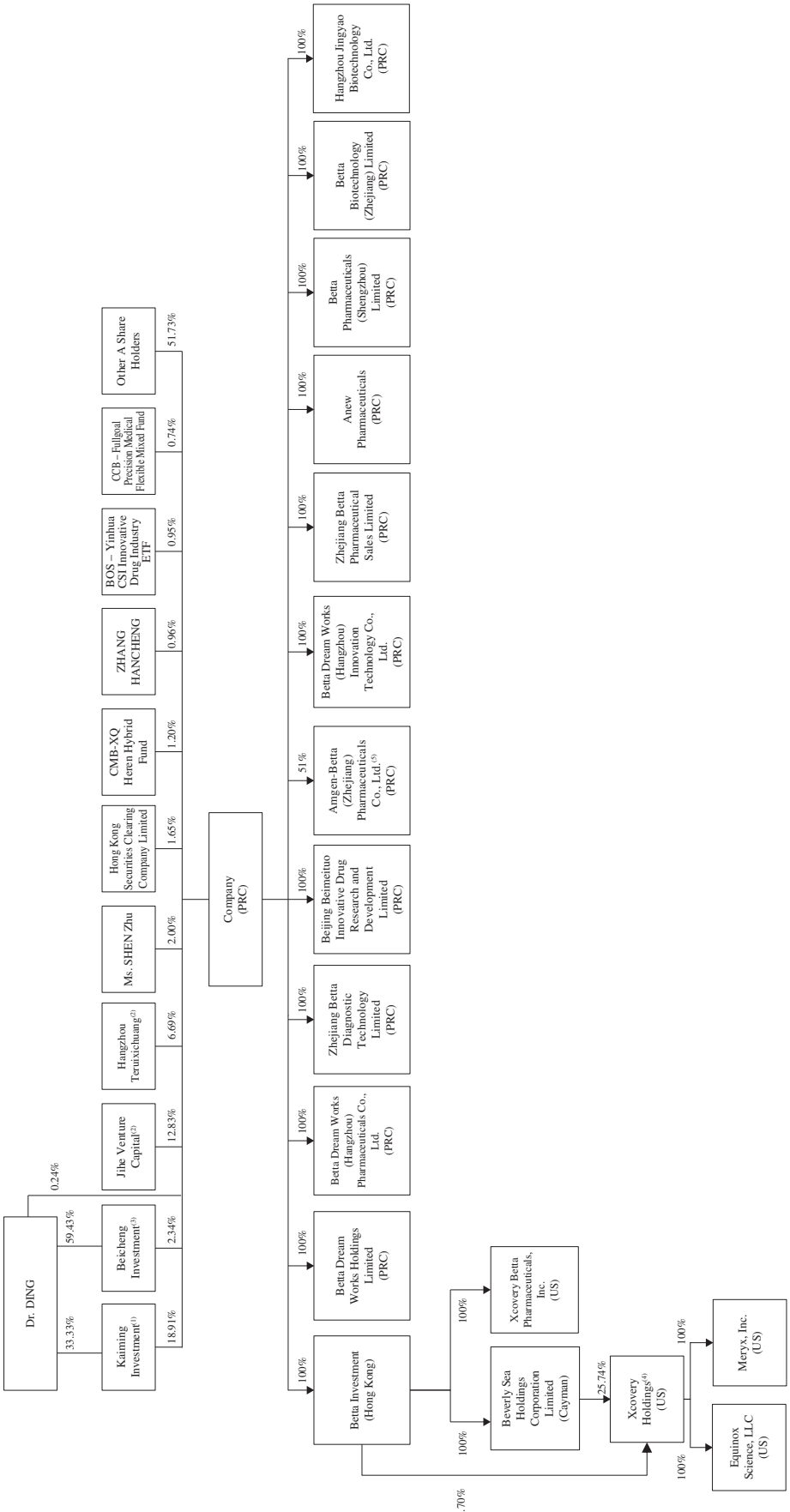
Pursuant to the 2018 A Share Option Incentive Scheme, our Company granted an aggregate of 6,328,424 Shares to 632 grantees, including Directors, senior management and other employees of the Company. As of the Latest Practicable Date, the 2018 A Share Option Incentive Scheme has been completed, and there are no outstanding options to be granted under the 2018 A Share Option Incentive Scheme, and all share options under the 2018 A Share Option Incentive Scheme have either been exercised or cancelled.

For details of the 2021 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme, see "Appendix V — Statutory and General Information — 4. A Share Incentive Schemes."

[**REDACTED**]

SHAREHOLDING STRUCTURE PRIOR TO THE [REDACTED]

The following diagram illustrates our simplified shareholding structure and subsidiaries as of the Latest Practicable Date.



Notes:

(1)-(3) Please refer to Notes (1) to (3) to the table under the paragraph headed "— Corporate Development — 5. Non-public Placing of A Shares in 2020" in this section.

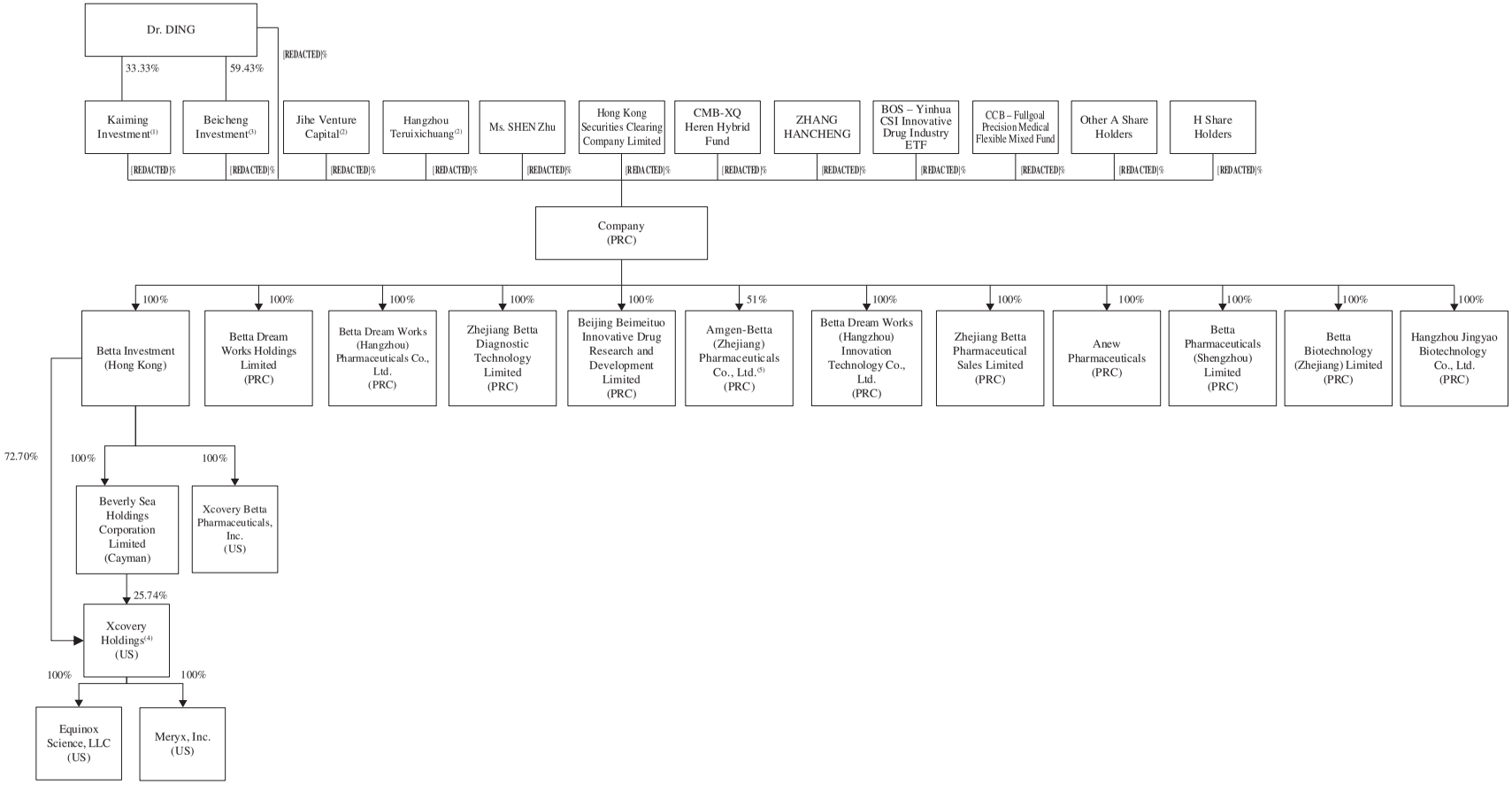
To the best knowledge of our Directors, as of the Latest Practicable Date, 49,408,500 A Shares (representing approximately 11.67% of the total issued share capital of our Company as of the Latest Practicable Date) held by Kaiming Investment had been pledged to several PRC financial institutions regulated by National Financial Regulatory Administration of the PRC (中華人民共和國國家金融監督管理總局) and/or CSRC, including Guoyuan Securities Co., Ltd. (國元證券股份有限公司), Shandong International Trust Corp (山東省國際信託股份有限公司), Hangzhou Industrial & Commercial Trust Co., Ltd. (杭州工商信託股份有限公司), Zheshang Securities Co., Ltd. (浙商證券股份有限公司), Tibet Trust Corporation Limited (西藏信託有限公司) and Hangzhou Bank Co., Ltd. Technology Branch (杭州银行股份有限公司科技支行). The latest expiry date of these pledges is September 26, 2027. Dr. Ding is the general partner of Kaiming Investment. To the best knowledge of our Directors and having made all reasonable enquiries, there has not been any adverse credit records against Kaiming Investment or Dr. Ding in respect of any breach of repayment obligations under their indebtedness. Kaiming Investment has confirmed that, if there is a risk of default or other circumstances that may give rise to the enforcement of the pledged A Shares, Kaiming Investment shall take all necessary actions, such as provision of additional collaterals and repayment of loans, to avoid such enforcement. Further, based on the value of the major assets and investments owned by Dr. Ding, as supported by the relevant documentation, the valuation of such assets and investments is sufficient to cover the outstanding amounts under the relevant financing arrangements. Accordingly, the Directors are of the view that the risk of enforcement of the Share Pledge is low, and that Dr. Ding has sufficient financial resources to settle the relevant financing arrangements. The PRC Legal Adviser is of the view that, based on the due diligence they conducted, all pledge agreement of the Pledged Shares are valid, and there have been no instances of the pledgees exercising their rights, and that Dr. Ding has sufficient financial resources to settle the relevant financing arrangements. Therefore, the risk of foreclosure on the Pledged Shares is considered low. Based on the independent due diligence conducted by the Sole Sponsor, the Sole Sponsor concurs with the views of the Directors and the PRC Legal Adviser that Dr. Ding has sufficient financial resources to settle the relevant financing arrangement and that the risk of enforcement of the Share Pledges is low.

(4) As of the Latest Practicable Date, the remaining 1.56% equity interest in Xcovery Holdings was held by 19 minority shareholders including investors and former employees of Xcovery Holdings. All the minority shareholders of Xcovery Holdings were Independent Third Parties as of the Latest Practicable Date. As of the Latest Practicable Date, 15 individuals including current and former employees and advisors of Xcovery Holdings had been granted outstanding stock options to purchase an aggregate of 2,311,983 shares of Xcovery Holdings, representing approximately 3.51% of the issued share capital of Xcovery Holdings. Among these grantees, Mr. SANG Lin (a director of Xcovery Holdings) and Mr. DING Shizhe (our executive Director) had been granted outstanding stock options to purchase 100,000 and 30,000 shares of Xcovery Holdings, representing approximately 0.15% and 0.046% of the issued share capital of Xcovery Holdings, respectively.

(5) As of the Latest Practicable Date, the remaining 49% equity interest in Amgen-Betta (Zhejiang) Pharmaceuticals Co., Ltd. (貝達安進(浙江)製藥有限公司) was held by Amgen Asia Holding Limited which was an Independent Third Party.

SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF [REDACTED]

The following diagram illustrates our simplified shareholding structure and subsidiaries immediately following the completion of the [**REDACTED**], assuming (i) there has not been any change in the shareholding of holders of A Shares since the Latest Practicable Date, and (ii) neither the [**REDACTED**] nor any outstanding A Share Options are exercised.



Note: Please refer to Notes (1) to (5) to the diagram under the paragraph "— Shareholding Structure Prior to the [**REDACTED**]" of this section.

OVERVIEW

We are a key player in the innovative drug industry in China, having evolved from a discovery-focused biotech into a fully integrated, commercial-stage biopharmaceutical company. Our business model synergizes four complementary pillars, including proprietary R&D, commercialization, strategic partnerships, and ecosystem engagement. This robust model has enabled us to achieve consecutive years of profitability since our inaugural product launch in 2011. To date, we have successfully commercialized nine drug products, among which icotinib (Conmana®/凯美纳®, EGFR TKI), ensartinib (Ensacove®/贝美纳®, ALK TKI), and vorolanib (伏美纳®, VEGFR/PDGFR inhibitor) were the first among domestically developed drugs in their respective classes to be approved in China or enter the global market for targeted indications.

While maintaining a stronghold in targeted lung cancer therapies with coverage of key targets like epidermal growth factor receptor (EGFR) and anaplastic lymphoma kinase (ALK), we have expanded into breast cancer, kidney cancer, hematology, and ophthalmology. Our commitment to developing NMPA Category 1 innovative drugs has resulted in a pipeline of over ten clinical programs across various stages. Through a portfolio strategy combining sustained value creation from commercialized products, global development of key pipeline assets and continued advancement of next-generation candidates, we aim to build a sustainable innovation engine and deliver life-changing therapies to patients worldwide.

- ***Lung Cancer***. In lung cancer, we have achieved comprehensive coverage across high-frequency driver mutations, disease stages, and treatment modalities. Our portfolio spans EGFR, ALK, mesenchymal-epithelial transition factor (MET), vascular endothelial growth factor (VEGF), and rat sarcoma viral oncogene homolog (RAS)-driven non-small cell lung cancer (NSCLC), with assets ranging from tyrosine kinase inhibitors (TKIs) to bispecific antibodies and protein degraders. This breadth enables us to address early- and late-stage disease, including adjuvant, first-line, and second-line settings, and to explore synergistic combination and sequential strategies. Our portfolio addresses both driver-gene-positive NSCLC populations, with key assets including icotinib (Conmana®/凯美纳®), ensartinib (Ensacove®/贝美纳®), befotertinib (Surmana®/赛美纳®), MCLA-129, BPI-572270, BPI-585771, and CFT8919, as well as driver-gene-negative NSCLC populations with key assets including bevacizumab injection (贝安汀®), and BPI-371153. See "— Our Competitive Strengths — Broad pipeline assets focused on lung cancer area, supported by strategic product lifecycle management" for details of these drugs and drug candidates.

- ***Malignant Tumors Beyond Lung Cancer***. Building on our validated capabilities in clinical development and commercialization, we have expanded into high-impact oncology indications and other areas of unmet medical need. Our product portfolio encompasses a diversified pipeline spanning breast cancer, kidney cancer, colorectal cancer, pancreatic cancer, and other malignant tumors, with modalities ranging from small-molecule inhibitors and biosimilars to novel biologics and virus-antibody combination therapies. Our portfolio in these indications includes tibremciclib (康美纳®), trastuzumab injection (Anruize®/安瑞泽®), pertuzumab injection (贝泽汀®), vorolanib (伏美纳®), BPI-452080, MCLA-129, BPI-460372, BPI-221351, BK-001, BPI-572270, BPI-585771, and MRX2843. See "— Our Competitive Strengths — Leveraging proven R&D strength to build a diversified pipeline matrix across oncology and other urgent-need diseases" for details of these drugs and drug candidates.

- ***Non-Neoplastic Diseases***. We invested in and partnered with Healthgen to secure exclusive distribution rights for recombinant human albumin injection (rice) (奥福民®) across certain regions in China. We were also granted exclusive master distribution rights for FRSW117, a PEGylated recombinant human coagulation factor VIII (FVIII) Fc fusion protein for the treatment of hemophilia A in Greater China by Gensciences. We are also expanding to ophthalmology, a high-potential area for long-acting and targeted therapies, exemplified by DURAVYU™ (EYP-1901) and BPI-452080. See "— Our Competitive Strengths — Leveraging proven R&D strength to build a diversified pipeline matrix across oncology and other urgent-need diseases" for details of these drug candidates.

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

Product/Product candidate	Target	Preclinical	Dose escalation: Phase Ia	Dose expansion: Phase Ib	Dose expansion: Phase IIa	Registrational trial: Phase IIb	Registrational trial: Phase III	NDA/BLA	Marketing	Key Regulatory Authorities	Inclusion into NRDL 2025[1]	Current Status/Upcoming Milestones	Source[2]	Rights[3]	Partner
Conmana®/凯美纳®(Icotinib)	EGFR	First-line NSCLC							★	NMPA	✓	NDA approval in Nov 2014	Self-developed[3]	Greater China	
		Second-line NSCLC							★		✓	NDA approval in Jun 2011			
		Postoperative adjuvant therapy for NSCLC**							★		✓	NDA approval in Jun 2021			
Ensacove®/贝美纳®(Ensartinib)	ALK	First-line NSCLC (Chinese Mainland)							★	NMPA, FDA, ISAF, EMA	✓	NDA approval in Mar 2022	Self-developed[4]	Global	
		First-line NSCLC (United States)							★			NDA approval in Dec 2024			
		Second-line NSCLC (Chinese Mainland)							★		✓	NDA approval in Nov 2020			
		First- and second-line NSCLC (Macau)							★			NDA approval in Jun 2025			
		First-line NSCLC (Europe)										Submitted NDA to the EMA in Nov 2025; Expect NDA approval in 2026/2027			
		Postoperative adjuvant therapy for NSCLC (Chinese Mainland)										Submitted NDA to the NMPA in Nov 2025; Expect NDA approval in 2026H2			
贝安汀®(Bevacizumab Injection)	VEGF	Metastatic CRC, advanced, metastatic or recurrent NSCLC							★	NMPA	✓	NDA approval in Nov 2021	License-in	Greater China	三生国健[5]
		Recurrent glioblastoma, epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer, cervical cancer, etc.							★		✓	NDA approval in Mar 2022			
Surmana®/赛美纳®(Befotertinib)	EGFR	First-line NSCLC							★	NMPA	✓	NDA approval in Oct 2023	License-in	Chinese Mainland, Hong Kong and Taiwan[10]	盛迪生物[6]
		Second-line NSCLC							★		✓	NDA approval in May 2023			
		Postoperative adjuvant therapy for NSCLC										Initiated Phase III trial in Mar 2023; Expect to complete in 2027Q4			
伏美纳® (Vorolanib)	VEGFR	Renal Cell Carcinoma							★	NMPA	✓	NDA approval in Jun 2023	Self-developed[7]	Global	
康美纳® (Tibremciclib)	CDK4/6	HR+/HER2- breast cancer							★	NMPA		NDA approval in Jun 2025	Self-developed	Global	
Anruize®/安瑞泽® (Trastuzumab Injection)	HER2	HER2+ breast cancer							★	NMPA	✓	NDA approval in Feb 2023	Distributorship	/[17]	百奥泰[8]
奥福民® (Recombinant Human Albumin Injection (Rice))	-	Hypoalbuminemia (≤30 g/L) associated with liver cirrhosis							★	NMPA		NDA approval in Jul 2025	Distributorship	/[17]	天元生物[9]
贝泽汀® (Pertuzumab Injection)	HER2	HER2+ breast cancer							★	NMPA	✓	NDA approval in Feb 2026	License-in	Greater China	百奥泰[8]
FRSW117	FVIII	Hemophilia A								NMPA		NDA submitted to the NMPA in Apr 2026; Expect NDA approval in 2027	Distributorship	/[17]	[10]
EYP-1901	VEGFR	wAMD — EYEPOINT'S CLINICAL TRIALS								NMPA, FDA		EyePoint: Released topline data from Phase III LUGANO trial in Aug 2026; Topline data from Phase III LUCIA trial expected in 2026Q4 Company: Received IND approval in Jul 2024; Evaluating subsequent development plan in China subject to EyePoint's global Phase III clinical data	License-in	Greater China	EyePoint[11]
		DME — DME: EYEPOINT'S CLINICAL TRIALS										Completed patient enrollment for two global registrational Phase III trials in Jul 2026; Topline data expected in 2027Q4			
		pmCNV										Received IND approval in Jul 2023; To determine further clinical development plan subject to POC data			
MCLA-129	EGFR/c-MET	Solid tumor (colorectal cancer)								NMPA		Initiated Phase I/II trial in Sep 2021; Expect to complete in 2027H2	License-in	Chinese Mainland, Hong Kong and Macau	Merus[12]
		Advanced NSCLC with driver gene mutations and MET amplification and/or overexpression										Initiated Phase II trial in Mar 2025; Expect to complete in 2028H1			
		Combo with befotertinib										Initiated Phase I trial in Sep 2023; Expect to complete in 2027			
		Combo with ensartinib										Initiated Phase I/II trial in Feb 2026; Expect to complete Phase I study in 2027Q3			
BPI-371153	PD-L1	Solid tumor/lymphoma								NMPA		Initiated Phase I trial in Aug 2022 and completed enrollment for dose escalation stage; Expect to complete the enrollment for dose expansion stage in 2026	Self-developed	Global	
BPI-572270	RAS	Solid tumor								NMPA		Initiated Phase I trial in Jan 2026; Expect readout of efficacy and safety data in 2027	Self-developed	Global	
BPI-452080	HIF-2α	Solid tumor								NMPA		Initiated Phase I/II trial in Jun 2022 and completed enrollment and preliminary data analysis for Phase I dose escalation and backfill; Expect to communicate with NMPA for registrational trial in 2026	Self-developed	Global	
MRX2843	MerTK/FLT3	Solid tumor								NMPA		Initiated Phase I trial in May 2020; To determine further development plan based on ongoing Phase I data	License-in	Greater China	Meryx[13]
		Acute myeloid leukemia										Initiated Phase I trial in Jun 2021; To determine further development plan based on ongoing Phase I data			
BPI-460372	TEAD	Solid tumor								NMPA, FDA		Initiated Phase I trial in Apr 2023 and completed enrollment and preliminary data analysis for both dose escalation and backfill; To follow up on ongoing Phase I data and determine further clinical development plan	Self-developed	Global	
CFT8919	EGFR Degrader	NSCLC								NMPA		Initiated Phase I trial in Nov 2024; Expect to complete the enrollment for dose escalation and backfill in 2026	License-in	Greater China	C4 Therapeutics[14]
BPI-221351	IDH1/2	Solid tumor								NMPA		Received IND approval in Mar 2024; To determine further clinical development plan	Self-developed	Global	
BPI-520105	pan-EGFR	Solid tumor								NMPA		Received IND approval in Mar 2024; To determine further clinical development plan	Self-developed	Global	
BPI-585771	KRAS	Solid tumor								NMPA		Preclinical; Expect to submit IND application in 2026Q3	Self-developed	Global	
BK-001	CD3/TT3	Solid tumor								NMPA		Preclinical; Expect to submit IND application in 2027	Self-developed	Global	
Balstilimab, Zalifrelimab	PD-1, CTLA-4	NSCLC, liver cancer								NMPA		Preclinical; To determine further clinical development plan	License-in	Greater China	agenus[15]

China U.S. and Europe Cooperation Partner Progress

Notes:

* Unless otherwise stated, "self-developed" products were internally discovered and developed by us.

** Icotinib was approved by the NMPA as postoperative adjuvant therapy in patients with stage II to stage IIIA NSCLC harboring EGFR-sensitive mutations in June 2021. In July 2026, we further received NMPA approval to conduct a real-world study of icotinib as postoperative adjuvant therapy in patients with high-risk stage IA2 to stage IB NSCLC harboring EGFR-sensitive mutations, which is intended to support the potential expansion of icotinib's approved indications to this patient population.

1. The NRDL 2025 refers to "National Basic Medical Insurance, Work-Related Injury Insurance, and Maternity Insurance Drug Catalog (2025)."

2. Greater China refers to Chinese Mainland, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and the Taiwan region.

3. BETA transferred the proprietary technologies and the right to file patent applications for icotinib in China as a capital contribution to our predecessor, Zhejiang Beta Pharma Inc., in 2003, and we have since internally developed icotinib through commercialization in China.

4. Ensartinib was jointly developed and is co-owned by us and our controlled subsidiary, Xcovery Holdings. Ensartinib was originally discovered and developed by Xcovery Holdings. We have been responsible for the preclinical and clinical development of ensartinib in China since we entered into a collaboration agreement with Xcovery Holdings in October 2014, and we started to take the full responsibility for developing ensartinib globally after we acquired the controlling stake in Xcovery Holdings in June 2017. Ensartinib was being evaluated in a Phase I clinical trial in China and the Phase III clinical trial in multiple jurisdictions in June 2017. For further details, please refer to "— Our Commercialized and Pipeline Products — Lung Cancer Pipeline — Ensartinib (Ensacove®/贝美纳), ALK TKI — Licenses, Rights and Obligations."

5. In March 2017, we obtained an exclusive license from Beijing Mabworks Biotech Co., Ltd. ("**Mabworks**") to develop, manufacture and commercialize bevacizumab injection (贝安汀®) (MIL60) in Chinese Mainland, Hong Kong, Taiwan and Macau. For further details of the collaboration and our R&D activities after the in-licensing, see "— Our Business Development — Collaboration Agreement with Mabworks on MIL60" and "— Our Research and Development."

6. In December 2018, we entered into a collaboration agreement with InventisBio Co., Ltd. ("**InventisBio**") to have exclusive rights for research, development, manufacturing and commercialization of befotertinib in Chinese Mainland, Hong Kong, and Taiwan. Based on this agreement, we will also co-own certain intellectual property rights of befotertinib with InventisBio. For further details of the collaboration and our R&D activities after the in-licensing, see "— Our Business Development — Collaboration Agreement with InventisBio on Befotertinib" and "— Our Research and Development."

7. Vorolanib was jointly developed and is co-owned by us, our wholly-owned subsidiary, Anew Pharmaceuticals, and our controlled subsidiary, Equinox Science, LLC ("**Equinox**"). Vorolanib was originally discovered and developed by Tyrogenex Inc. ("**Tyrogenex**"), which out-licensed the rights to develop vorolanib in the fields of oncology and ophthalmology in China to Anew Pharmaceuticals in 2009 and 2013, respectively. We acquired Anew Pharmaceuticals in June 2017 and vorolanib was in the Phase II trial in combination with everolimus for the treatment of RCC and Phase I trial in wAMD in China at that time. After the acquisition, we became responsible for conducting and advancing those two ongoing clinical trials in China. In 2017, we and Tyrogenex established a 50:50 joint venture, namely Equinox, to which Tyrogenex assigned its rights to vorolanib outside China. We acquired the other 50% of shares in Equinox in October 2017. Vorolanib had not entered into clinical development outside China when we acquired Equinox. For further details, please refer to "— Our Commercialized and Pipeline Products — Products and Pipeline Candidates in Other Malignant Tumor Fields — Vorolanib (伏美纳®), VEGFR/PDGFR Inhibitor."

8. In May 2025, we entered into a comprehensive collaboration with BioRay Pharmaceutical Co., Ltd. ("**BioRay**") with a "trastuzumab-pertuzumab combo" framework, under which BioRay appointed us as the exclusive master distributor for its trastuzumab injection, as well as granted us the exclusive rights to commercialize pertuzumab injection, both across Chinese Mainland, Hong Kong, Macau and Taiwan. See "— Our Business Development — Collaboration with BioRay."

9. In September 2024, we entered into a regional exclusive distribution agreement with Wuhan Healthgen Biotechnology Corp. ("**Healthgen**"), pursuant to which Healthgen appoints us as the exclusive distributor for recombinant human albumin injection (rice) (奥福民®) (HY1001) in certain regions in Chinese Mainland. For further details, see "— Our Business Development — Regional Exclusive Distribution Agreement with Healthgen for Recombinant Human Albumin Injection (Rice)."

10. In November 2025, we entered into a business collaboration agreement with Jiangsu Gensciences Inc. ("**Gensciences**"), pursuant to which Gensciences appointed us as the exclusive master distributor for FRSW117 in Chinese Mainland, Hong Kong, Macau and Taiwan.

11. In February 2020, we granted EyePoint Pharmaceuticals, Inc. (now EyePoint, Inc.) ("**EyePoint**") an exclusive license to develop and commercialize vorolanib for the prevention or treatment of AMD, RVO and DR outside Greater China, which was later expanded to cover all ophthalmology indications pursuant to an amendment in May 2022. In May 2022, EyePoint also granted us an exclusive license to develop and commercialize EYP-1901, a long-acting anti-VEGF intravitreal implant with vorolanib as the active ingredient, for ophthalmolog indications within Greater China. For further information, see "— Our Business Development — Collaboration with EyePoint." For details of EYP-1901's clinical progress, see "— Our Commercialized and Pipeline Products — Non-Neoplastic Diseases Pipeline — DURAVYU™ (EYP-1901), Sustained-Release Vorolanib Formulation."

12. In December 2018, we obtained an exclusive license from Merus N.V. ("**Merus**") to develop and commercialize MCLA-129 in Chinese Mainland, Hong Kong and Macau. Merus retains all rights to MCLA-129 outside of these regions. For further details of the collaboration and our R&D activities after the in-licensing, see "— Our Business Development — Collaboration and License Agreement with Merus on MCLA-129" and "— Our Research and Development."

13. In July 2017, we obtained an exclusive license from Meryx, Inc. to develop, manufacture and commercialize MRX2843 in Chinese Mainland, Hong Kong, Taiwan and Macau. In December 2021, Xcovery Holdings, our subsidiary, announced the acquisition of a controlling interest in Meryx, Inc. For further details of the collaboration, the acquisition and our R&D activities after the in-licensing, see "— Our Commercialized and Pipeline Products — Products and Pipeline Candidates in Other Malignant Tumor Fields — MRX2843, Small-Molecule MerTK/FLT3 Dual Inhibitor — Licenses, Rights and Obligations" and "— Our Research and Development."

14. In May 2023, we entered into a license and collaboration agreement with C4 Therapeutics, Inc. ("**C4 Therapeutics**"), pursuant to which we were granted to an exclusive license to develop, manufacture and commercialize CFT8919 in Chinese Mainland, Hong Kong, Macau, and Taiwan. For further details of the collaboration and our R&D activities after the in-licensing, see "— Our Business Development — License and Collaboration Agreement with C4 Therapeutics for CFT8919" and "— Our Research and Development."

15. In June 2020, we obtained an exclusive license from Agenus Inc. ("**Agenus**") to develop and commercialize balstilimab and zalifrelimab in Chinese Mainland, Hong Kong, Macau and Taiwan. For further details of the collaboration and our R&D activities after the in-licensing, see "— Our Business Development — License and Collaboration Agreement with Agenus on Balstilimab and Zalifrelimab" and "— Our Research and Development."

16. Pursuant to our collaboration arrangements with InventisBio, we can share certain percentage of the economic rights of befotertinib's sales outside Chinese Mainland, Hong Kong and Taiwan. See "— Our Business Development — Collaboration Agreement with InventisBio on Befotertinib" for further details.

17. Distribution right only.

Betta's Repeatable Growth = Commercialization × R&D × BD × Ecosystem

At the heart of our sustained growth lies a proven, integrated business model that connects commercialization, research and development (R&D), business development (BD), and ecosystem engagement. This model creates a virtuous cycle where each pillar reinforces the others: our commercial insights inform clinical strategy, our R&D and commercial excellence attracts strategic partners, our BD capabilities lead us to new modalities, and our innovation ecosystem accelerates pipeline expansion.

Proven commercialization platform. We have built a scaled, proven commercialization engine that integrates medical affairs, academic promotion, market access, and execution excellence. Since launching our first innovative drug in 2011, we have recruited core commercial talents from multinational pharmaceutical companies and adopted a strategy that combines academic branding with scientific collaboration. We also proactively participated in China's inaugural NRDL negotiations in 2015, strengthening patient access and payer reach for innovative medicines. Our commercial infrastructure comprises over 1,100 professionals across 30 provinces under an interactive network model, extensive sales network coverage of over 3,000 tertiary and key secondary hospitals and 1,500 pharmacies, and strategic partnerships with leading distributors. Leveraging this platform, icotinib, China's first domestically-developed EGFR TKI, has generated more than RMB18 billion in cumulative sales and remains the only first-generation EGFR TKI that still competes head-to-head with third-generation agents through sustained lifecycle management and multiple indication expansions. Similarly, ensartinib, despite entering a competitive ALK inhibitor market, achieved rapid uptake to become a top-three ALK therapy in China within five years of launch. From 2023 to 2025, ensartinib's sales grew at a CAGR of 43.3%. In December 2024, it further received marketing approval from the FDA, marking a historic milestone as the first domestically developed lung cancer targeted therapy from China to gain U.S. regulatory approval. Beyond small molecules, strategic in-licensing has expanded our capabilities into biologics, exemplified by bevacizumab injection's annual sales at a CAGR of 52.8% between 2023 and 2025, and we have further extended our footprint into breast cancer biologics through partnerships.

Strategic R&D engine. Our R&D system combines patient-centric clinical value with platform-driven innovation anchored by the Betta Institute for Biomedical Research (貝達研究院). Supported by a team of 288 professionals as of June 30, 2026, including 29 PhDs and several senior specialists, we advance clinical programs through a disciplined, closed-loop process spanning target selection, discovery, translational validation, and clinical development. In recent years, we have intensified resource allocation toward high-priority programs and unmet clinical needs, while actively integrating emerging technologies and exploring new targets and therapeutic areas. We have established four technology platforms, including an advanced small-molecule targeted drug platform, GlueOnX (molecular glue platform), DegradoX (PROTAC degrader platform), and AlbuVive (albumin-based therapeutics platform), to prosecute challenging targets and expand modality reach. Our AI-assisted modeling approach constructs an initial target pool for discovery and evaluation, as well as molecular structure assessment, followed by wet-lab validation to iteratively refine and update the AI models. This integrated workflow boosts R&D efficiency while opens new therapeutic space. Meanwhile, we rigorously evaluate each candidate's commercial viability, development risk, competitive landscape, and market size, with the goal of building a balanced portfolio.

Expanding strategic partnerships. Strategic collaboration has become a cornerstone of our growth strategy, enabling efficient pipeline expansion and global integration. Our business development team constantly engages with top-tier pharmaceutical companies worldwide, evaluating numerous innovative drug programs across modalities including small molecules and biologics. Over the past years, we have forged partnerships with multiple well-known pharmaceutical companies, comprising Mabworks, InventisBio, BioRay, Healthgen, EyePoint, Merus, C4 Therapeutics, and Gensciences, in the areas of patent licensing and/or transfer, clinical development, and marketing and distribution. Through targeted licensing, co-development, and equity investment, we have accelerated the enrichment of our pipeline across oncology and other promising therapeutic areas. Notable collaborations include securing exclusive rights to develop and commercialize MCLA-129 from Merus in Chinese Mainland, Hong Kong, and Macau; introducing CFT8919 from C4 Therapeutics to expand into EGFR TKI-resistant lung cancer; and partnering with EyePoint for exclusive rights to develop and commercialize EYP-1901 in Greater China, signaling our formal entry into ophthalmology field.

Scalable innovation ecosystem. Complementing our BD strategy is a robust innovation ecosystem built around our core platforms, Betta Industry Fund (貝達產業基金) and Betta Dream Works (貝達夢工場). This ecosystem fuels sustained business expansion by linking top-tier scientific talent, emerging technologies, and unmet clinical needs. Through equity investment and strategic incubation, we collaborate with companies such as Healthgen (禾元生物), ReproGenix (瑞普晨創), and E-nitiateBio (啟元生物), enabling rapid translation of lab-stage innovations into clinical-stage assets. Betta Dream Works provides a systematically managed biomedical innovation hub, integrating Good Manufacturing Practice (GMP)-standard labs, shared infrastructure, and expert advisory networks to support over 50 companies in the healthcare industry. This distinctive model is designed to foster collaborations that are mutually beneficial, where our ecosystem partners offer potential strategic assets to further strengthen our pipelines, while our industrial platform accelerates the success of our collaborators.

Expanding Global Footprint

We are accelerating our global footprint through landmark regulatory and commercial achievements. In December 2024, ensartinib received FDA approval for first-line NSCLC, marking our inaugural product launch in the U.S. market. Ensartinib stands as the first China-originated small-molecule targeted lung cancer therapy that has achieved global commercialization and is included in the U.S. National Comprehensive Cancer Network (NCCN) Clinical Practice Guidelines, reinforcing its clinical value and supporting broader adoption across oncology centers. Building on this momentum, we initiated the European regulatory pathway in February 2025 by submitting a letter of intent to the European Medicines Agency (EMA) for the same indication, and subsequently submitted an NDA in November 2025. These steps reflect our commitment to addressing unmet medical needs globally and advancing high-impact therapies across major healthcare systems.

In parallel with our oncology focus, we have fast-tracked entry into the global ophthalmology arena and exported internally developed assets, through a bidirectional partnership with EyePoint, validating our "bring-in, go-out" globalization model. We secured exclusive rights to develop and commercialize EYP-1901 in Greater China in May 2022, while out-licensing ophthalmic rights to our internally developed vorolanib to EyePoint outside Greater China in February 2020, thereby pioneering an integrated "technology-in, asset-out" arrangement that unlocks a high-value ophthalmology market and supports future overseas commercialization.

Solid Financial Performance

Since our inaugural product launch in 2011, we have consistently maintained a profitable trajectory. Our total revenue increased from RMB2,456.2 million in 2023 to RMB3,609.3 million in 2025, representing a CAGR of 21.2%. Our total revenue increased by 14.1% from RMB1,731.4 million in the six months ended June 30, 2025 to RMB1,975.9 million in the six months ended June 30, 2026. Additionally, our adjusted EBITDA (non-IFRS measure) increased from RMB653.8 million in 2023 to RMB1,080.4 million in 2025, representing a CAGR of 28.6%. Our adjusted EBITDA (non-IFRS measure) increased by 33.9% from RMB515.0 million in the six months ended June 30, 2025 to RMB689.5 million in the six months ended June 30, 2026. For more information of adjusted EBITDA (non-IFRS measure), please refer to "Financial Information — Non-IFRS Financial Measures." We continue to demonstrate strong cost discipline and operational efficiency. Operating expenses are effectively managed, reflecting our marketing productivity and organizational rigor. Our cash flow generation is particularly strong. Our net profit cash conversion ratio exceeds 200% in each of 2023, 2024 and 2025, indicating high-quality earnings and providing a solid financial foundation to support sustainable growth.

We will continue to advance and commercialize our drug portfolio while strengthening our fully-integrated capabilities. We believe that these efforts will allow us to maintain and solidify our leadership position in China's innovative biopharmaceutical industry, to support our mission to deliver innovative therapies with superior efficacy, safety and affordability, to continuously improve patients' survival rate and quality of life, and to eventually realize our vision of becoming a China-based, world-leading innovative biopharmaceutical company.

OUR COMPETITIVE STRENGTHS

Key Player of Innovative Drug R&D in China, Achieving Successful Transformation from an Innovation-driven Biotech Company to a Profitable Biopharmaceutical Company

We are one of the very few biopharmaceutical companies in China that possess comprehensive end-to-end capabilities in Category 1 innovative drug R&D, manufacturing, and commercialization. From an initial focus on a single product in one indication, we have progressively evolved into a diversified innovative drug company across multiple therapeutic areas, including oncology, ophthalmology, hematologic diseases, and beyond. Today, we boast an expansive pipeline of nine commercialized drugs and over ten drug candidates. Since our inaugural product launch in 2011, we have remained consistently profitable, demonstrating our strong earning power and resilience in sustainable growth. As a pioneer in China's innovative drug industry, we remain the only pharmaceutical company focusing on chemical drugs honored with the National Science and Technology Progress Award First Prize. Our first commercialized product, icotinib, was the only domestically developed innovative drug selected for China's first national NRDL price negotiation.

Strong and Iterative Commercialization Fueling Growth

Our strong and iterative commercialization capabilities form a key driver of our success. We have cultivated a close integration between our commercialization and R&D teams, enabling the continuous feedback of real-world clinical needs and efficacy data to improve product lifecycle management and guide post-marketing research. In advanced lung cancer targeted therapy, we lead the industry in product lifecycle coverage and patient populations reach. Our commercialization team of over 1,100 professionals operates nationwide across more than 30 provinces, partnering with leading distributors in China to cover over 3,000 tertiary and key secondary hospitals and establishing an extensive sales network. We also maintain close, in-depth engagement with numerous key opinion leaders and clinical experts, which has endowed us with a differentiated advantage in academic promotion and market influence.

Pioneering Comprehensive Lung Cancer Therapies with Potential Best-in-Class Pipeline Assets

We have dedicated 23 years to pioneering innovative oncology therapies, building a differentiated pipeline with potential best-in-class assets that span diverse targets, modalities, and patient populations. We are the only domestic company with such comprehensive coverage in lung cancer, featuring three approved oral TKIs — icotinib, ensartinib, and befotertinib — plus one biologic, bevacizumab injection. Collectively, these agents address multiple EGFR-mutant and ALK-positive late-stage, metastatic, or relapsed NSCLC indications. Notably, the first- and second-line use of each of these three small-molecule therapies, as well as the adjuvant postoperative indication for icotinib, have been included in the China's NRDL, benefiting a growing number of patients nationwide.

Icotinib, China's first domestically developed EGFR TKI, captured a staggering 75% market share among first-generation EGFR inhibitors in 2025 and has sustained annual sales of over RMB1 billion for ten consecutive years since 2016 through ongoing lifecycle management. Ensartinib is China's first domestically developed innovative drug for advanced ALK-positive NSCLC and the first and only homegrown ALK TKI to enter overseas markets; it is also included in the U.S. NCCN guidelines. In 2025, ensartinib held nearly 15% of China's ALK-inhibitor market, ranking among the top three.

We hold one of the broadest pipeline layout globally among companies focused on driver-gene-positive lung cancer. We have also strategically expanded into immunotherapy and are exploring combination regimens and novel modalities for lung cancer treatment. Building on our strong lung cancer expertise, we are extending R&D efforts into other tumor types harboring similar mutations, such as MET alterations in head and neck, gastrointestinal cancers and RAS/KRAS mutations in colorectal and pancreatic cancers. Vertically, we have applied our ALK, EGFR-mutant NSCLC strategy across the full disease continuum — from first- and second-line treatment in advanced settings to adjuvant therapy in early-stage disease — ensuring seamless patient management from diagnosis through drug resistance.

Expanding Impact Through Integrated Innovation and Strategic Partnerships Across Major Therapeutic Areas

We have consistently expanded our product pipeline and built a robust moat in major therapeutic areas with significant unmet clinical needs and broad market potential, such as breast cancer, renal cancer, ophthalmology, and hematological diseases.

In breast cancer, we have established a strong presence with three approved products . Tibremciclib, our internally developed CDK4/6 inhibitor, received NDA approval from the NMPA in June 2025 for locally advanced or metastatic breast cancer. Additionally, through a strategic partnership with BioRay, we hold exclusive rights to distribute and commercialize trastuzumab injection, the second trastuzumab biosimilar approved in China, and in-licensed exclusive rights to pertuzumab injection in Greater China, which was recently approved as the third pertuzumab biosimilar in China. The dual-target "T-P" regimen (trastuzumab+pertuzumab), with its validated efficacy and survival benefits, has now become a guideline-endorsed standard of care in HER2-positive breast cancer. In renal cancer, our wholly owned VEGFR inhibitor vorolanib received NDA approval from the NMPA in June 2023 and was included in the NRDL by the end of 2023. As the first indigenous new molecular entity in advanced renal cell carcinoma (RCC), vorolanib shattered the import monopoly and earned the highest level (Grade I) recommendation as a second-line standard of care in the CSCO guidelines.

Our R&D and commercial capabilities have attracted partners domestically and internationally, fostering an innovation ecosystem that efficiently expands our portfolio beyond oncology. Through diversified collaborations, such as investment, platform incubation, technology in-licensing or acquisition, and marketing and distribution partnerships, we have tapped into new promising therapeutic areas. Specifically, in non-neoplastic diseases, we invested in and partnered with Healthgen to secure exclusive distribution rights for recombinant human albumin (rice) injection across certain regions in China. Approved by the NMPA in July 2025 for hypoalbuminemia in cirrhosis, this product notably addresses China's massive import reliance in its class. We were also granted exclusive master distribution rights for FRSW117, a PEGylated recombinant FVIII Fc fusion protein candidate for the treatment of hemophilia A in Greater China by Gensciences. In ophthalmology, we established a bidirectional partnership with EyePoint: we granted EyePoint an exclusive license to develop and commercialize vorolanib for ophthalmology indications using EyePoint's proprietary localized delivery technologies outside Greater China; EyePoint has, in turn, granted us an exclusive license to develop and commercialize EYP-1901 in ophthalmology indications within Greater China.

Shaping Global Oncology Standards through Guideline Integration and Academic Leadership

We have championed the integration of China-originated innovator drugs into internationally recognized oncology guidelines, establishing our capacity to shape global standards. For example, ensartinib has been incorporated in the NCCN Guidelines, underscoring a landmark breakthrough for a domestically developed molecule in international oncology protocols; tibremciclib has been incorporated into authoritative guidelines such as those from the CSCO; and vorolanib earned the highest "Grade I" recommendation in the CSCO guidelines. Through sustained investment in real-world evidence studies, postoperative adjuvant therapy exploration, and combination therapy strategies, we continuously generate solid clinical data that underpin updates to clinical guidelines, further cementing our influence in industry standard-setting.

Concurrently, we have built formidable academic influence through high-quality research in innovative oncology therapeutics, laying a solid foundation for clinical adoption, market expansion, and global reach. Since launch, icotinib has been the focus of extensive, systematic clinical studies, with observed results published in leading peer-reviewed journals and presented annually at American Society of Clinical Oncology (ASCO), World Conference on Lung Cancer (WCLC), and European Society for Medical Oncology (ESMO). As of the Latest Practicable Date, there were 280 SCI-indexed papers related to icotinib, of which 14 have impact factors exceeding 10, culminating in a total impact factor of 1,229.85. Likewise, ensartinib's potential has been rigorously explored through real-world studies and investigator-initiated trials, yielding 97 SCI-indexed papers (total impact factor 604.53) and multiple presentations at WCLC, American Association for Cancer Research (AACR), ASCO, and ESMO. Our other flagship agents also contribute high-caliber evidence on international platforms. Notably, bevacizumab injection's Phase III clinical data was

presented at the ESMO Annual Meeting and published in *The Lancet Respiratory Medicine* sub-journal. Befotertinib (Surmana®/赛美纳®), as a third-generation EGFR inhibitor, has been featured at AACR, WCLC, and ESMO Asia conferences, while vorolanib (伏美纳®)'s research spans renal cancer and ophthalmic indications, with presentations at AACR, ASCO, and WCLC. Collectively, these three products have yielded 36 SCI-indexed papers with a cumulative impact factor exceeding 200, underscoring the international recognition of our innovative drug development.

Expanding Global Reach through Innovative Product Launches

Our capacity for global commercialization has particularly been validated by ensartinib, the first and only China-originated ALK TKI and lung cancer-targeted small molecule therapy to enter the global market. Following its commercial launch in the U.S. in August 2025, we further extended our reach in Europe by submitting an NDA for ensartinib's first-line indication to the EMA in November 2025. In parallel, in collaboration with EyePoint, we secured exclusive rights to develop and commercialize EYP-1901 in Greater China in May 2022. With EyePoint advancing Phase III trials overseas and planning for initial marketing approval in the U.S., we are evaluating the subsequent clinical development and registration strategy in China.

Comprehensive and Mature End-to-End Innovation and Execution Capabilities

At the core of our R&D capabilities is Betta Institute for Biomedical Research (貝達研究院), a leading domestic drug development platform. As of June 30, 2026, our R&D talent pool consists of 288 professionals, of whom 45.8% hold master's or above degrees, including 29 PhDs. The key R&D functions are supported by several internationally recognized experts, positioning us among the top talent reserves in China's innovative drug development landscape.

We integrate AI-assisted drug screening and optimization technologies to enhance R&D efficiency and increase the probability of success (PoS) of candidate molecules. Our efficient clinical execution prioritizes key projects to rapidly advance promising drug candidates toward market entry, while also driving post-marketing studies and indication expansions. For example, our clinical design for ensartinib's adjuvant therapy trial makes us the first domestic company to enter this indication, with a number of indication-expansion studies now underway. Likewise, since launching icotinib, we have initiated more than 120 clinical studies that have underpinned its broad uptake and extended its product lifecycle. Moreover, we boast proven expertise in conducting global multicenter clincial trials, exemplified by the pivotal eXalt3 study for ensartinib. Led by our subsidiary Xcovery Holding, this trial enrolled 290 patients across 120 sites in 21 countries and regions (including 140 patients in China), ensuring both global representativity and Asian-specific insights. eXalt3 established a reusable core competency system, including standard operating procedures (SOPs) for global multi-center studies, cross-regional ethics review coordination, and global supply chain management, which provides a cost-efficient, mature model to accelerate the internationalization of our subsequent pipeline products.

On the manufacturing front, we maintain a mature, GMP-compliant production and quality management system that engages our teams from early R&D through commercial supply. We have consistently upheld rigorous product quality standards for over a decade with no reported issues, for which we were awarded the Quality Management Innovation Prize by the People's Government of Zhejiang Province (浙江省人民政府質量管理創新獎). Our two manufacturing facilities in Hangzhou and Shengzhou feature advanced API and solid-dosage production lines/fully automated, smart production lines, providing ample capacity to produce high-quality medicines at scale and meet growing global demand.

Established Commercialization Infrastructure with Proven Track Record and Integrated with Our Clinical Development Capabilities

We have established a powerful and highly efficient commercialization platform that works in close concert with our clinical development functions, enabling us to drive sustained commercial success and maximize product value. Icotinib particularly demonstrates the strength of this model from launch through lifecycle expansion. Although introduced after competing EGFR TKIs from multinational biopharmaceutical companies, icotinib had overtaken its peers to become China's

best-selling first-generation EGFR TKI and one of the country's top-selling oncology drugs by 2015. Since its launch, icotinib has generated more than RMB18 billion in cumulative sales and remains the only first-generation EGFR TKI that still competes head-to-head with third-generation EGFR TKIs in market sales.

A key driver of our growth trajectory has been an adaptive commercialization strategy, bolstered by robust academic promotion and a commitment to affordable drug pricing. Icotinib (Conmana®/凯美纳®) was the only homegrown innovative drug selected for China's inaugural national drug-price negotiations in May 2016. By February 2017, it secured inclusion in the NRDL as the sole domestically developed innovative cancer drug in that round, which significantly expanded its market share to over 5.4% in 2017. Following the NMPA approval of its postoperative adjuvant indication in June 2021 and subsequent NRDL inclusion in December 2021 — filling a critical gap for reimbursed post-surgical oral targeted therapies — icotinib' market share further expanded to over 12.6%.

Our commercialization team closely collaborates with clinical development functions to drive product lifecycle management and long-term commercial sustainability. By translating real-world feedback into research protocols, we continuously expand indications and deepen product value. Since icotinib's launch, we have collected extensive clinical data validating its efficacy and safety profiles, which has highlighted advantages such as a wide therapeutic window and supported further research into brain metastases, elderly tolerance, and dose escalation. These efforts culminated in adjuvant indication approval and now extend into early-stage populations. As of June 30, 2026, we have gathered clinical and real-world data from over 250,000 patients (some treated for over five years), providing invaluable clinician guidance and reinforcing icotinib's sustained market share.

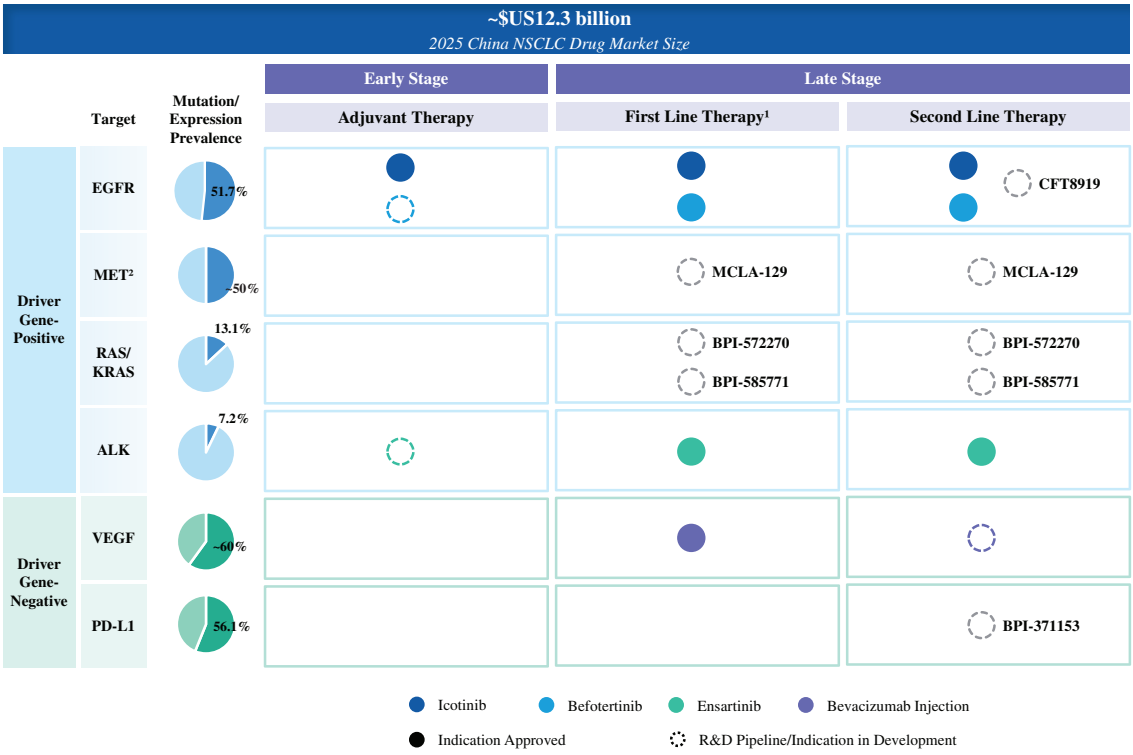
This proven and iterative commercialization engine is powered by a scaled team of over 1,100 professionals across more than 30 provinces and municipalities, and longstanding partnerships with multiple leading domestic distributors. Our sales network reaches over 3,000 tertiary and key secondary hospitals and 1,500 retail pharmacies, with hospital network extending deep coverage across core clinical departments. The team integrates expertise from multinational and innovative pharmaceutical companies across functions including market access, academic affairs, and sales, enabling rapid response to market and clinical needs.

Our commercialization platform enables repeatable success across subsequent launches through academic-driven engagement and disciplined execution. For example, ensartinib built early awareness around its second-line indication via pre-launch KOL collaboration and, following first-line approval in 2022, delivered a 43.3% sales CAGR from 2023 to 2025 — far outpacing competing products. Similarly, bevacizumab injection achieved rapid market penetration despite lacking first-mover advantage, posting a sales CAGR of 52.8% between 2023 and 2025.

Overall, our market-validated commercialization platform — characterized by deep clinical integration, social responsibility, an extensive sales network, and academic-driven engagement — allows us to efficiently launch innovative therapies and achieve predictable commercial success. Our strong commercialization capability also makes us a preferred partner for domestic and international collaborators seeking to maximize the commercial and clinical impact of their novel drug candidates.

Broad Pipeline Assets Focused on Lung Cancer Area, Supported by Strategic Product Lifecycle Management

We have built a deep and comprehensive pipeline in lung cancer targeted therapy, supported by our strong capability in full product lifecycle management. Our portfolio covers virtually all of the most prevalent oncogenic drivers for lung cancer, from EGFR and ALK to emerging targets such as MET and RAS, and spans all disease stages, from early to advanced. For patients without actionable mutations, we provide immuno-oncology and anti-angiogenic agents for full-spectrum care. Moreover, we are actively exploring synergistic combination regimens involving multiple drug modalities. Our research efforts have expanded beyond small molecules to include advanced modalities such as monoclonal antibodies and bispecific antibodies, underscoring our commitment to innovative, integrated treatment solutions that maximize therapeutic benefit across the entire disease continuum.



Notes:

1. In the treatment of EGFR-mutated NSCLC, there is a growing trend to use first-generation EGFR TKIs not only as first-line monotherapies, but also as part of sequential treatment strategies to manage resistance and ultimately prolong OS.

2. MET pathway alterations include MET exon 14 skipping, MET gene amplification, and MET protein overexpression.

For patients with driver-gene-positive lung cancer, we have developed a comprehensive product portfolio targeting high-frequency mutation sites. These products have achieved commercialization across multiple treatment stages and continue to deepen their clinical application through combination therapies and adjuvant post-surgical treatments.

- **Icotinib (Conmana®/凯美纳®, EGFR TKI)** is the first domestically developed small-molecule targeted cancer drug in China and the first and only domestically developed first-generation EGFR TKI approved in China for postoperative adjuvant treatment of early-stage NSCLC. It also covers first-line treatment for EGFR-positive NSCLC patients and second-line treatment for those who have previously undergone chemotherapy. The drug is included in the NRDL for all of its indications and remains the only first-generation EGFR TKI that still competes head-to-head with third-generation agents of its class.

- **Ensartinib (Ensacove®/贝美纳®, ALK TKI)** is the first and only domestically developed ALK TKI from China to be successfully launched overseas, and notably, the first domestically developed small-molecule targeted therapy for lung cancer to achieve global market entry. It is indicated for patients with advanced ALK-positive NSCLC. In 2025, ensartinib captured nearly 15% of China's ALK inhibitor market, ranking among the top three products in its class and demonstrating robust market competitiveness.

- **Befotertinib (Surmana®/赛美纳®, EGFR TKI)** is a domestically developed third-generation EGFR TKI, offering a novel treatment option for patients with advanced NSCLC harboring EGFR mutations. Befotertinib delivers remarkable survival benefits and an excellent safety profile.

- **CFT8919 (allosteric BiDAC™ degrader)** is a clinical-stage, orally bioavailable allosteric BiDAC™ degrader that is designed to potently and selectively degrade EGFR bearing the oncogenic L858R mutation. We are currently evaluating CFT8919 in its ongoing Phase I clinical trial.

  Beyond these drugs and drug candidates, our lung cancer pipeline also features candidates targeting c-MET and RAS. These targeted agents are designed to broaden treatment indications and overcome resistance. For more information, see "— Our Competitive Strengths — Leveraging proven R&D strength to build a diversified pipeline matrix across oncology and other urgent-need diseases."

For patients with driver-gene-negative lung cancer, we implement a differentiated approach by leveraging our expertise in the lung cancer field as an entry point to expand into pan-cancer targets and continually advance our proprietary immunotherapies.

- **Bevacizumab injection (贝安汀®, anti-VEGF antibody)** is our third approved lung cancer-targeted therapy and demonstrates bioequivalence to Roche's originator product, Avastin®. As our first approved large-molecule biologic, bevacizumab injection represents a key milestone in our evolution from small molecules into biologics and in our expansion from lung-cancer therapies into a broader solid-tumor portfolio. Notably, the integration of bevacizumab with EGFR TKIs as first-line treatment for NSCLC has shown significant clinical benefit based on publicly reported data.

- **BPI-371153 (small-molecule PD-L1 inhibitor)** is a novel molecular-entity compound developed in-house. It represents a new class of potent, highly selective oral small-molecule PD-L1 inhibitors and is currently being evaluated in a Phase Ib clinical trial. BPI-371153 has the potential to become one of the world's first approved oral small-molecule PD-L1 inhibitors.

For details of our drugs and drug candidates, see "— Our Commercialized and Pipeline Products."

Leveraging Proven R&D Strength to Build a Diversified Pipeline Matrix Across Oncology and Other Urgent-need Diseases

Beyond lung cancer, we are strategically expanding into additional oncology domains and other major diseases with clear commercial potential. Our pipeline covers broad therapeutic areas including malignant tumors with breast cancer, kidney cancer, colorectal cancer, and pancreatic cancer as the lead indication cluster, hematologic diseases, and ophthalmology, spanning small-molecule targeted agents, large-molecule biosimilars, and biological products.

Various Malignant tumors Beyond Lung Cancer (Breast Cancer-led Innovative Pipeline)

While lung cancer remains the bedrock of our development strategy, we are actively expanding across additional oncology indications. Our diverse portfolio of late-stage clinical candidates has demonstrated compelling efficacy as monotherapies, and exhibits substantial promise for synergistic combination regimens targeting a spectrum of malignant tumors.

- **Vorolanib (伏美纳®, VEGFR/PDGFR inhibitor)** is a multi-target receptor tyrosine kinase inhibitor with potent inhibitory activity against VEGFR2, KIT, PDGFR, FLT3 and RET. It ranks as China's first domestically developed, IP-protected targeted therapy approved for renal cell carcinoma and is a Class I recommendation as a standard second-line therapy for advanced renal cancer in the CSCO guidelines.

- **Trastuzumab injection (Anruize®/安瑞泽®, anti-HER2 antibody)** is a biosimilar drug to trastuzumab (Herceptin®) developed by our partner BioRay. We serve as the exclusive distributor of this product in Greater China. Anruize® is indicated for HER2-positive metastatic breast cancer, early breast cancer, and metastatic gastric cancer and is the second trastuzumab biosimilar approved in China.

- **Pertuzumab injection (贝泽汀®, anti-HER2 antibody)** is a biosimilar drug to pertuzumab (Perjeta®) developed by our partner BioRay. As part of our collaboration with BioRay, we have in-licensed the exclusive rights to pertuzumab injection in Greater China. Indicated for the treatment of early-stage and metastatic breast cancer, pertuzumab injection is the third pertuzumab biosimilar approved in China.

- **Tibremciclib (康美纳®, CDK4/6 inhibitor)** is a wholly self-developed small-molecule inhibitor of CDK4/6 featuring a novel chemical scaffold. Tibremciclib was approved for marketing by the NMPA in June 2025 and its Phase III results were recently published in *JAMA Oncology*. In combination with fulvestrant, it is indicated for adult patients with HR-positive, HER2-negative locally advanced or metastatic breast cancer who have progressed on prior endocrine therapy.

- **MCLA-129 (EGFR/c-MET bispecific antibody)** is a humanized, bispecific antibody that targets both EGFR and c-MET. We are systematically exploring MCLA-129's pan-tumor potential in solid malignancies marked by c-MET dysregulation. Key indications under evaluation include NSCLC, HNSCC, and colorectal cancers, all of which frequently exhibit c-MET aberrations.

- **BPI-452080 (small-molecule HIF-2α inhibitor)** is our self-developed oral small-molecule inhibitor of HIF-2α, targeting tumors associated with VHL syndrome and other solid tumors such as renal cell carcinoma, pheochromocytoma, and pancreatic neuroendocrine tumors. Currently in Phase I/II clinical development, BPI-452080 is one of the first agents of its class to enter clinical trials in China.

- **BPI-460372 (small-molecule TEAD inhibitor)** is our self-developed small-molecule inhibitor targeting TEAD, a transcriptional effector in the Hippo signaling pathway, for the treatment of advanced solid tumors. As of the Latest Practicable Date, no TEAD-targeted drug had been approved globally.

- **BK-001 (antibody and oncolytic virus combination therapy)** embodies our innovative cancer treatment approach that combines an antibody with an oncolytic virus and is currently in the preclinical stage. BK-001 offers a promising new therapeutic option for cancer patients, especially those who are resistant to or have limited options with current treatments.

- **BPI-572270 (pan-RAS molecular glue inhibitor)** is a highly potent, orally-administered pan-RAS molecular glue inhibitor currently under Phase I clinical development. According to Frost & Sullivan, no pan-RAS inhibitor has received regulatory approval as of the Latest Practicable Date. BPI-572270 holds promise for treating multiple RAS-mutant cancers including pancreatic cancer and NSCLC.

- **BPI-585771 (multi-KRAS mutant PROTAC molecule)** is a PROTAC molecule designed to target and degrade multiple KRAS mutations with novel mechanism of action. According to Frost & Sullivan, only two small-molecule pan-KRAS degrader with publicly disclosed data has entered the clinical stage as of the Latest Practicable Date.

- **MRX2843 (small-molecule MerTK/FLT3 dual inhibitor)** is an oral small-molecule MerTK/FLT3 dual inhibitor obtained through strategic collaboration, for the treatment of acute myeloid leukemia and advanced solid tumors, currently in Phase I clinical development. As of the Last Practicable Date, there is no clinical-stage or approved therapies globally that simultaneously target MerTK and FLT3.

- **BPI-221351 (mutant-selective dual IDH1/IDH2 small-molecule inhibitor)** is an innovative, potent, and highly selective small-molecule dual inhibitor of mutant IDH1 and IDH2, developed in-house with full intellectual property rights. It is intended for the treatment of advanced solid tumors harboring IDH1 and/or IDH2 mutations, such as glioma and cholangiocarcinoma. As of the Latest Practicable Date, there is only one approved dual IDH1/IDH2 inhibitor on the market.

We are also exploring other emerging targets with huge clinical and commercial potential. For example, approximately 50% of cancers harbor mutations in the *TP53* gene, resulting in the loss of its tumor suppressor function. Reactivating mutant p53 to restore its tumor-suppressive activity has been a longstanding challenge in oncology. Leveraging AI technologies, we are developing a novel small-molecule activator capable of reactivating multiple p53 mutants and has identified lead compounds with near-submicromolar activity.

Non-Neoplastic Diseases

We also focus on non-oncology indications where innovation meets supply resilience and public-health need.

- **Recombinant human albumin injection (rice) (奥福民®)** is a recombinant human serum albumin (rHSA) developed by our partner Healthgen, approved by the NMPA in July 2025 for the treatment of hypoalbuminemia (≤30 g/L) caused by liver cirrhosis. In partnership with Healthgen, we hold exclusive distribution rights in certain regions in China for this product.

- **PEGylated recombinant FVIII Fc fusion protein for injection (FRSW117)** is an ultra-long-acting, PEGylated recombinant FVIII Fc fusion protein candidate developed by Gensciences and intended for the treatment of hemophilia A. FRSW117 is expected to become the first domestically developed ultra-long-acting recombinant FVIII product approved for marketing in China, and the second recombinant FVIII product globally that enables once-weekly prophylactic dosing. We were granted the exclusive master distribution rights for this candidate in Greater China by Gensciences.

Furthermore, leveraging global partnerships and upstream pathway innovation, we are building an ophthalmology franchise centered on long-acting retinal therapies that combine durable efficacy, fewer injections, and favorable safety.

- **Vorolanib long-acting ocular formulation (DURAVYU™ (EYP-1901))** is a sustained-release formulation of vorolanib developed by EyePoint. EyePoint is currently advancing EYP-1901 for the treatment of wAMD and DME in multiple global registrational trials. We are evaluating the subsequent clinical development and registration strategy in China subject to clinical data from EyePoint's registrational trials, with additional indications such as pathologic myopic choroidal neovascularization (pmCNV) in the pipeline.

- **BPI-452080 long-acting ocular formulation** is a long-acting ophthalmic formulation of BPI-452080 currently under preclinical evaluation. BPI-452080 is a small-molecule HIF-2α inhibitor independently discovered by us. In addition to oncology indications, BPI-452080 demonstrates significant potential for expansion into ophthalmic applications.

For details of our drugs and drug candidates, see "— Our Commercialized and Pipeline Products."

Deep Partnerships Across Our Innovation Ecosystem to Power Multi-dimensional Pipeline Expansion, Enabling Efficient Coverage of Promising Innovative Therapeutic Arenas

Guided by a philosophy of co-building, sharing, openness and win-win partnership, we have architected a Betta-centered innovation ecosystem that fuses R&D, clinical development and commercialization, creating a systematic, multi-layered engine for pipeline expansion. Anchored by the Betta Industry Fund and leveraging a global collaboration network, this ecosystem sources, validates, and scales external innovation to augment our capabilities in oncology and other therapeutic areas.

- Betta Industry Fund as the capital engine: Through Betta Industry Fund, we have incubated nearly 30 high-quality biopharmaceutical projects and seen three portfolio companies successfully listed. These investments empower innovation and create a strategic funnel for future business collaborations.

- Targeted equity layouts beyond our current pipeline: In therapeutic areas not yet addressed by our in-house pipeline, we deploy equity investments to build a high-potential portfolio. In autoimmune diseases, we invested in E-nitiateBio (啟元生物), whose lead drug candidate, QY201, is currently in Phase III clinical stage for moderate-to-severe atopic dermatitis; BRL Medicine (邦耀生物), which has achieved breakthroughs in universal CAR-T applications across autoimmune diseases, solid tumors and rare diseases; and Thederma (澤德曼醫藥), which has been dedicated to innovative therapies targeting the aryl hydrocarbon receptor (AhR) and related diseases.

- Conversion from investee to partner: Healthgen is a flagship example of an ecosystem enterprise we cultivated through equity investment that has evolved into a strategic partner. In September 2024, we were granted exclusive distribution rights for its recombinant human albumin injection (rice) in certain regions in China, exemplifying our incubation-to-commercialization pathway.

Building upon our strong in-house R&D and commercialization capabilities, we have forged strategic alliances that meaningfully expand our pipeline's breadth and velocity.

- In February 2020, we granted EyePoint an exclusive license to develop and commercialize vorolanib for the prevention or treatment of AMD, RVO and DR outside Greater China, which was later expanded to all ophthalmology indications pursuant to an amendment in May 2022. In May 2022, EyePoint also granted us an exclusive license to develop and commercialize EYP-1901, a long-acting anti-VEGF intravitreal implant, for ophthalmology indications within Greater China. The collaboration with EyePoint accelerated our global integration, establishing a foundation for future cross-border licensing and portfolio growth.

- In December 2018, we partnered with Merus for an exclusive license to develop and commercialize the bispecific antibody MCLA-129 in Chinese Mainland, Hong Kong and Macau, further expanding our oncology portfolio.

Our innovation ecosystem continuously identifies, validates, and amplifies external innovations to expand our presence in oncology and adjacent fields, fostering a self-sustaining cycle that accelerates the delivery of real-world solutions.

- From CDMO to strategic partner: Our collaboration with BioRay evolved from manufacturing bevacizumab injection to a strategic alliance. In May 2025, we secured exclusive distribution rights to trastuzumab injection and in-licensed the exclusive rights to pertuzumab injection, both in Greater China, thereby expanding our presence in breast cancer.

- We collaborated with Converd (康萬達) — an investee of Betta Industry Fund — to co-develop an antibody-oncolytic virus combination therapy (V113 + BK-001), for which we target to submit an IND application to the NMPA in 2027, thereby providing novel cancer treatment options and expanding our biotherapeutics footprint.

Concurrently, we have catalyzed a virtuous cycle within our innovation ecosystem by leveraging our end-to-end capabilities in clinical development, regulatory affairs, and commercialization to continuously empower our partners' innovations. We plan to achieve mutual success and expand our platform through strategic partnerships, acquisitions, and mergers.

- Betta Dream Works: Our co-creation hub connects scientific and clinical resources to accelerate translation of laboratory discoveries, providing integrated incubation for startups, including GMP-compliant labs, shared platforms, and expert mentorship. The platform now hosts over 50 healthcare companies and has nurtured multiple proprietary and co-developed drugs that have successfully advanced to clinical trials or commercial launch.

- Innovation at scale: Ecosystem companies thrive as a differentiated external innovation engine. We expect a steady stream of advanced enterprises to emerge; through strategic partnerships, we will broaden and deepen our pipeline across multiple fields.

Seasoned Management Supported By a Strong Team of Talents

Our core management team is composed of industry veterans with an average of more than 20 years of experience and a proven track record of successful discovery, development and commercialization of innovative drugs.

Our founder, Chairman, CEO, and General Manager, Dr. DING Lieming, is recognized as a national leading talent and is an influential figure in China's pharmaceutical industry. Since our inception in 2003, he has led the team to successfully develop an expansive pipeline of innovative drugs with icotinib as a starting point, built a leading domestic platform for innovative drug R&D and commercialization, and fostered the Betta Innovation Ecosystem to incubate multiple disruptive breakthrough projects. Dr. DING has presided over or participated in 13 R&D projects, including the National Scientific and Technological Major Project for "Major New Drug Innovation" ("重大新藥創制"國家科技重大專項), filed 307 patent applications, and authored 61 publications. In recognition of his outstanding contributions, Dr. DING has received numerous national honors including, without limitation, the First Prize of the National Science and Technology Progress Award (as the first accomplisher). Among his many societal roles, he serves as a member of the expert committee of the National Science and Technology Major Project for "Major New Drug Innovation", and a Special-level expert of Zhejiang Province.

Mr. WAN Jiang, our Senior Vice President and President of Global Sales, is responsible for leading our commercialization teams. He has held senior management positions at leading multinational pharmaceutical companies, including Bristol Myers Squibb, Sanofi, Eli Lilly, AstraZeneca, and MSD. With 30 years of experience, Mr. Wan has expertise and deep insights in establishing drug sales channels and improving drug accessibility, and he is particularly influential in advancing the clinical adoption of oncology therapies in the Chinese market.

Professor LI MAO, our President of R&D and Chief Medical Officer, is responsible for overseeing the Research Institute and Medical Department. Professor Mao has held senior academic and industry leadership roles, such as tenured professor at The University of Texas MD Anderson Cancer Center and Changjiang Scholar Chair Professor at Shanghai Jiao Tong University School of Medicine. He has authored more than 200 SCI-indexed papers in leading international journals, with total citations exceeding 30,000. With over 35 years of clinical practice in oncology and extensive industry experience, Professor Mao brings deep expertise to our R&D and medical operations.

Mr. DING Shizhe, our Chairman Assistant, is responsible for the Group's program in-licensing, business development, and technology transfer initiatives. Since joining our Company, Mr. Ding has led numerous high-quality equity investments and mergers and acquisitions projects, and successfully advanced key initiatives including MCLA-129 and ensartinib. He has extensive experience in business communications, people management, and project execution.

Ms. TONG Jia, our President of Administration, is responsible for coordinating the business operations of our Group. As a member of the founding team, Ms. TONG has served in various senior management positions in the group since 2003, accumulated extensive experience in corporate operations and management, and made notable contributions to capital-markets brand building.

Mr. FAN Jianxun, our Vice President and Chief Financial Officer, is responsible for the finance and investment of our Group. Mr. Fan brings more than 20 years of management experience in the financial industry, with deep expertise spanning financial management, corporate finance, and industrial capital management. He has led investments in over 30 domestic and overseas biopharmaceutical innovation projects, including the investment in Healthgen, and spearheaded numerous ecosystem collaborations under various deal stuctures.

Ms. SHI Hena, our Vice President and General Manager of the Oncology Business Unit, is responsible for leading sales division and key account operations. Ms. SHI has over 20 years of experience in team management and pharmaceutical brand promotion. She previously worked at the Institute of Hematology & Blood Diseases, Chinese Academy of Medical Sciences, and has held managerial positions at MNCs.

Mr. WANG Sanhu, our Vice President, is responsible for overseeing the Registration and Project Management Department. Mr. Wang brings more than 20 years of team leadership experience and has served at the NMPA as well as in senior management roles at Mindray and CStone Pharmaceuticals. He possesses comprehensive knowledge and extensive experience in drug registration, regulatory review and approval, and market launch.

Mr. MA Yongbin, our Vice President, oversees the Production Center and the Quality Management Department. Previously worked at the Zhejiang Provincial Medical Products Administration, he brings us over 20 years of extensive experience in quality management, GMP certification, and registration affairs in the pharmaceutical industry, and possesses outstanding project management, system development, and team leadership capabilities.

Our management team comprises top-tier experts from diverse fields who, leveraging their professional acumen and extensive experience, seamlessly integrate strategic planning, research and development innovation, clinical advancement, and commercial operations. This holistic approach continually propels the company to achieve breakthroughs in the realm of biopharmaceutical innovation, firmly securing our position at the forefront of the industry. See "Directors and Senior Management" for more information.

OUR STRATEGIES

Leverage Our Proven Track Record to Strengthen Our Leadership in Lung Cancer Treatment, Expand The Market Penetration of Icotinib, Ensartinib and Befotertinib in China, and Establish Sustainable New Growth Trajectories in Overseas Markets

We have developed a comprehensive lung cancer pipeline covering the major cellular pathways, molecular targets, and mechanisms of action addressed by currently available therapies. Building on our proven success, we will continue to leverage the differentiated strengths and synergies of our assets to pursue indication expansion, sequential treatments, and combination therapies.

- Leveraging real-world evidence, reimbursement advantages, and physician education, we aim to further expand icotinib's coverage across hospitals of all tiers and into additional indications, such as postoperative adjuvant therapy.

- Building on befotertinib's differentiated clinical profile, we will accelerate its market promotion and hospital access, increase its share in the third-generation EGFR TKI market, and expand patient reach through new indications (including postoperative adjuvant therapy) and combination regimens.

- We will actively explore sequential and/or combination therapy for EGFR TKIs, including combinations with ALK TKI (ensartinib), anti-VEGF antibody (bevacizumab injection), or other therapies such as EGFR/c-MET bispecific antibodies (MCLA-129), to capitalize on our portfolio advantages, overcome drug resistance in lung cancer patients, extend overall survival, and maximize the potential of each product.

Furthermore, we seek to broaden the eligible patient base of ensartinib in ALK-mutated lung cancer and pursue its strategic partnerships and global commercialization.

- Upholding the positioning of ensartinib as the optimal choice for Chinese patients with ALK-positive lung cancer, we will expand its use to broader Asian populations, brain metastasis cases, and postoperative adjuvant settings to unlock additional market potential.

- Leveraging ensartinib's FDA approval and inclusion in the NCCN Guidelines, we will drive its commercialization in the U.S. by evaluating and exploring various sales and distribution channels to ensure full product availability. We will also explore its inclusion in commercial insurance and pursue collaborations with public payors to broaden patient access. Concurrently, we will pursue registration and strategic collaborations in Europe, Southeast Asia, and other emerging markets to expand our global footprint.

Extend Our Proven Commercialization Strengths From Lung Cancer to Other Therapeutic Areas, Broadening Our Business Footprint

As one of the first innovative biopharmaceutical companies in China to successfully commercialize an innovative oncology drug, we plan to replicate and extend our proven commercialization capabilities in lung cancer to other therapeutic areas. Leveraging our strong channels with state-owned enterprises, deep penetration into hospitals of all tiers, acute market insight, and established partnerships with top academic institutions, we will accelerate market access, clinical adoption, and sales growth for products in these new fields. We plan to establish and scale sales and distribution capabilities, engage key opinion leaders, and support indication-specific promotional activities, thereby accelerating product uptake and market penetration. Specifically, we will:

- Strengthen academic leadership and market promotion for bevacizumab injection across its five approved indications (including colorectal cancer, NSCLC, and cervical cancer), reinforcing its role as a cornerstone combination therapy, particularly in combination with EGFR TKIs as first-line NSCLC treatment.

- Capitalize on vorolanib's first-mover advantage as China's first domestically developed innovative drug for kidney cancer, and its strong PFS benefit when combined with everolimus, to expand coverage and penetration in the kidney cancer market.

- Accelerate market access and clinical promotion of tibremciclib, as well as trastuzumab and pertuzumab biosimilars, to expand our market coverage in breast cancer treatment, and in particular, driving adoption of the "trastuzumab + pertuzumab" standard regimen.

- Advance market access and clinical promotion of recombinant human albumin injection (rice) in our designated regions with distributorship, expanding its coverage in the albumin therapy segment and unlocking its broader clinical and commercial potential.

Advance Our Clinical Development and Early-stage Drug Discovery through Drug Development Expertise and Technological Capabilities

Over the years, we have accumulated deep expertise in developing drugs that address meaningful clinical needs and large, high-potential markets. This experience enables us to advance clinical assets efficiently and informs our preclinical discovery efforts.

For late-stage candidates such as MCLA-129, we will accelerate the ongoing and planned clinical trials to bring patient benefit as early as possible. For early-stage clinical assets such as CFT8919 and BPI-452080, we will use clinical studies to define differentiation, evaluate efficacy and safety, and advance programs toward registrational trials and NDA submissions with speed and discipline. Guided by clinical needs, we will design differentiated molecules targeting key pathways and mechanisms, aiming for breakthroughs in frontier areas such as next-generation ADCs, RAS inhibitors, PROTAC molecules, TCEs, CAR-T therapies, and cancer vaccines.

We also plan to leverage AI to overcome bottlenecks in innovative drug R&D. Through in-house development or partnerships with leading AI platforms, we will apply AI in target discovery, resistance-mechanism research, and real-world-data learning, thereby strengthening early-stage drug development and clinical research. In particular, we will use deep learning and NLP to mine scientific literature, genomic databases, and clinical records to identify novel disease-relevant targets and reassess known ones, expanding beyond crowded "hot-target" areas and accelerating first-in-class pipeline generation. We will also deploy AI-enabled molecular generation and multi-parameter optimization to improve lead design and reduce screening cost and cycle time, and apply machine-learning models to optimize trial protocols, patient stratification, biomarkers, and endpoints, increasing the probability of technical and regulatory success globally. Ultimately, we aim to build a fully integrated AI-driven innovation framework that improves R&D efficiency and hit rates while generating robust evidence to accelerate clinical adoption and market expansion.

Accelerate Global R&D, Strategic Partnerships, and Market Expansion to Maximize The Clinical and Commercial Value of Innovative Therapies Worldwide

Building on our established leadership in China, our global partner network and international R&D footprint, we are accelerating the pursuit of worldwide research, collaboration and commercialization to maximize the value of our pipeline assets. We focus on advancing innovative drugs with first-in-class or best-in-class potential through global multi-center clinical trials, systematically expanding indications and therapeutic areas to enhance international accessibility and brand influence. This strategy will expedite regulatory approvals and market launches in major markets, including the U.S., Europe, Southeast Asia, and beyond.

Meanwhile, we harness our robust pipeline to actively engage in out-licensing, strategic alliances and NewCo spinouts, thereby amplifying our global presence and fully unlocking the clinical and commercial potential of our assets. Moreover, we will continue to scout global in-licensing and co-development opportunities, particularly those with first-in-class or best-in-class profiles that can form synergistic combination therapies with our existing portfolio, to further enrich and diversify our product matrix. Through these initiatives, we aim to address major unmet clinical needs across China and globally, forging a truly integrated, end-to-end R&D and commercialization ecosystem on an international scale.

Build and Enhance The Betta Innovation Ecosystem, and Strengthen Synergies Between Partnerships and In-house R&D to Advance Our Pipeline

Through our Betta Industry Fund (貝達產業基金) and Betta Dream Works (貝達夢工場) platforms, we will continue to develop the Betta Innovation Ecosystem, focusing on biopharmaceutical frontiers and unmet clinical needs. We will invest in, incubate and empower next-generation ADCs, bispecific and multispecific antibodies, autoimmune therapies, oncolytic viruses, and other cutting-edge modalities. In particular, we will seek investment and collaboration opportunities with global biotechnology or biopharmaceutical companies that possess attractive drug assets and strong R&D capabilities. We prioritize drug candidates featuring novel modalities or mechanisms of action, in therapeutic areas with significant market potentials, such as lung cancer, breast cancer, other oncologies, and hematologic diseases, to achieve complementary advantages and synergistic growth.

Enhance Talent Management, Organizational Efficiency, and Production Quality Systems to Accelerate Our Evolution Into a China-based, World-leading Innovative Biopharmaceutical Company

We view talent as the core driver of innovation and will continue to optimize our recruitment, development, and incentive systems to build a competitive, cross-functional team spanning the full drug lifecycle. We will proactively identify and cultivate leadership talent through internal training and promotion programs, strengthening our talent pipeline in key areas to drive organizational performance. To enhance organizational efficiency, we will continue to refine our organizational structure, upgrade business processes, and optimize workforce allocation.

We remain committed to rigorous quality control, strictly implementing GMP standards across the entire product lifecycle — from supplier management to distribution — to ensure consistent quality. We also plan to expand our manufacturing capacity as appropriate to meet our growing production and sales needs.

OUR COMMERCIALIZED AND PIPELINE PRODUCTS

We have been committed to the discovery, research and development, manufacture and commercialization of innovative oncology therapies since our inception. Through our decades of efforts, we have built a diversified drug pipeline and commercialized nine drugs, including five Category 1 innovative drugs, namely icotinib (Conmana®/凯美纳®), ensartinib (Ensacove®/贝美纳®), befotertinib (Surmana®/赛美纳®), vorolanib (伏美纳®), and tibremciclib (康美纳®), two biosimilar drugs (namely bevacizumab injection (贝安汀®) and pertuzumab injection (贝泽汀®)), and two cooperative distribution products, namely trastuzumab injection (Anruize®/安瑞泽®) and recombinant human albumin injection (rice) (奥福民®). We expanded our R&D pipeline and

therapeutic areas through successive stages, including (i) a comprehensive lung cancer pipeline, (ii) a pipeline for other malignant tumor fields beyond lung cancer, and (iii) a pipeline for non-neoplastic diseases, focusing on major disease areas with substantial clinical needs and broad market prospects.

Lung Cancer Pipeline

Icotinib (Conmana®/凯美纳), EGFR TKI

Icotinib (Conmana®/凯美纳) is a highly potent and selective, orally available, first-generation EGFR TKI. We own proprietary intellectual property and commercial rights to icotinib in China. BETA transferred the proprietary technologies and the right to file patent applications for icotinib in China as a capital contribution to our predecessor, Zhejiang Beta Pharma Inc., in 2003, and we have since internally developed icotinib through commercialization in China leveraging our in-house R&D capability. Icotinib was initially approved by the NMPA (formerly known as CFDA) to treat NSCLC in June 2011, making it the first domestically developed small-molecule targeted cancer drug in China. In November 2014, the NMPA further approved icotinib for the first-line treatment of patients with locally advanced or metastatic NSCLC with EGFR mutations. In June 2021, we received marketing approval for icotinib as postoperative adjuvant therapy for NSCLC patients with EGFR mutations following surgery. Icotinib became the first and only domestically-developed targeted cancer drug approved for adjuvant treatment for early-stage NSCLC in China, which may significantly increase its addressable patient population and market share.

Since it was launched in China in 2011, icotinib has been used to treat numerous patients with NSCLC in clinical practice, representing the largest patient group of single-agent targeted lung cancer therapies as of June 30, 2026 according to Frost & Sullivan. With its high efficacy and favorable safety profile confirmed by extensive clinical studies and real-world evidence, icotinib was included in the NRDL in 2017 and in the National Essential Drug List in 2018, which led to significant reduction of financial burden on Chinese patients and increased accessibility of icotinib. Icotinib has successfully extended its product lifecycle since its launch in 2011, sustaining annual sales exceeding RMB1 billion for ten consecutive years since 2016. Its sales revenue in 2025 accounted for approximately 75% market share of first-generation EGFR TKIs in China. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Lung Cancer Drug Market — Overview of EGFR TKI Market."

Icotinib has been approved, and widely used, for the first- and second-line treatment of locally advanced or metastatic NSCLC in China. Icotinib was initially approved for marketing in June 2011 based on the results of a Phase III non-inferiority trial comparing icotinib with gefitinib in previously treated NSCLC (ICOGEN). In this study, a total of 400 patients were enrolled, among which a total of 395 patients were included in the full analysis set, with 199 in icotinib arm and 196 in gefitinib arm. The trial results have shown that as of May 2010, icotinib had a median PFS of 4.6 months, which was non-inferior to 3.4 months with gefitinib. Icotinib also showed wide therapeutic window and superior safety over gefitinib in the trial, exhibiting a well-tolerated profile in patients, while the most common treatment related adverse events were rashes and diarrhea, mostly mild or modest. Patients who were given icotinib experienced fewer treatment-related adverse events than those given gefitinib (61% vs. 70%). *The Lancet Oncology* published the clinical results of ICOGEN, accompanied by a commentary entitled "icotinib: kick-starting the Chinese anticancer drug industry."

Following the approval in 2011, we conducted a five-year Phase IV confirmatory study to collect and analyze the patient data in real world. Based on real-world data from more than 6,000 patients, icotinib was further approved for the front-line treatment of advanced NSCLC in November 2014. The real-world evidence helps us to bridge the gap in knowledge that exists between clinical trials and clinical practice, and provides important insights into patient characteristics, disease severity and management. The data also provide concrete evidence of icotinib's effectiveness in improving survival and quality of life in routine clinical practice.

In addition, results of the Phase III clinical trial of icotinib as adjuvant therapy compared with standard chemotherapy in stage II-IIIA NSCLC with EGFR-mutation (EVIDENCE) further suggested that compared with chemotherapy, icotinib significantly improved disease-free survival and had a better tolerability profile in patients with EGFR-mutant stage II-IIIA NSCLC after

complete tumor resection. Based on the results of this trial, we submitted an NDA to the NMPA in September 2020, and received marketing approval for icotinib as postoperative adjuvant therapy in patients with stage II to stage IIIA NSCLC harboring EGFR-sensitive mutations in June 2021.

Based on the vast clinical need for icotinib, it has been included in the NRDL since 2017. It is recommended as the first-line therapy for patients with EGFR+ NSCLC in the CSCO diagnosis and treatment guidelines and the Primary Lung Cancer Diagnosis and Treatment Standards issued by NHC. It is also recommended as first-line treatment for NSCLC with EGFR exon 21 L858R mutation according to the guidelines released by the NHC in China. As of June 30, 2026, icotinib has been used to treat over 250,000 patients, and some of them have been treated for at least five years.

To further address the unmet clinical needs and expand the indications of icotinib, we plan to continue evaluating icotinib in patients with different disease severities and drug-resistance mutations, and to accumulate more data that would add to its differentiation and superiority. For early-stage NSCLC, icotinib is being investigated as an adjuvant targeted therapy in several clinical studies with varied study designs. Notably, in July 2026, we received NMPA approval to conduct a real-world study of icotinib as postoperative adjuvant therapy in patients with high-risk stage IA2 to stage IB NSCLC harboring EGFR-sensitive mutations. We anticipate the results of these studies will provide additional insights for clinical practice and support the potential expansion of icotinib's approved indications. Furthermore, we may explore the sequential treatment of our multi-generational EGFR TKIs, including icotinib with befotertinib, or other third-generation EGFR TKIs, which has the potential to tackle the drug-resistance pattern and bring significant survival benefits. We may also explore the efficacy and safety of combination of icotinib with other drug candidates, such as vorolanib and MCLA-129. Based on real-world data, we are also actively promoting the expansion of icotinib's indications towards early-stage NSCLC.

To improve the accessibility of icotinib, we plan to expand coverage to additional hospitals and medical institutions in China, and in particular, to increase penetration in lower-tier cities where our coverage has historically been lower. We will also continue to communicate regularly with physicians, and to keep them updated of the latest scientific information and clinical development of icotinib. By combining academic research with promotion, we aim to solidify our professional platform and continuously strengthen the evidence base of icotinib, particularly in the perioperative settings. With ongoing data updates and indication expansion into early-stage indications, we expect to further extend the product life cycle of icotinib.

Ensartinib (Ensacove®/贝美纳), ALK TKI

Ensartinib (Ensacove®/贝美纳) is a potent and highly selective second-generation ALK TKI that has demonstrated clinical activity and durable disease control in patients with ALK-positive (ALK+) NSCLC, including patients who were ALK TKI-naïve or had previously received ALK TKIs and those with central nervous system (CNS) metastases. Ensartinib was jointly developed and is co-owned by us and our controlled subsidiary, Xcovery Holdings. In 2025, ensartinib held nearly 15% of China's ALK inhibitor market and ranked among the top three, underscoring its competitive strength. From 2023 to 2025, ensartinib's sales grew at a CAGR of 43.3%.

In a global Phase III clinical trial (eXalt3), ensartinib demonstrated superior efficacy to crizotinib in ALK+ NSCLC. This randomized Phase III trial, which included 290 patients, met the primary endpoint. The median PFS was statistically significantly longer with ensartinib than with crizotinib (25.8 vs 12.7 months), and the confirmed intracranial response rate was 64% with ensartinib vs 21% with crizotinib for patients with brain metastases at baseline. Ensartinib has also shown a favorable safety profile in this study. These findings positioned ensartinib as a new first-line treatment option for patients with ALK+ NSCLC, and also confirmed ensartinib's superior effectiveness in controlling intracranial tumor and preventing the brain metastasis. In December 2022, Asian efficacy data from the eXalt3 study were presented at the MSK–CTONG Symposium 2022. The results showed that ensartinib also demonstrated good tolerability in Asian patients, with no new safety signals observed and a safety profile consistent with the overall population.

We continue to expand ensartinib's clinical use through adjuvant-therapy expansion. In October 2025, interim results from our ELEVATE study, a multicenter, randomized, double-blind Phase III registrational trial evaluating adjuvant ensartinib in patients with completely resected stage IB-IIIB (T3N2M0) ALK+ NSCLC, were presented in an oral presentation at the ESMO

Congress 2025. The ELEVATE study involves 59 investigational sites in China and is the only multicenter, randomized, double-blind registrational trial of adjuvant therapy in this patient population. At the time of the prespecified interim analysis, adjuvant ensartinib achieved a 2-year disease-free survival rate of 86.4% and reduced the risk of disease recurrence or death by 80% compared with placebo (hazard ratio of 0.2). In July 2026, the full article was subsequently published in *The New England Journal of Medicine*, a top-tier international academic journal. These encouraging data further cemented ensartinib's place in adjuvant ALK+ NSCLC treatment.

Ensartinib was approved for its second-line indication by the NMPA in November 2020, and was the first domestically developed Category 1 drug approved in China for ALK+ NSCLC. Leveraging its superior efficacy in a head-to-head trial against crizotinib, ensartinib was further approved in China in March 2022 as a first-line therapy for patients with locally advanced or metastatic ALK+ NSCLC. The CSCO guidelines recommended ensartinib at Grade I for the first-line treatment of stage IV ALK fusion-positive NSCLC and newly recommended it at Grade II for the postoperative adjuvant treatment of stage IB–IIIB ALK-positive NSCLC. In the stage IB postoperative adjuvant setting, ensartinib was the only ALK TKI recommended under these guidelines. In addition, in December 2024, ensartinib's first-line indication was approved by the FDA, making it the first small-molecule targeted therapy for lung cancer to achieve global approval that was led by a Chinese company, and it has commenced commercialization in the United States in August 2025. Ensartinib has also been recommended by the NCCN guidelines in the United States as a preferred first-line option for advanced ALK+ NSCLC to achieve high-quality long-term survival. This marks the first time that a China-originated innovative drug has been included in the NCCN NSCLC guidelines with priority recommendation. In June 2025, ensartinib was also approved for marketing in Macau. For further details of its addressable market and competitive landscape, see "Industry Overview — Overview of Lung Cancer Drug Market — Overview of ALK TKI Market."

We will continue to advance the ongoing clinical trials and pursue indication expansion of ensartinib. We have presented interim data of the registrational trial of ensartinib as adjuvant therapy in patients with ALK+ stage IB–IIIB NSCLC at the ESMO Congress 2025, and submitted an NDA to the NMPA in November 2025, with regulatory approval expected in the second half of 2026. In addition, Xcovery Holdings submitted an NDA to the EMA in November 2025 for ensartinib in adult patients with locally advanced or metastatic ALK+ NSCLC, with regulatory approval expected within the next one to two years. Furthermore, ensartinib's ability to inhibit the MET pathway unlocks new opportunities for combination therapy. We are exploring ensartinib in combination with MCLA-129 to address MET-driven resistance and expand treatment coverage in an ongoing Phase I/II clinical trial in advanced solid tumors with MET amplification/overexpression.

We will further enhance sales coverage and support leading investigators in presenting their clinical findings at international and domestic conferences and symposia to disseminate the latest scientific and medical information about the product. We also plan to strengthen ensartinib's market coverage in the United States by exploring various sales or distribution channels to ensure broad product availability, and prioritize inclusion in commercial insurance as well as collaboration with public payers. Notably, in April 2026, Xcovery Holdings entered into a collaboration with Eversana, a global commercialization services provider, to support the U.S. commercialization of ensartinib and improve patient access. Together with our U.S. commercial operation team covering sales, marketing and medical functions, we are accelerating the commercialization of ensartinib in the United States.

Licenses, Rights and Obligations

Ensartinib was jointly developed and is co-owned by us and our controlled subsidiary, Xcovery Holdings. We entered into a collaboration agreement with Xcovery Holding Company LLC (the predecessor of Xcovery Holdings) on October 25, 2014, as amended on February 1, 2018, pursuant to which we obtained an exclusive license to develop, manufacture and commercialize ensartinib in China, Hong Kong, Macau and Taiwan (the "Territory"), as well as a non-exclusive and nontransferable right to use Xcovery trademarks in the Territory. Under the original collaboration agreement, we are obligated to pay tiered royalties based on the sales of the product. In 2014 and 2017, we acquired a total of 86.24% shares in Xcovery Holdings and became its controlling shareholder. Our shareholding increased to approximately 98.44% as of the Latest

Practicable Date. On February 1, 2018, we entered into an amendment to this collaboration agreement, under which Xcovery Holdings agreed to forgo the royalties in exchange for a one-time payment of US$3.05 million. We fully paid the one-time payment in February 2018 and have no further payment obligations to Xcovery Holdings with respect to ensartinib.

Bevacizumab Injection (贝安汀®), Anti-VEGF Antibody

Bevacizumab injection (贝安汀®) (MIL60) is our biosimilar to bevacizumab (Avastin®) for which we obtained the Greater China rights from Mabworks in March 2017. See "— Our Business Development — Collaboration Agreement with Mabworks on MIL60." As a biosimilar to bevacizumab, bevacizumab injection (贝安汀®) can selectively bind to vascular endothelial growth factor (VEGF) and inhibit the binding of VEGF to its cell surface receptors. VEGF is a protein that stimulates the growth of blood vessels (which is known as angiogenesis) that supply blood to tumor tissues. By inhibiting the activity of VEGF, bevacizumab injection blocks the angiogenesis pathway and thereby suppresses the tumor growth.

We completed extensive analytical characterization, *in vitro* and *in vivo* studies comparing MIL60 to the reference product bevacizumab, and the results showed that MIL60 had highly similar structural and quality attributes to its reference drug. In addition, comparative clinical trials showed no clinically meaningful differences between these two drugs. In particular, in a Phase III clinical trial for which 517 patients were randomly assigned to MIL60 group (n=257) and bevacizumab group (n=260) as of October 31, 2020, the ORR at week 12 in MIL60 group and bevacizumab group were 48.6% and 43.1%, respectively. The ORR ratio of these two groups were 1.14 (90% CI 0.97-1.33), which fell within the pre-specified equivalence boundaries (0.75-1/0.75). Safety and tolerability profiles were also similar between the two groups. The study evidenced that MIL60 and bevacizumab were equivalent in clinical efficacy in non-squamous NSCLC patients, and the safety, population pharmacokinetics and immunogenicity of MIL60 were similar to those of bevacizumab.

We obtained marketing approval for bevacizumab injection (贝安汀®) in China in November 2021 and obtained additional indications in March 2022. Its approved indications currently include the treatment of metastatic colorectal cancer, advanced, metastatic or recurrent NSCLC, recurrent glioblastoma, epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer, and cervical cancer. Bevacizumab injection (贝安汀®) achieved rapid market penetration since its market launch, posting a CAGR of 52.8% between 2023 and 2025. For more details on its competitive landscape, see "Industry Overview — Overview of Bevacizumab Market." Leveraging the price advantage of bevacizumab injection (贝安汀®), we plan to promote volume-based initiatives to ensure stable product supply that meets market demand. Leveraging our established presence and diversified product portfolio in the lung cancer field, we seek to strengthen collaborations with leading hospitals in scientific and clinical innovation, to sustain revenue growth and achieve mutual benefits.

Befotertinib (Surmana®/赛美纳®), Third-Generation EGFR TKI

Befotertinib is a third-generation EGFR TKI that could be used to treat patients with EGFR+ lung cancer harboring the T790M mutation. T790M mutation is believed to be a major cause of resistance to first- or second-generation EGFR TKI. Mutant-selective third-generation EGFR TKIs, such as befotertinib, have been developed with the goal of overcoming T790M-mediated resistance. We co-own all the intellectual property rights to befotertinib in Chinese Mainland, Hong Kong and Taiwan through a collaboration arrangement with InventisBio. See "— Our Business Development — Collaboration Agreement with InventisBio on Befotertinib."

Befotertinib is approved for the first- and second-line treatment of EGFR+ NSCLC in China. In both first- and second-line treatment settings, befotertinib achieved record-breaking PFS compared with existing treatments under the same scenarios and has been incorporated into authoritative guidelines such as the CSCO guidelines. In the first-line setting, the median progression-free survival (PFS) reaches 22.1 months, while in the second-line setting, the median OS extends to 31.5 months. Among patients with brain metastases, befotertinib achieves an objective response rate (ORR) of 92.3% and a median intracranial PFS (iPFS) of 24.9 months, all with a low incidence of gastrointestinal adverse events such as diarrhea, underscoring its superior tolerability. An editorial in *The Lancet Respiratory Medicine* commented that befotertinib, as a new candidate for EGFR-mutant advanced NSCLC, provides an additional therapeutic option for Chinese patients.

In particular, in a randomized controlled Phase III study comparing befotertinib with icotinib in previously untreated patients with EGFR-mutated locally advanced or metastatic NSCLC, for which a total of 362 patients were enrolled (182 in the befotertinib arm and 180 in the icotinib arm), the IRC-assessed median PFS was 22.1 months (95% CI: 17.9-NR) in the befotertinib arm versus 13.8 months (95% CI: 12.4-15.2) in the icotinib arm (HR = 0.49; 95% CI: 0.36-0.68; P < 0.0001). At a data maturity of 29% for OS, the 30-month OS rates were 67.3% (95% CI: 59.3-74.2) in the befotertinib arm and 60.3% (95% CI: 44.8-72.7) in the icotinib arm (HR = 1.17; 95% CI: 0.79-1.73; P = 0.44). In terms of safety, the incidence of Grade 3 or higher drug-related adverse events was 30% in the befotertinib arm and 8% in the icotinib arm. Overall, befotertinib demonstrated superior efficacy to icotinib in the first-line treatment for patients with advanced EGFR-mutated NSCLC, with an acceptable safety profile.

In May 2023, befotertinib received approval for its second-line indication in China, to treat patients with locally advanced or metastatic NSCLC harboring the EGFR T790M mutation who had experienced disease progression following prior treatment with an EGFR TKI. In October 2023, befotertinib was approved for its first-line indication in China, to treat adult patients with locally advanced or metastatic NSCLC harboring an EGFR exon 19 deletion or exon 21 (L858R) substitution mutation. The marketing approval of befotertinib has strengthened our treatment pipeline for EGFR-mutated NSCLC, with clinical studies demonstrating favorable PFS outcomes and highlighting its differentiated clinical potential. We are also advancing a Phase III clinical trial to evaluate befotertinib as adjuvant therapy in patients with stage IB-IIIB (T3N2M0) NSCLC harboring EGFR-sensitive mutations, which was initiated in March 2023 and remains ongoing as of the Latest Practicable Date, with trial completion expected in the fourth quarter of 2027. In addition, clinical trials combining MCLA-129 with befotertinib have also been approved and are expected to provide new therapeutic options for patients in the future. See "— MCLA-129, EGFR/c-MET Bispecific Antibody."

The market for third-generation EGFR TKIs remains underpenetrated, with unmet needs concentrated in brain metastases and patients with L858R mutations, and an annual market potential exceeding RMB15 billion. Befotertinib, despite later entry, differentiates itself through unique efficacy advantages in these populations. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Lung Cancer Drug Market — Overview of EGFR TKI Market." To strengthen its position, we are increasing medical affairs investment, expanding IIT studies, and reinforcing product differentiation. On the patient side, we are enhancing support programs, improving adverse events management, and deepening coverage in lower-tier markets. We will also deepen the "icotinib + befotertinib" market layout, further implementing precision marketing and expanding medical influence.

CFT8919, Allosteric BiDAC™ Degrader

CFT8919 is a clinical-stage, orally bioavailable allosteric BiDAC™ degrader that is designed to potently and selectively degrade EGFR bearing the oncogenic L858R mutation. In May, 2023, we in-licensed the Greater China rights of CFT8919 from C4 Therapeutics. For further information, see "Business — Our Business Development — License and Collaboration Agreement with C4 Therapeutics for CFT8919."

CFT8919 is a BiDAC™ degrader that was specifically designed to bind to an allosteric site, which is uniquely created by the L858R activating mutation, allowing for exquisite selectivity for this mutation. Further, CFT8919 was designed to be effective independently of secondary EGFR mutations, such as T790M and/or C797S. In the EGFR field, protein degraders remain largely at the preclinical stage, with reported molecules targeting different EGFR mutation subtypes. As of the Latest Practicable Date, CFT8919 stood as one of the only four EGFR degrader molecules in Phase I clinical trials.

In preclinical studies, CFT8919 demonstrated potent activity against EGFR L858R variants both *in vitro* and *in vivo*, while showing no activity against the Del19 subtype. Further, preclinical data show that CFT8919 induces significant degradation of EGFR L858R mutant protein, suppresses EGFR activation/signaling, and consequently blocks downstream pathway activation, inhibiting cell growth and proliferation. Preclinical *in vitro* studies show that CFT8919 exerts strong antiproliferative effects in human lung adenocarcinoma cell lines harboring single mutations (L858R) or double mutations (L858R/T790M), including those resistant to osimertinib. Preclinical *in vivo* studies demonstrated that CFT8919 markedly inhibited tumor growth in xenograft mouse models carrying L858R, L858R/T790M, or L858R/T790M/C797S mutations, with clear dose dependence and favorable tolerability.

C4 Therapeutics received IND approval for CFT8919 from the FDA in July 2023. We received IND approval for CFT8919 from the NMPA in September 2024, and are currently evaluating CFT8919 in a Phase I clinical trial in patients with EGFR-L858R-mutant locally advanced or metastatic NSCLC in China, which commenced in November 2024 and is still ongoing as of the Latest Practicable Date. We expect to complete the enrollment for dose escalation and backfill stages for this trial in 2026.

BPI-371153, Small-Molecule PD-L1 Inhibitor

BPI-371153 is a novel, potent, and highly selective oral small-molecule PD-L1 inhibitor independently developed by us, currently being evaluated in a Phase Ib clinical study. Compared with monoclonal antibodies, small-molecule PD-L1 inhibitors offer the convenience of oral dosing, which can significantly improve patient compliance. They also benefit from mature manufacturing processes, versatile formulation and administration options, lower production costs, and the absence of immunogenicity risks inherent to biologics. The oral administration feature of BPI-371153 is expected to confer a strong competitive edge in combination regimens, underpinning substantial market potential. As of the Latest Practicable Date, no small-molecule PD-L1 inhibitors have been approved or marketed globally, and BPI-371153 is expected with the potential to become among the first in the world to reach commercialization.

We are currently conducting a Phase I clinical study of BPI-371153 in patients with advanced solid tumors or relapsed/refractory lymphoma in China, for which the enrollment for dose escalation stage has been completed, with 20 patients enrolled in total. In terms of safety, BPI-371153 demonstrated an overall favorable safety profile, with no treatment-related adverse events leading to dose reduction, permanent discontinuation, trial withdrawal, or death. Its toxicity profile differs from that of immune checkpoint antibodies and indicates a clear safety advantage. In terms of efficacy, among 17 evaluable patients, the ORR was 23.5% (95% CI: 6.8%-49.9%), suggesting that BPI-371153 may provide meaningful clinical benefit even in patients previously treated with IO therapies.

We received IND approval from the NMPA for BPI-371153 in January 2022. The ongoing Phase I clinical trial was initiated in August 2022. As of the Latest Practicable Date, enrollment for the dose escalation stage has been completed, with dose expansion stage ongoing to further determine the RP2D. The completion of enrollment for the dose expansion stage is expected in 2026.

BPI-520105, Pan-EGFR Inhibitor

BPI-520105 is a pan-EGFR inhibitor under clinical development, exhibiting a potent cellular activity against tumor cell lines harboring major forms of single, double and triple EGFR mutations with sub-nanomolar IC_{50} range. In China, the most common type of gene alterations of NSCLC is EGFR mutation, which accounts for 51.7% of NSCLC patients. Although multiple EGFR inhibitors have been approved, drug resistance is often inevitable and different sequential medication strategies will lead to different drug resistance mutations. As of the Latest Practicable Date, while certain approved EGFR inhibitors address specific resistance mutations, there are no approved targeted therapies capable of providing broad coverage across complex and heterogeneous EGFR mutation-driven resistance arising from diverse sequential treatment strategies. BPI-520105 is capable of targeting all major forms of EGFR activating and resistance mutations in NSCLC, exhibiting a wide therapeutic potential.

Unlike the strategy of traditional small-molecule drug design that focuses on modifying the side chains of compounds, BPI-520105 is designed through skeleton migration by searching for new skeleton fragments and combining them with the side chains of known active compounds. BPI-520105 is a pan-EGFR inhibitor that can be effective against single, double, and triple mutations. On the one hand, it can be effective against double and triple mutations that occur after third-generation EGFR TKI treatment, potentially addressing the unmet clinical needs. On the other hand, as it is effective against multiple mutations, when used as first-line treatment, it may potentially delay the emergence of drug resistance, which is expected to prolong the duration of patient's clinical benefits.

We obtained IND approval for BPI-520105 from the NMPA in March 2024. We plan to further evaluate the therapeutic potential of BPI-520105 in clinical development.

Products and Pipeline Candidates in Other Malignant Tumor Fields

Vorolanib (伏美纳®), VEGFR/PDGFR Inhibitor

Vorolanib is a highly potent, orally available, small-molecule multi-target receptor tyrosine kinase inhibitor with potent inhibitory activity against VEGFR2, KIT, PDGFR, FLT3 and RET. It primarily exerts antitumor activity by inhibiting angiogenesis. We own all intellectual property rights to vorolanib worldwide through our subsidiaries.

By inhibiting multiple receptor tyrosine kinases involved in angiogenesis and tumor growth, vorolanib addresses limitations of VEGF-only blockade, and is expected to disrupt tumor angiogenesis and demonstrate activity in a broad spectrum of solid tumors. Vorolanib has demonstrated its promising antitumor activities in preclinical studies and clinical trials both as a monotherapy and in combination with everolimus, indicating its potential to address the unmet clinical need.

In the Phase II/III clinical trial evaluating the efficacy and safety of vorolanib in combination with everolimus in patients with RCC (the CONCEPT study), a total of 399 RCC patients were randomized 1:1:1 into three groups: vorolanib plus everolimus (the combination arm), vorolanib monotherapy (the monotherapy arm), and everolimus monotherapy (the control arm). Median PFS assessed by IRC in the combination arm, monotherapy arm, and control arm was 10.0 months (95% CI: 8.2-10.4), 6.4 months (95% CI: 4.6-8.3), and 6.4 months (95% CI: 4.7-8.3), respectively. Results from the combination arm was significantly superior to the control arm, with HR = 0.70 (95% CI: 0.52-0.94), P = 0.0171. No statistically significant difference was observed between the monotherapy arm and the control arm. Median PFS assessed by investigators was 9.3 months (95% CI: 8.1-10.1), 6.5 months (95% CI: 4.6-8.2), and 6.4 months (95% CI: 4.6-6.6), respectively, again showing the combination arm significantly superior to the control arm (HR = 0.70, 95% CI: 0.53-0.93, P = 0.0138). No statistically significant difference was observed between the monotherapy arm and the control arm. PFS results from IRC and investigator assessments were consistent. Vorolanib plus everolimus conferred a significant PFS benefit and represents a new treatment option for advanced RCC patients who had failed prior VEGFR TKI therapy. In terms of safety, a total of 96 (72.2%), 52 (39.1%) and 71 (53.4%) Grade 3 or higher treatment-related adverse events occurred in the combination group, vorolanib group and everolimus group, respectively. The most common treatment related adverse events in the combination arm were proteinuria, anemia, leukopenia, hair color change, and thrombocytopenia. Most of these adverse events could be controlled with treatment interruption and symptomatic management and did not preclude continuation of therapy.

In June 2023, vorolanib was approved in combination with everolimus for the treatment of patients with advanced RCC who had failed prior TKI therapy. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Kidney Cancer Drug Market." Vorolanib is the first domestically developed Category 1 targeted therapy approved in China for RCC, ending the long-term reliance of Chinese patients on imported and generic products, and marking our official entry into this new tumor area. Vorolanib has been successfully incorporated into the core CSCO and CACA oncology guidelines with a breakthrough Class 1A evidence designation and Grade 1 recommendation, and was successfully included in the NRDL through national negotiations. We have established a nationwide dedicated urology sales team and a hybrid sales force, leveraging our proven commercialization experience to rapidly launch diverse academic activities with leading urology experts and associations nationwide. The launch of vorolanib has further expanded the range of tumor types covered by our product portfolio. In addition, the exploration of vorolanib in ophthalmic indications has demonstrated promising clinical potential and commercial value. For further information, see "— DURAVYU™ (EYP-1901), Sustained-Release Vorolanib Formulation" and "— Our Business Development — Collaboration with EyePoint."

Tibremciclib (康美纳®), CDK4/6 Inhibitor

Tibremciclib is our wholly self-developed small-molecule inhibitor of cyclin-dependent kinases 4 and 6 (CDK4/6) featuring a novel chemical scaffold, for which we own full intellectual property rights. CDK4/6 is a key regulator of the cell cycle that triggers the transition from the

growth phase (G1 phase) to the DNA synthesis phase (S phase). Tibremciclib specifically binds to CDK4/6 to inhibit its kinase activity, thereby suppressing cancer cell proliferation, metastasis, and related signaling pathways, leading to cell cycle arrest at the G1 phase and inhibition of tumor cell growth.

Breast cancer is the most commonly diagnosed malignant tumor in women worldwide and one of the leading causes of death from malignant tumors, and HR+/HER2- breast cancer is the most prevalent subtype. CDK4/6 inhibitors have transformed the treatment paradigm of HR+/HER2- breast cancer and significantly improved survival outcomes. Tibremciclib represents a promising new treatment option for second-line HR+/HER2- advanced breast cancer. For patients with HR+/HER2- advanced breast cancer whose disease progressed after prior endocrine therapy, tibremciclib in combination with fulvestrant provided clear clinical benefit that outweighed the risks, establishing it as a differentiated treatment option in the second-line setting.

On July 31, 2025, the Phase III clinical results of tibremciclib (the TIFFANY study) were published in full in *JAMA Oncology* (impact factor 20.10). As of March 31, 2024, the study had reached the preplanned number of final PFS events. Median follow-up was 12.9 months in both treatment groups. Investigator-assessed median PFS was 16.5 months (95% CI: 12.8-16.6) in the tibremciclib plus fulvestrant arm versus 5.6 months (95% CI: 4.5-9.2) in the placebo plus fulvestrant arm. Compared with placebo plus fulvestrant, tibremciclib plus fulvestrant significantly improved PFS, reducing the risk of disease progression or death by 63% (HR = 0.37; 95% CI: 0.27-0.52; P < 0.0001). IRC-assessed PFS was consistent with the investigator-assessed results (HR = 0.37; 95% CI: 0.26-0.54; P <0.0001). In terms of safety, the main adverse events with tibremciclib plus fulvestrant were hematologic and gastrointestinal toxicities, most of which were mild to moderate in severity. Common adverse events included diarrhea, neutropenia, and leukopenia. The results demonstrated that tibremciclib plus fulvestrant, compared with placebo plus fulvestrant, significantly prolonged PFS in HR+/HER2- advanced breast cancer patients who had failed prior endocrine therapy, with a favorable safety and tolerability profile.

In June 2025, tibremciclib was approved in combination with fulvestrant for the treatment of adult patients with HR+/HER2- locally advanced or metastatic breast cancer whose disease had progressed after prior endocrine therapy by the NMPA. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Breast Cancer Drug Market." Tibremciclib demonstrates stronger antitumor activity in breast cancer, thereby lowering off-target toxicities such as grade ≥3 diarrhea, supported by robust second-line clinical data. Together with our established presence in breast cancer through trastuzumab and pertuzumab, we aim to create a multi-combination coverage strategy in this market, developing breast cancer into another leading therapeutic area alongside lung cancer and further strengthening our overall oncology pipeline.

Trastuzumab Injection (Anruize®/安瑞泽®), Anti-HER2 Antibody

Anruize®, a biosimilar drug to trastuzumab (Herceptin®) independently developed by BioRay, was approved by the NMPA in February 2023 for the treatment of HER2-positive metastatic breast cancer, early-stage breast cancer, and metastatic gastric cancer. It is the second trastuzumab biosimilar approved in China. In May 2025, we entered into a comprehensive collaboration with BioRay with a "trastuzumab-pertuzumab combo" framework, under which BioRay appointed us as the exclusive master distributor for its trastuzumab injection, as well as granted us the exclusive rights to commercialize pertuzumab injection, both across Chinese Mainland, Hong Kong, Macau and Taiwan. See "— Our Business Development — Collaboration with BioRay."

Completed studies have demonstrated that Anruize® is highly similar to Herceptin® in terms of quality and quality attributes, structural confirmation, stability, preclinical PK/PD, efficacy and safety. In addition, Anruize® has been evaluated in two completed clinical studies including a Phase I trial and a Phase III trial comparing its PK and immunogenicity profiles with those of Herceptin®. In these studies, Anruize® demonstrated similarity to the reference drug Herceptin® in pharmacokinetics, efficacy, and safety.

Anruize® was approved by the NMPA in February 2023 for the treatment of HER2-positive metastatic breast cancer, early-stage breast cancer, and metastatic gastric cancer. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Breast Cancer Drug Market." We adopt a "dedicated-line and mixed-line" commercialization model to ensure comprehensive coverage of both core and broad markets. We are leveraging our proven

commercialization framework to establish multiple growth drivers in the breast cancer market and to strive for a leading position in this therapeutic area comparable to our position in lung cancer. We also plan to capitalize on our partner BioRay's cost-control advantages in manufacturing, thereby enhancing our overall market competitiveness.

Pertuzumab Injection (贝泽汀®), Anti-HER2 Antibody

Pertuzumab injection (贝泽汀®) is a biosimilar to Roche's pertuzumab (Perjeta®). In HER2-overexpressing xenograft models, the combination of pertuzumab and trastuzumab demonstrated enhanced antitumor activity. This dual-targeted regimen — trastuzumab plus pertuzumab — has been widely endorsed as the standard of care for HER2-positive breast cancer by both domestic and international treatment guidelines, owing to its superior efficacy and proven survival benefits. In May 2025, we in-licensed the exclusive rights to pertuzumab injection in Greater China from BioRay. See "— Our Business Development — Collaboration with BioRay."

Extensive analytical characterization, *in vitro* and *in vivo* comparative studies between pertuzumab injection and the reference drug Perjeta® demonstrated a high degree of similarity between pertuzumab injection and Perjeta® in terms of structural and quality attributes, with highly similar preclinical pharmacodynamics and pharmacokinetics, and a favorable safety profile. In addition, to verify the clinical similarity between the biosimilar pertuzumab injection and the reference drug Perjeta®, two key comparative studies including a Phase I trial and a Phase III trial were conducted, which further confirmed comparable efficacy and clinical similarity between pertuzumab injection and Perjeta®.

Pertuzumab injection (贝泽汀®) was approved by the NMPA in February 2026 for the treatment of early-stage and metastatic breast cancer, making it the third pertuzumab biosimilar approved in China. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Breast Cancer Drug Market." In addition, the combination of trastuzumab and pertuzumab is the standard-of-care and cornerstone regimen for the treatment of HER2-positive breast cancer, providing significant clinical value as a combination therapy. Pertuzumab injection not only enriches patients' treatment options in the breast cancer field, but also lays a solid foundation for the development and introduction of our related products in the future.

MCLA-129, EGFR/c-MET Bispecific Antibody

MCLA-129 is an innovative human bispecific antibody that inhibits EGFR and c-MET signaling pathways in solid tumors. MCLA-129 has enhanced antibody-dependent cellular cytotoxicity (ADCC) and has been shown to effectively mediate ADCC against tumor cell lines. We intend to develop MCLA-129 for the treatment of solid tumors harboring EGFR and/or c-MET mutations, especially NSCLC. Pursuant to a collaboration and license agreement in December 2018, we obtained an exclusive license from Merus to develop and commercialize MCLA-129 in Chinese Mainland, Hong Kong and Macau. Merus retains all rights to MCLA-129 outside of these regions. See "— Our Business Development — Collaboration and License Agreement with Merus on MCLA-129."

In EGFR TKI-resistant NSCLC where c-MET pathway activation is a common escape mechanism, we have initiated a Phase II study in patients with driver-positive disease with MET amplification and/or MET overexpression. To further enhance clinical benefit, we are investigating combination regimens. For instance, MCLA-129 plus ensartinib may deliver synergistic dual-pathway inhibition to prolong PFS. We are also evaluating MCLA-129 in combination with befotertinib. Moreover, we are expanding into patient populations with diverse c-MET abnormalities, such as gene amplification, exon 14 skipping mutations, and protein overexpression. While existing therapies have focused mainly on c-MET gene amplification and mutation populations, the recent approval of AbbVie's c-MET antibody-drug conjugate (ADC) (Emrelis®) for c-MET-high NSCLC marks a pivotal advancement. We are actively exploring MCLA-129's therapeutic potential in patients with high c-MET expression, aiming to broaden treatment options for this subgroup.

MCLA-129 offers compelling competitive advantages as an EGFR/c-MET bispecific antibody with broad pan-cancer potential, given the high prevalence of MET dysregulation across NSCLC, HNSCC, and gastrointestinal tumors. The molecule is well positioned to address key mechanisms of acquired resistance to third-generation EGFR TKIs, including MET amplification and EGFR

C797S mutation, by enabling more comprehensive pathway blockade. Ongoing combination programs with agents such as ensartinib and befotertinib further enhance its clinical utility across both treatment-naïve and TKI-resistant populations. In parallel, development is expanding into diverse MET-altered subsets — including high MET expression, amplification, and exon 14 skipping — to unlock additional therapeutic opportunities.

Four clinical studies of MCLA-129 are currently ongoing. The Phase I/II clinical study of MCLA-129 in patients with advanced solid tumors commenced in September 2021, and we are continuously exploring the potential expansion of its indications, with trial completion expected in the second half of 2027. The Phase I clinical study of MCLA-129 in combination with befotertinib in patients with EGFR-mutant advanced NSCLC commenced in September 2023, with completion anticipated in 2027. The Phase II clinical study of MCLA-129 in patients with advanced NSCLC harboring driver mutations and MET amplification and/or MET overexpression commenced in March 2025, with completion anticipated in the first half of 2028. In addition, in February 2026, we initiated a Phase I/II clinical trial of MCLA-129 in combination with ensartinib for patients with advanced solid tumors with MET amplification/overexpression, and we expect to complete the Phase I study in the third quarter of 2027. Subject to observing expected efficacy signals, we may plan to initiate registrational studies in patient populations such as advanced colorectal cancer, and advanced solid tumors with MET amplification or MET overexpression.

BPI-572270, Pan-RAS Molecular Glue Inhibitor

BPI-572270 is a potent pan-RAS molecular glue inhibitor currently under clinical development. Preclinical studies of BPI-572270 demonstrates strong cellular activity against multiple tumor cell lines harboring KRAS, NRAS, and HRAS mutations, with cellular activity in the nanomolar IC_{50} range. RAS mutations are among the most common oncogenic drivers in human cancers. As of the Latest Practicable Date, no pan-RAS inhibitor has been approved for commercialization worldwide.

BPI-572270 not only demonstrates potent inhibitory activity against various RAS mutants but also exhibits excellent pharmacokinetic properties and a favorable safety profile. In our preclinical studies, it demonstrated robust antitumor activity at a relatively low dosage level. It holds promise as a monotherapy for treating multiple RAS-mutant cancers including pancreatic cancer and NSCLC, and may achieve more comprehensive disease control when used in combination regimens.

We received IND approval from the NMPA for BPI-572270 in January 2026 and initiated a Phase I clinical trial in advanced solid tumor patients with RAS mutations in the same month. The trial is progressing as of the Latest Practicable Date, and readout of safety and efficacy data is expected in 2027. In addition, subject to further data from ongoing clinical trials, we plan to conduct clinical trials of BPI-572270 in major overseas jurisdictions and evaluate it in a range of combination therapy regimens.

BPI-585771, Multi-KRAS Mutant PROTAC Molecule

BPI-585771 is a multi-KRAS mutant PROTAC molecule. By degrading rather than inhibiting KRAS proteins, BPI-585771 is expected to deliver more durable therapeutic benefit. Compared with conventional inhibitors, the key advantage of PROTAC molecules lies in their "catalytic clearance" mechanism. They do not require continuous target occupancy but only transient binding to initiate protein degradation. As long as a ternary complex can be formed, KRAS proteins, including those with structural alterations, can be eliminated. This represents a novel therapeutic paradigm for highly mutable oncogenic targets. According to Frost & Sullivan, only two small-molecule pan-KRAS degrader with publicly disclosed data has entered the clinical stage as of the Latest Practicable Date.

As a PROTAC molecule, BPI-585771 offers significant mechanistic advantages over pan-RAS and pan-KRAS small-molecule inhibitors. First, complete removal of KRAS proteins enables an "event-driven" mode of action, as opposed to the "occupancy-driven" model of inhibitors, representing an innovative mechanism. Second, by fully eliminating the protein, BPI-585771 not only achieves robust pharmacological activity but may also reduce the likelihood of resistance driven by additional KRAS mutations with long-term treatment.

In *in vitro* studies, BPI-585771 exhibited strong antiproliferative activity as measured by IC_{50} across cell lines harboring KRAS G12D, G12C, G12V, and G13D mutations, as well as KRAS wild-type amplification. In terms of mechanism of action, BPI-585771 is capable of binding to both the "on" and "off" states of KRAS, with a stronger affinity for the "off" state. In *in vivo* models, BPI-585771 showed markedly strong antitumor activity with dose-dependent inhibition of tumor growth and favorable safety and tolerability. BPI-585771 is planned to be developed both as monotherapy and in combination regimens, with a frontline focus on NSCLC patients harboring KRAS mutations, and further expansion to colorectal cancer, pancreatic cancer, and other indications.

We expect to submit an IND application for BPI-585771 to the NMPA in the third quarter of 2026 and plan to initiate clinical studies in due course afterwards.

BK-001, Antibody and Oncolytic Virus Combination Therapy

BK-001 represents an innovative tumor treatment strategy that combines a bispecific antibody with a genetically engineered oncolytic virus and is currently under preclinical development.

Most current cancer therapeutics, including antibodies, cell therapies, and XDCs, are developed to target tumor-associated antigens rather than tumor-specific antigens. Although these modalities improve targeting specificity and reduce toxicity to some extent, they still cannot completely avoid interference with normal signaling pathways and off-target effects. BK-001 leverages a genetically engineered oncolytic virus (V113) to present a non-human antigen (TT3) on the surface of tumor cells. This is subsequently targeted by a CD3/TT3 bispecific antibody (BK-001) through our TCE platform technology. This combination therapy not only reshapes the tumor microenvironment but also provides precise targeting and a bystander effect, thereby markedly enhancing therapeutic efficacy. BK-001 offers a novel therapeutic option for cancer patients, particularly those who are resistant to or lack available treatments with existing drugs.

In preclinical development, BK-001 has completed pharmaceutical, pharmacological, and non-clinical safety studies. Binding activity to TT3 and CD3 antigens has been validated using ELISA, FACS, and SPR assays, all of which met design expectations. The RGA assay confirmed BK-001's specific activation of the CD3 signaling pathway. Cell-based studies further demonstrated its ability to specifically induce T cell activation and proliferation. RTCA assay results confirmed that BK-001 can selectively kill TT3-overexpressing tumor cells and induce a bystander effect. Preclinical animal models have validated the preliminary antitumor efficacy of combining V113 with BK-001. Non-clinical safety evaluations in cynomolgus monkeys showed that even at high doses, no significant adverse effects were observed, suggesting a potentially superior safety profile compared with other TCEs.

We expect to submit an IND application for BK-001 plus V113 to the NMPA in 2027, with an initial focus on evaluating the safety of BK-001 plus V113 in patients with advanced solid tumors.

MRX2843, Small-Molecule MerTK/FLT3 Dual Inhibitor

MRX2843 is an oral small-molecule MerTK/FLT3 dual inhibitor that we obtained through a strategic collaboration with Meryx, Inc. This candidate is being developed for the treatment of patients with acute myeloid leukemia (AML) and advanced solid tumors and is currently in Phase I/II clinical trials.

As of the Latest Practicable Date, no clinical- or commercial-stage therapy globally has been able to target both MerTK and FLT3 simultaneously. MRX2843 is a first-in-class inhibitor targeting MerTK and FLT3 to enter clinical development. It possesses dual functions of directly suppressing tumor growth and activating antitumor immunity, and has demonstrated a favorable clinical safety profile. MRX2843 has also demonstrated functional antitumor activity in MerTK/FLT3 cell culture and animal models. In addition, MRX2843 retains activity against FLT3-ITD mutations resistant to quizartinib, and has been shown to prolong survival in xenograft models of quizartinib-resistant AML. These findings support the translational potential of MRX2843 and provide a rationale for its clinical development in AML.

We initiated Phase I clinical trials for MRX2843 in advanced solid tumors in China in May 2020, and in AML in June 2021. Both trials were ongoing and enrolling as of the Latest Practicable Date and no study results were available. We will continue to explore the therapeutic potential of MRX2843 in advanced solid tumors and hematologic malignancies both as monotherapy and combination therapy, and keep advancing the development into later clinical stages.

Licenses, Rights and Obligations

In July 2017, we entered into a collaboration agreement with Meryx, Inc., a biotech company based in the United States focusing on the development of MerTK inhibitors, and obtained an exclusive license to develop, manufacture and commercialize MRX2843 in Greater China (including Chinese Mainland, Taiwan, Hong Kong and Macau) (the "Territory") for all indications. As a consideration for our rights under the collaboration agreement, we are obligated to pay upfront payment to Meryx, Inc. Meryx, Inc. is also entitled to tiered royalties on annual net sales of MRX2843 until the later of (i) the last to expire of the intellectual property rights covering a particular MRX2843 product in a particular country or jurisdiction in the Territory, or (ii) 15 years from the date of first commercial sale of MRX2843 products in a particular country or jurisdiction in the Territory. In December 2021, Xcovery Holdings, our subsidiary, announced the acquisition of a controlling interest in Meryx, Inc. Xcovery Holdings further acquired the remaining shares of Meryx, Inc. in June 2026, and Meryx, Inc. became a wholly owned subsidiary of Xcovery Holdings thereafter.

BPI-452080, Small-Molecule HIF-2α Inhibitor

BPI-452080 is an innovative oral small-molecule HIF-2α inhibitor with fully independent intellectual property rights. It inhibits the binding of HIF-2α to HIF-1β proteins, demonstrating comparable potency to belzutifan. BPI-452080 also strongly suppresses HIF-2α downstream HRE transcription and VEGFA protein secretion. Currently, a Phase I/II clinical trial is ongoing to evaluate BPI-452080 in patients with Von Hippel-Lindau (VHL)-associated tumors and other solid tumors in China.

Preclinical *in vivo* pharmacology studies have shown that BPI-452080 exerts potent antitumor activity, significantly inhibiting tumor growth in a series of xenograft models carrying VHL mutations. The primary target patient populations for its clinical development include tumors associated with VHL syndrome, RCC, and other solid tumors. As of the Latest Practicable Date, only one HIF-2α drug has been approved for the treatment of VHL-associated tumors in China.

We are conducting a Phase I/II clinical trial of BPI-452080 in patients with VHL-associated tumors and other solid tumors, which commenced in June 2022. As of the Latest Practicable Date, enrollment and preliminary data analysis for Phase I dose escalation and backfill stages have been completed. We plan to closely follow up on the ongoing Phase I data and communicate with NMPA for registrational trial in 2026.

BPI-460372, Small-Molecule TEAD Inhibitor

BPI-460372 is an orally available, small-molecule inhibitor of TEAD transcription factors in the Hippo signaling pathway, independently developed by us. It is intended for the treatment of patients with advanced solid tumors and received IND approvals from both the NMPA and the FDA in January 2023. A Phase I clinical trial was initiated in April 2023 and is currently ongoing to evaluate BPI-460372 in patients with advanced solid tumors in China.

As of the Latest Practicable Date, no TEAD-targeted drug has been approved for marketing globally. Compounds in clinical development targeting the same mechanism include VT3989, IAG933, and IK-930, with preliminary clinical data showing early antitumor activity. The development progress of BPI-460372 places it among the leading programs worldwide. It holds the potential to address significant unmet medical needs and deliver broad commercial value. Preclinical studies have demonstrated potent *in vitro* and *in vivo* activity, favorable pharmacokinetic properties, and a good safety profile. BPI-460372 also shows promise in combination approaches to enhance chemotherapy, tumor immunotherapy, targeted therapy, and to overcome resistance.

We will continue to advance the Phase I clinical study of BPI-460372 in advanced solid tumors in China, which was initiated in April 2023. As of the Latest Practicable Date, enrollment and preliminary data analysis for both the dose escalation and dose backfill stages have been completed. We plan to closely follow up on ongoing Phase I data and determine further clinical development plan for BPI-460372.

BPI-221351, Mutant-selective Dual IDH1/IDH2 Small-Molecule Inhibitor

BPI-221351 is a novel, potent, and highly selective small-molecule dual inhibitor of mutant IDH1 and IDH2, independently developed by us with full proprietary intellectual property rights. It is intended for the treatment of patients with advanced solid tumors harboring IDH1 and/or IDH2 mutations, such as glioma and cholangiocarcinoma.

Preclinical studies have demonstrated strong dual-inhibitory activity both *in vitro* and *in vivo*, excellent blood-brain barrier penetration, favorable pharmacokinetic characteristics, and a good safety profile. BPI-221351 is designed to overcome resistance associated with single IDH inhibitors and is suitable for the treatment of gliomas with IDH mutations. As of the Latest Practicable Date, vorasidenib (AG-881) is the only dual IDH1/2 inhibitor approved globally, having received FDA approval in August 2024, while no such drug has been approved in China. BPI-221351 is therefore expected to provide a new therapeutic option for domestic patients with IDH1- or IDH2-mutant tumors.

We received IND approval for BPI-221351 from the NMPA in March 2024. We plan to further evaluate the therapeutic potential of BPI-221351 in clinical development.

Balstilimab, Anti-PD-1 Antibody

Balstilimab is a humanized monoclonal antibody targeting programmed cell death protein 1 (PD-1). Balstilimab binds to programmed death-ligand 1 (PD-L1) and PD-L2 expressed on tumor cells, leading to signal transduction and subsequent activation of T cell function. The activated T cells come into contact with PD-L1-expressing cells (such as tumor cells). The binding of PD-1 to PD-L1 activates the ability to recognize and kill tumor cells, leading to massive proliferation and secretion of cytokines such as interferon and TNF-α, further activating other immune cells and enhancing the overall anti-tumor immune response. We own the exclusive rights to develop and commercialize balstilimab in Greater China (including Hong Kong, Macau and Taiwan) through our in-licensing agreement with Agenus. For further details, see "— Our Business Development — License and Collaboration Agreement with Agenus on Balstilimab and Zalifrelimab."

Zalifrelimab, Anti-CTLA-4 Antibody

Zalifrelimab is a humanized immunoglobulin G1 (IgG1) monoclonal antibody that selectively binds to cytotoxic T-lymphocyte-associated protein 4 (CTLA-4, also known as cluster of differentiation (CD) 152). Zalifrelimab is anticipated to enhance T-cell immunity by antagonizing the inhibitory signaling pathway represented by CTLA-4. We own the exclusive rights to develop and commercialize zalifrelimab in Greater China (including Hong Kong, Macau and Taiwan) through our in-licensing agreement with Agenus. For further details, see "— Our Business Development — License and Collaboration Agreement with Agenus on Balstilimab and Zalifrelimab."

Currently, we are exploring the therapeutic potential of balstilimab in combination with zalifrelimab for the treatment of NSCLC and liver cancer in preclinical studies. Taking into account the evolving regulatory environment and competitive landscape, we will further determine the most suitable clinical development plan for this candidate in China.

Non-Neoplastic Diseases Pipeline

Recombinant Human Albumin Injection (Rice) (奥福民®)

Recombinant human albumin injection (rice) (奥福民®) (HY1001) is the world's first-in-class drug developed and manufactured by Healthgen using internationally advanced plant-based molecular medicine technology. It adopts an innovative rice endosperm cell bioreactor expression system, which offers advantages such as high product uniformity and elimination of the potential risk of blood-borne disease transmission. Compared with yeast expression systems, the rice endosperm cell platform demonstrates better safety, lower immunogenicity, reduced cost, and an

environmentally friendly manufacturing process. Healthgen has obtained a Drug Manufacturing Certificate for its intelligent manufacturing line of recombinant human albumin injection (rice). In September 2024, we entered into a regional exclusive distribution agreement with Healthgen, pursuant to which Healthgen appoints us as the exclusive distributor for recombinant human albumin injection (rice) in certain regions in China. For further details, see "— Our Business Development — Regional Exclusive Distribution Agreement with Healthgen for Recombinant Human Albumin Injection (Rice)."

Recombinant human albumin injection (rice) (奥福民®) exhibits physicochemical properties that are essentially equivalent to those of plasma-derived human serum albumin (pHSA), while offering distinct advantages such as higher purity, lower residual host cell protein and superior safety, higher expression yield and lower production cost. Its recombinant production approach represents a fundamental shift, potentially making the supply of human serum albumin no longer restricted by plasma availability, while reducing the potential risk of blood-borne pathogen transmission.

Results from the phase III clinical trial showed that HY1001, administered at a daily dose of 20 g for up to 14 days in patients with cirrhotic hypoalbuminemia, achieved therapeutic efficacy in raising serum albumin levels that was non-inferior to pHSA, with sustained effects during the follow-up period comparable to pHSA. This comparable efficacy was observed across patients with varying baseline serum albumin levels and in those with or without ascites. In addition, HY1001 improved plasma colloid osmotic pressure and promoted ascites absorption. HY1001 demonstrated a favorable safety and tolerability profile, with no SAEs related to the investigational product and no clinically meaningful development of anti-drug antibodies or anti-HCP antibodies. Collectively, HY1001 met all primary and secondary endpoints in the Phase III study, confirming non-inferiority in efficacy compared to pHSA, with comparable safety and low immunogenicity.

In July 2025, recombinant human albumin injection (rice) (奥福民®) was approved in China for the treatment of hypoalbuminemia (≤30 g/L) caused by liver cirrhosis, marking the first recombinant human serum albumin product approved in China, with the first prescription issued in August 2025. For details of its addressable market and competitive landscape, see "Industry Overview — Overview of Hypoalbuminemia Drug Market." Leveraging a sales force of over 1,000 professionals with comprehensive nationwide coverage, supported by cross-departmental collaboration, we are rapidly expanding distribution channels to ensure penetration and coverage of recombinant human albumin injection (rice) (奥福民®). Healthgen is also pursuing additional regulatory approval as well as indication expansion of recombinant human albumin injection (rice) (奥福民®) in China, the United States and Europe, aiming to cover all currently approved indications of pHSA and offering additional treatment benefits for a broader population of patients. As the first domestically developed, innovative recombinant human serum albumin product, recombinant human albumin injection (rice) (奥福民®) is expected to drive sustainable future revenue growth.

PEGylated Recombinant Human Coagulation Factor VIII Fc Fusion Protein for Injection (FRSW117)

PEGylated recombinant human coagulation factor VIII (FVIII) Fc fusion protein for injection (FRSW117) is an ultra-long-acting recombinant FVIII product candidate independently developed by Gensciences. It is intended for routine prophylaxis, on-demand treatment, and perioperative bleeding management in adult and adolescent (≥12 years) patients with hemophilia A. The active pharmaceutical ingredient of FRSW117 is a PEGylated recombinant FVIII Fc fusion protein. FRSW117 is expected to become the first domestically developed ultra-long-acting recombinant FVIII product approved for marketing in China, and the second recombinant FVIII product globally that enables once-weekly prophylactic dosing. By comparison, conventional recombinant FVIII products for prophylaxis are typically administered three times per week or every other day. The once-weekly dosing regimen of FRSW117 may substantially reduce dosing frequency, improve patient adherence, and support a return to more normal daily activities.

FRSW117 is classified as a Category 1 innovative drug in China. Gensciences has completed a Phase III clinical trial for FRSW117 in China in October 2025, and subsequently submitted an NDA to the NMPA in April 2026. In November 2025, we entered into a business collaboration agreement with Gensciences, pursuant to which we obtained the exclusive master distribution rights for FRSW117 in Greater China (including Chinese Mainland, Hong Kong, Macau and Taiwan). See "— Our Business Development — Business Collaboration Agreement with Gensciences for FRSW117."

FRSW117 features proven clinical efficacy and safety with clear commercial and manufacturing advantages. Phase I, Phase II and Phase III confirmatory clinical trials have been completed in previously treated patients aged 12 years and above with severe hemophilia A (plasma FVIII activity <1%), demonstrating its efficacy and safety for both episodic replacement therapy and routine prophylaxis in this patient population. Compared with existing marketed FVIII products in China and overseas, clinical studies of FRSW117 have shown that it enables once-weekly prophylaxis, positioning it as the world's second ultra-long-acting recombinant FVIII product. The once weekly regimen can reduce dosing frequency, improve adherence, extend post-infusion bleeding protection, and reduce the occurrence of subclinical bleeding, thereby potentially delivering improved clinical outcomes and safety benefits in prophylactic treatment. In addition, as potentially the only domestically developed ultra-long-acting recombinant FVIII product in China, it may deliver advantages in cost control and reimbursement access, addressing the significant unmet need for ultra-long-acting FVIII products in China where existing prophylactic options are limited, costly and impose heavy treatment burdens on patients. In addition, its PEGylated recombinant FVIII Fc fusion design, robust fed-batch manufacturing process, and high-yield production cell line underpin consistent product quality and manageable production costs, enabling a potentially more effective and more affordable therapeutic alternative for hemophilia A patients in China.

FRSW117 is expected to obtain marketing approval from the NMPA in 2027, and is intended for routine prophylaxis, on-demand treatment and perioperative bleeding management in adults and adolescents (≥12 years) with hemophilia A, if approved. Taking into account the characteristics of hemophilia A and the patient population in China, we plan to capitalize on FRSW117's ultra-long-acting profile and patient adherence benefits, leveraging our established sales team and nationwide sales network and through cross-functional collaboration, to rapidly expand coverage and penetration and to benefit the broad patient population in China. Gensciences also plans to conduct additional clinical studies of FRSW117 for prophylaxis, on-demand treatment and perioperative bleeding management in pediatric patients at an appropriate time. Expansion into additional patient populations may broaden the addressable market and support sustained growth in future sales.

DURAVYU™ (EYP-1901), Sustained-Release Vorolanib Formulation

EYP-1901 is a sustained-release formulation of vorolanib developed by EyePoint utilizing its Durasert E™ technology platform. The EYP-1901 formulation is designed to achieve therapeutic concentrations in ocular tissues while minimizing systemic exposure. We in-licensed the Greater China rights to this candidate from EyePoint in May 2022. For further details, see "— Our Business Development — Collaboration with EyePoint."

Utilizing the bioerodible Durasert E™ insert, EYP-1901 is capable of immediate release of vorolanib following administration, which allows reaching therapeutic levels within hours. Continuous daily dose is delivered with no fluctuations. Dose-exposure relationship modeling using animal and human data demonstrated sustained release for at least 6 months following a single injection. Its active ingredient, vorolanib, inhibits various targets including VEGFR-1/2/3, PDGFR-, and CSF-1R, thereby potently blocking VEGF-A/B/C/D and PDGF signaling. This mechanism addresses alternative angiogenic escape pathways not targeted by conventional anti-VEGF-A monoclonal antibodies, offering potential benefit in patients with diminishing responses to standard therapy.

EYP-1901 met all primary and secondary endpoints in the Phase II trials for wet age-related macular degeneration (wAMD) and diabetic macular edema (DME) between 2023 and 2025, reducing injection frequency by up to 89% in wAMD and enabling 73% of DME patients to remain injection-free for up to six months, with a stable and manageable safety profile.

EyePoint is conducting two pivotal Phase III clinical trials, LUGANO and LUCIA, to further evaluate the safety and efficacy of EYP-1901 in patients with wAMD. In August 2026, EyePoint reported topline data from the LUGANO study. In an *ad hoc* analysis excluding a 4% asymmetric cohort of patients who experienced vision loss unrelated to wAMD, EYP-1901 was non-inferior to on-label aflibercept control, and LUGANO achieved its key secondary endpoints, although the primary endpoint was not achieved in full dataset confounded by this asymmetric cohort. EyePoint continues to advance LUCIA, with topline data expected in the fourth quarter of 2026. In addition, for DME, EyePoint also initiated two global Phase III trials, COMO and CAPRI, with patient enrollment completed in July 2026 and topline data anticipated in the fourth quarter of 2027. In China, the IND application for EYP-1901 in wAMD was approved by the NMPA in July 2024, and we are evaluating the subsequent clinical development and registration strategy in China subject to

clinical data from EyePoint's registrational trials. In addition, in July 2023, the IND application for EYP-1901 as a potential treatment for pathologic myopic choroidal neovascularization (pmCNV) was approved by the NMPA in China, and we will determine further clinical development plan for this indication subject to POC data. Taking into account the evolving regulatory environment and competitive landscape, as well as the progress of the global development programs for EYP-1901, we will further determine the most efficient clinical development and registration pathway for EYP-1901 in China.

BPI-452080 Long-acting Ocular Formulation

BPI-452080 is an innovative, orally available small-molecule HIF-2α inhibitor with fully proprietary intellectual property rights. For further details on BPI-452080, see "— Our Commercialized and Pipeline Products — Products and Pipeline Candidates in Other Malignant Tumor Fields — BPI-452080, Small-Molecule HIF-2α Inhibitor."

In addition to oncology indications, BPI-452080 demonstrates significant potential for expansion into ophthalmic applications. Anti-VEGF therapies have demonstrated strong clinical benefit in retinal vascular diseases such as AMD and DME. Consistent with this rationale, researches have also shown that BPI-452080, as a HIF-2α inhibitor functioning upstream of VEGF, markedly suppresses neovascularization in murine models. Building on these findings, we intend to develop a long-acting ocular formulation of BPI-452080 to explore its efficacy and safety in the treatment of retinal vascular diseases. As of the Latest Practicable Date, BPI-452080 long-acting ocular formulation remains in early preclinical explorations. Further *in vitro* and *in vivo* studies are ongoing to evaluate the BPI-452080 long-acting ocular formulation.

OUR COMMERCIALIZATION CAPABILITIES

We are one of the few innovative pharmaceutical companies in China with full-chain, end-to-end capabilities in innovative drug R&D, production and commercialization. Since our first product was approved for commercialization in 2011, our R&D, clinical development and commercialization capabilities have been verified by the market over the past decade. We implement differentiated and localized sales and marketing strategies tailored to our innovative products. We have built up a strong commercialization team in China, which has amassed extensive experience and resources. We have also established a U.S.-based commercial operations team covering sales, marketing and medical affairs functions to support and accelerate the overseas commercialization of our products. As of June 30, 2026, our commercialization team comprised 1,147 members, and its leadership team had over 14 years of experience in the commercialization of pharmaceutical products on average. Our commercialization team is led by Mr. WAN Jiang, our Senior Vice President and President of Global Sales.

Currently, we sell most of our products to wholesale distributors, who are our customers and in turn sell our products to end-customers, primarily including hospitals and retail pharmacies; and to a lesser extent, we also sell our products directly to retail pharmacies in China. We may adjust our strategies for allocating sales between wholesale distributors and retail pharmacies from time to time based on our product mix, our actual business needs and the potential changes in China's drug market. The table below sets forth a breakdown of our revenue from sales of our products by sales and distribution channels during the Track Record Period:

	Year ended December 31,						Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	RMB'000		*RMB'000*		*RMB'000*		*RMB'000* (unaudited)		*RMB'000*	
Wholesale Distributors										
End-customers: Hospitals	1,215,531	49.5	1,276,980	44.2	1,588,871	44.0	772,096	44.6	847,977	42.9
End-customers: Pharmacies	510,461	20.8	757,895	26.2	1,066,085	29.6	493,297	28.5	628,601	31.8
Subtotal	1,725,992	70.3	2,034,875	70.4	2,654,956	73.6	1,265,393	73.1	1,476,578	74.7
Retail pharmacies	690,791	28.1	792,126	27.4	922,713	25.5	450,482	26.0	486,837	24.7
Total	**2,416,783**	**98.4**	**2,827,001**	**97.8**	**3,577,669**	**99.1**	**1,715,875**	**99.1**	**1,963,415**	**99.4**

Sales and Marketing

We have an experienced and specialized in-house sales and marketing team for our products. As of June 30, 2026, our sales and marketing team consisted of 1,072 employees. We also benefit significantly from the team's substantial operational, managerial and commercialization experience, resources and expertise, especially market access and distribution resources that are often coveted but cannot be easily replicated.

Our sales and marketing efforts emphasize academic promotion, in order to promote and strengthen the awareness and recognition of our products and our brand among medical professionals. We market our products nationwide by participating in various academic conferences and advertising through professional medical media, coordinating with independent investigators to conduct clinical studies, holding academic sessions to improve physicians' awareness of our products, assisting hospitals to establish their patient education platforms, and establishing a patient consultation mechanism to provide patients with product consultation. We adopted a physician-targeted approach focused on direct and interactive communication with KOLs and PIs, who are renowned physicians and leading experts in our target therapeutic areas, as well as team heads and senior physicians in our target hospitals to promote the differentiated clinical attributes of our products. Our commercialization team regularly visits KOLs and PIs at hospitals or other medical institutions to provide them with the latest product information. Furthermore, we invite KOLs and PIs to attend national and regional academic or industry conferences and share the latest industry developments and their experience in the relevant therapeutic areas, in compliance with relevant laws and regulations. According to our internal policies, we enter into service agreements with the KOLs and PIs who are invited to give lectures in the conferences. Such service agreements provide the subject and duration of the lectures, location of the conferences and amount of lecture fees, in compliance with relevant laws and regulations. During the Track Record Period and as of the Latest Practicable Date, we had not received any complaints with regards to our KOLs and PIs that may materially affect our business operations and reputation.

Marketing Support

As part of our commercialization team, we also have a market access team consisting of experienced specialists with deep knowledge of healthcare and medical insurance policies and regulations and a practical understanding of the challenges to market access. As of June 30, 2026, the team consists of nine staff, providing support for the development of our government relations and reimbursement strategies and pricing assessments of new products.

Distribution

Distribution Network

We sell most of our products to wholesale distributors, who are our customers and in turn sell our products to end-customers, primarily including hospitals and retail pharmacies. In line with industry practices, our distributors are not engaged to provide marketing and promotion services for our products. As of the Latest Practicable Date, we had approximately 170 distributors covering over 30 provinces, municipalities, and autonomous regions, and our distribution network covered over 6,400 hospitals in China. To the best of our knowledge, during the Track Record Period and as of the Latest Practicable Date, all of our distributors are Independent Third Parties and none of our distributors was wholly owned or controlled by or had any past or present relationships or arrangements, including family relations, business, financing, guarantee and others, with our Company or our subsidiaries, their directors, shareholders, senior management or any of their respective associates, save for acting as a distributor of our products. We believe this distribution model helps extend our coverage in a cost-effective manner while retaining proper control over our distribution network and sales and marketing process. Through our collaboration with established distributors, we can increase market penetration in lower-tier cities.

The table below shows the changes in the number of our distributors as our customers in the PRC for the periods indicated.

	Year ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Number of wholesale distributors				
Beginning of the period	158	149	151	177
Additions during the period	9	9	33	3
Reductions during the period	(18)	(7)	(7)	(9)
Net increase/(decrease)	(9)	2	26	(6)
End of the period	149	151	177	171

During the Track Record Period, we continuously entered into business relationships with new distributors to expand our distribution network. During the Track Record Period, terminations of business relationships with distributors were primarily due to our strategic regional adjustments, and we did not terminate our collaboration with any distributors due to any disputes with or non-compliance incidents of such distributors.

Selection and Management of Distributors

We generally evaluate and select distributors based on their reputation, relationships with hospitals, financial condition, credit records, scale of operations, as well as their licenses, certifications and qualifications, market coverage, prior sales performance, sales experience, after-sales services, storage and delivery capabilities and quality assurance systems. We also conduct financial and social credit assessments of each of our distributors before we enter into a distribution agreement. We identify both new and existing distributors that have proven relationships and sales personnel for marketing to top-tier hospitals. We intend to enhance our domestic network of distributors to increase our hospital coverage in regions where we currently market our products, while broadening our overall hospital coverage nationwide.

We proactively manage our network of distributors by regularly reviewing their performance. Our distribution agreements typically have a one-year term, thus ensuring that we review our contractual relationships on an annual basis. In addition, our distribution agreements typically require our distributors to covenant that they will comply with all applicable laws and regulations while distributing our products, such as anti-bribery and anti-kickback laws and regulations, and obtain relevant permits to sell and distribute medical products. We can grant rebates to the distributor by considering the distributor's compliance with the undertakings under the agreement, inventory management and payment schedule. For details, see "— Our Commercialization Capabilities — Distribution — Key Terms of Distribution Agreements."

Prevention of Cannibalization

We generally have more than one distributor in a given area as our distributors focus on different distribution channels and end customers. In order to manage the risk of cannibalization of sales among our distributors, we have adopted the following measures:

- ***Geographic restrictions***. We specify the designated distribution area for which our distributors are responsible in our distribution agreements with them. The agreements also prohibit distributors from selling our products outside their respective designated distribution areas without our prior written consent.

- ***Accountability policy***. For any unauthorized sales, we may terminate our collaboration with the relevant distributors according to the terms of our distribution agreements with them.

- ***End customer monitoring***. Our distributors focus on different distribution channels (such as hospitals, other medical institutions and pharmacies) and target distinct end customers. We communicate closely with end customers and their respective personnel, such as healthcare professionals, through our academic promotion activities in order to understand the actual usage of our products and see if they purchase from authorized distributors.

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

Inventory Management and Control

During the Track Record Period and up to the Latest Practicable Date, we generally maintained effective management and control over our distributors. We regularly communicate and conduct reviews with our distributors primarily regarding their inventory level and sales amount, as applicable. We have adopted various measures to avoid channel stuffing. The distributor must strictly manage the products on a first-in-first-out basis and report to us any products with an expiry date within 270 days. We generally require our distributors to maintain an inventory level that is sufficient for supply of two to four weeks to end customers and monitor the inventory level of our distributors on a daily basis through our online system. We check the quantity and quality of products at distributors' storage sites by conducting onsite inventory checks on a sampling basis. We can also terminate the agreement if (i) there are three or more incidents of inconsistency between the distributor's actual inventory and its report or (ii) the distributor's inventory management does not meet the standards set out in the agreement and fails to fix the issue within our specified period. In addition, we generally grant our distributors credit terms of up to 60 days. We believe that the short credit term requires our distributors to effectively manage their cash flow and ensure that procurements are made based on actual demand. The average turnover days of our trade receivables in 2023, 2024 and 2025 and the six months ended June 30, 2026, were 55 days, 25 days, 23 days and 45 days, respectively. This is particularly effective for our small- to medium-scale distributors, which we believe generally have more limited capital resources.

We generally do not accept any product returns and exchanges, except for defective products, incorrect deliveries, damages, or policy-related factors. Given the stringent storage and handling requirements for pharmaceuticals and the attendant risk of substitution, falsification or quality degradation, such product return policy is in line with industry practice, according to Frost & Sullivan. Upon receipt, returned products are properly documented and quarantined in a designated area pending further inspection. After preliminary inspection, our quality management team determines whether further sampling and testing are required. Based on the inspection, sampling and testing results, products proven unaffected may be repackaged and released, while returns with quality issues or where quality is in doubt are destroyed under our quality assurance team's supervision and prohibited from resale. The cumulative amount of product return from both wholesale distributors and retail pharmacies recognized during the Track Record Period was RMB0.7 million, accounting for less than 0.01% of our revenue from the sales of pharmaceutical products during the same period. During the Track Record Period and up to the Latest Practicable Date, the amounts of our product returns and exchanges did not have a material adverse effect on our operations of business, and we had not experienced any material complaint or product liability or other legal claims from our customers due to problems associated with the quality of our products.

Anti-corruption and Anti-bribery Measures

Distributors are generally subject to anti-corruption and anti-bribery obligations pursuant to the terms of our distribution agreements, under which distributors (i) are required to comply with PRC laws and regulations, including anti-corruption and anti-bribery laws and regulations; and (ii) are prohibited from making, proposing, promising or authorizing payment of money or anything of value to government officials or other personnel acting on behalf of government authorities or state-owned enterprises for the purpose of affecting their behaviors or decisions. In addition to relying on the distributors to comply with the distribution agreements, we have also implemented certain independent investigation procedures to facilitate our anti-corruption and anti-bribery

management of our distributors, including qualification review over new distributors on their business conditions, internal control and management, credibility and GSP certificates before formal engagement, and annual audit on the qualification status of certain distributions by sampling.

During the Track Record Period and up to the Latest Practicable Date, we did not provide financing to any of our distributors except for credit terms we granted to them under the relevant distribution agreements. To the best of our knowledge, none of our employees or distributors was or has been the subject of, or otherwise involved in, complaints, investigations, or regulatory enquiries in relation to, any bribery or kickback arrangements during the Track Record Period and up to the Latest Practicable Date. Our Directors are of the view that the above measures are sufficient to mitigate potential corruption and bribery behaviors of our distributors. Due to effective management of our distributors and their inventory levels, our distributors did not materially breach our contract terms, and we did not have any material disputes with our distributors relating to the settlement of trade receivables during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, we were not aware of any potential abuse or improper use of our name by our distributors, which could adversely affect our reputation, business operations or financial conditions.

Key Terms of Distribution Agreements

We generally enter into written agreements with our distributors. The following table sets forth the typical principal terms of the agreements with our distributors.

- ***Term.*** Generally one year, which may be extended by written agreement prior to expiration.
- ***Designated distribution territories.*** The distributor may only sell our products in designated territories.
- ***Compliance.*** The distributor must comply with all applicable laws and regulations.
- ***Relationship with distributor.*** Buyer and seller; non-exclusive distributorship. We recognize revenue when our products are delivered to and accepted by distributors.
- ***Sales and pricing policy.*** The distributor places orders according to market needs and we will respond within 10 days after considering distributor's credit, accounts payable and our supply. We set out the price of our products in an addendum to the agreement and can adjust the price during the term of the agreement in accordance with applicable government policies. See "— Product Pricing" for more details. We do not set minimum purchase amounts or minimum sales targets for our distributors.

  We grant rebates to distributors under a two-part framework comprising a monthly KPI-based performance rebate and an early payment rebate. Specifically, (i) to qualify for the KPI component, distributors must perform their contractual obligations and comply with relevant laws and regulations. Each month we calculate a KPI score that combines payment performance and inventory management of the relevant distributors against a target level. For each product, a pre-specified compensation coefficient is applied to purchase volumes to form the rebate base, and the KPI rebate equals the aggregated base pro-rated by the KPI score, and (ii) subject to our approval, early or timely remittances may also earn a tiered fractional to low-single-digit percentage applied to the actual amount paid.
- ***Payment and credit terms.*** The distributor is required to pay in full within the period specified on the receipt after receiving the products. We may determine whether to grant any credit terms to the distributor during the term of the agreement. We generally grant a credit term of up to 60 days to our distributors.
- ***Product return/exchange.*** We generally do not accept product returns or exchanges except for defective products, incorrect deliveries, damages, or policy-related factors, which is in line with industry practice, according to Frost & Sullivan.

- ***Inventory management.*** The distributor is responsible for storing the products under specified conditions and reporting any risks to us. The distributor must strictly manage the products on a first-in-first-out basis and report to us any products with expiry date within 270 days, which was determined based on the shelf life of our marketed products and in accordance with the relevant policies and industry practices. We have the right to check the quantity and quality of the products at the distributor's storage site. We can terminate the agreement if (i) there are three or more incidents of inconsistency between the distributor's actual inventory and its report or (ii) the distributor's inventory management does not meet the standards set out in the agreement and fails to fix the issue within our specified period.

- ***Sales to sub-distributors.*** The distributor cannot assign its obligations under the agreement to any other distributor, sub- distributor, agent or third party without our consent.

- ***Transportation and delivery.*** The distributor or its designated party picks up the products from our facility or a specified destination. Alternatively, we may appoint a transportation agent to deliver the products to the distributor. The specific arrangements are set out in the addendum to the agreement.

- ***Termination.*** The agreement may be terminated (i) if both parties agree, (ii) by either party as result of force majeure, (iii) by one party if the other party breaches any provision under the agreement and does not resolve the issue within 30 days of notice, or (iv) by one party if the other party undergoes restructuring, liquidation or bankruptcy.

Sales to Retail Pharmacies

To a lesser extent, we also sell our products directly to retail pharmacies in China, starting from 2018 in order to expand our market coverage and reach end-customers more efficiently. The table below shows the changes in the number of retail pharmacies as our customers in the PRC for the periods indicated.

	Year ended December 31,			Six Months Ended June 30,
	2023	2024	2025	2026
Number of retail pharmacies				
Beginning of the period	200	199	193	210
Additions during the period	24	10	34	6
Reductions during the period	(25)	(16)	(17)	(24)
Net increase/decrease	(1)	(6)	17	(18)
End of the period	199	193	210	192

During the Track Record Period, we continuously entered into business relationships with new retail pharmacies in order to enhance efficiency of distribution of products to end users and to increase the accessibility of our products. During the Track Record Period, terminations of business relationship with retail pharmacies were primarily due to our strategic channel adjustments, and we did not terminate our collaboration with any retail pharmacies due to any disputes with or non-compliance incidents of such retail pharmacies.

We enter into standardized annual sales agreements with these retail pharmacies while individual purchase orders are separately placed for each purchase. Pursuant to such annual sales agreements, we do not set minimum purchase amounts or minimum sales targets for our retail pharmacy customers. We are responsible for the delivery of our products to our retail pharmacies at our own costs. Generally, we do not allow product returns or exchanges except for defective products, incorrect deliveries, damages, or policy-related factors, which is in line with industry practice, according to Frost & Sullivan. Our retail pharmacy customers are responsible for storing the products under specified conditions and reporting any risks to us. They must strictly manage the products on a first-in-first-out basis and report to us any products with expiry date within 270 days, which was determined based on the shelf life of our marketed products and in accordance with the relevant policies and industry practice. We have the right to check the quantity and quality of the products they purchased from us. We can grant rebates to our retail pharmacy customers at a tiered single-digit percentage on the total purchase price by considering various factors, including

their compliance with the applicable laws and regulations, compliance with undertakings under the agreement, their use of our retail pharmacy management system, as well as management of purchase, sales and inventory data, based on which we will calculate a score for each retail pharmacy customer. We may terminate the annual sales agreements in the event of any material breach by our retail pharmacy customers, that is not remedied within 30 days of notice by us.

Product Pricing

We formulate and implement a reasonable pricing strategy for our marketed products to stay competitive and profitable. We take into account a number of factors in determining our prices, which primarily include our R&D, production and marketing costs and expenses, the perceived value of products, our market share and the competitive landscape. In addition, our pricing strategies are also affected by the regulations and policies on the pharmaceutical industry, including medical insurance reimbursement standards and regulation of medical and pricing practices.

The following table summarizes the information on the inclusion of our marketed products in each of National Reimbursement Drug List (NRDL), National Essential Drug List (NEDL), centralized volume-based procurement (VBP) scheme and centralized tender process as of the Latest Practicable Date.

Products	Inclusion in NRDL	Inclusion in NEDL	Participation in centralized VBP scheme	Listed price under the centralized tender process
				(RMB)
Icotinib	Yes. Icotinib first entered the NRDL in February 2017. Under the latest version of NRDL (2025 version), icotinib was included for all of its marketed indications as a Part B drug.	Yes. Icotinib entered the NEDL in 2018 and was included in its latest version (2026 version).	No	760.62
Ensartinib	Yes. Ensartinib first entered the NRDL in December 2021. Under the latest version of NRDL (2025 version), ensartinib was included for its first- and second-line NSCLC indications as a Part B drug.	No	No	343.91 (25mg* 7 Capsules); 1,988.00 (100mg* 14 Capsules)
Bevacizumab Injection	Yes. Bevacizumab injection, as a biosimilar to Avastin®, is covered as a Part B drug under the generic "bevacizumab" entry under the latest version of NRDL (2025 version).	Yes. Bevacizumab entered the NEDL in 2026.	No	1,076.00
Befotertinib	Yes. Befotertinib first entered the NRDL in December 2023. Under the latest version of NRDL (2025 version), befotertinib was included for its first- and second-line NSCLC indications as a Part B drug.	No	No	1,664.00
Vorolanib	Yes. Vorolanib first entered the NRDL in December 2023. Under the latest version of NRDL (2025 version), vorolanib was included as a Part B drug.	No	No	2,396.00
Tibremciclib	No	No	No	2,499.50
Trastuzumab Injection	Yes. Trastuzumab injection, as a biosimilar to Herceptin®, is covered as a Part B drug under the generic "trastuzumab" entry under the latest version of NRDL (2025 version).	Yes. Trastuzumab entered the NEDL in 2018 and was included in its latest version (2026 version).	No	1,585.00
Recombinant Human Albumin Injection (Rice)	No	No	No	890.00; 615.00
Pertuzumab Injection	Yes. Pertuzumab injection, as a biosimilar to Perjeta®, is covered as a Part B drug under the generic "pertuzumab" entry under the latest version of NRDL (2025 version).	No	No	3,958.00

National Reimbursement Drug List (NRDL)

Participants in the national public medical insurance program are eligible for full or partial reimbursement of the purchase price of drugs included in the NRDL which sets forth the payment standard for drugs under the basic medical insurance, work-related injury insurance and maternity insurance funds. The PRC Ministry of Labor and Social Security, together with other government authorities, has the power to determine the drugs included in the NRDL, which is further divided into Part A and Part B. Purchases of drugs listed in Part A are entitled to full reimbursement by the medical insurance programs and purchases of Part B drugs are entitled to partial reimbursement. The NRDL is updated annually to add or remove drugs on the list, and the prices of drugs listed on the NRDL are subject to re-negotiation every two years. For further details, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Laws and Regulations in relation to the Pharmaceutical Industry — National Reimbursement Drug List of China."

We adopt an integrated and proactive strategy aimed at maximizing the chances of our products being admitted to, and remaining on, the NRDL. Our market access team, which is part of our commercialization team, analyzes government policies and regulations and utilize pharmacoeconomic data in order to develop product pricing strategies for entry into the NRDL or into other government-sponsored medical insurance programs at appropriate pricing levels. We prioritize on building the academic influence of our products through the continuous production of high-quality research, so as to demonstrate clear therapeutic and economic benefits to payers. We actively participate in pricing negotiation processes with regulatory authorities and facilitate the successive inclusion of our commercialized products in the NRDL. We also closely monitor and proactively respond to evolving national healthcare and reimbursement policies, and thereby strive to secure and maintain NRDL inclusion for our commercialized products on a sustained basis.

As of the Latest Practicable Date, icotinib, ensartinib, befotertinib and vorolanib have been included in the NRDL, while bevacizumab injection, trastuzumab injection and pertuzumab injection were covered by the NRDL under their respective generic names. As these products are all Part B drugs, patients purchasing these drugs are entitled to partial reimbursement of the purchase price and are required to pay the remainder of the purchase price, and percentages of reimbursement for these drugs differ from region to region in China. The price ceiling set by the NRDL is the ultimate purchase price paid by the patients and medical insurance program. Our ex-factory price charged to distributors and retail pharmacies is set at a lower level than the ultimate purchase price (*i.e.* the purchase price charged to end customers). The difference between our ex-factory price and the ultimate purchase price would allow reasonable profit margin of the distributors and retail pharmacies. We also set the selling price of our products that are charged by our distributors to their end-customers in the distribution agreements, which is equal to the ultimate purchase price. The inclusion in the NRDL significantly improved the accessibility of our drugs and thereby leading to continued increase of their sales volumes. During the Track Record Period, the inclusion in the NRDL did not have a material negative impact on our results of operations as the increases in sales volume offset the price declines.

National Essential Drug List (NEDL)

The NEDL is issued by the relevant PRC authorities aiming at promoting essential drugs sold to patients at fair prices in the PRC and ensuring that the general public in the PRC has equal access to the essential drugs. Basic medical institutions funded by the government shall stock and use drugs listed in the NEDL. While the inclusion in the NEDL does not warrant the inclusion in the NRDL or reimbursement coverage by the government-sponsored medical insurance programs, the government authorities may prioritize medical insurance coverage for essential drugs when updating the NRDL. For details, please see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Laws and Regulations in relation to the Pharmaceutical Industry — National Essential Drug List." Icotinib, trastuzumab and bevacizumab were included in the latest version of NEDL (2026 version), reflecting their market acceptance among medical institutions and physicians and further enhancing patient access.

Two-Invoice System

The sales of our marketed products are subject to the Two-Invoice System in China, under which invoices are issued by drug manufacturers to drug distributors on a one-off basis, and by drug distributors to medical institutions on a one-off basis. Public medical institutions in most provinces are required to adopt the Two-Invoice System, while private medical institutions are encouraged but not required to adopt the Two-Invoice System. Pharmaceutical manufacturers and distributors who fail to implement the Two-Invoice System may be disqualified from attending future bidding events or distributing products to hospitals and blacklisted for drug procurement practices. See "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Laws and Regulations in relation to the Pharmaceutical Industry — Drug Distribution and Two-Invoice System."

In our agreements with distributors, we specify the regions and types of end customers, such as hospitals and pharmacies, to which each distributor is authorized to sell our products. Under the circumstances where public hospitals are the end-customers, which are subject to the Two-Invoice System, we require our distributors to strictly comply with relevant laws and regulations related to drug distribution and to sell our products directly to public hospitals without involving any sub-distributors that are not permitted by relevant policies relating to the Two-Invoice System. Our marketed products, being prescription drug products, are predominantly sold to public hospitals and therefore such sales are subject to the Two-Invoice System. Where the end-customers are not public hospitals but pharmacies, clinics and private hospitals, since the Two-Invoice System is not required to be adopted, we do not prohibit our distributors from engaging sub-distributors. Some of our distributors may use sub-distributors to extend the product reach due to the typically large number and geographic dispersion of pharmacies, clinics and private hospitals, which is in line with the industry practice. Generally, we do not have contractual relationships with sub-distributors engaged by our distributors, who are primarily responsible for supervising their respective sub-distributors.

We have implemented a series of internal control measures to monitor the implementation of the Two-Invoice System across different areas, and to ensure our ongoing compliance with relevant rules, regulations and policies. During the Track Record Period and up to the Latest Practicable Date, we (i) had not been deemed to have violated or circumvented any laws, regulations, rules or policies in relation to the Two-Invoice System, (ii) had not been disqualified from participating in public tendering processes in any province, (iii) were not subject to any administrative fines or penalties by the competent authorities in relation to the Two-Invoice System, and (iv) had not received any warning or notice from any competent authorities in relation to the compliance with the Two-Invoice System.

Centralized Tender Process and Centralized Volume-based Procurement (VBP) Scheme

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. In the centralized tender process, pharmaceutical companies may voluntarily submit bids to supply their products to public hospitals and other public medical institutions at specified prices, and successful bidders may sell their products to those institutions at the bid prices. The centralized tender process can create pricing pressure among substitute products or products perceived by the market to be substitutes, and has resulted in significant change in how generic drugs are priced and procured in China. During the Track Record Period, the prices of icotinib, ensartinib, befotertinib and vorolanib remained stable after the price reduction via pricing negotiation process for NRDL inclusion, and was not materially affected by pricing pressure from manufacturers of competing products. Moreover, we believe that tibremciclib and recombinant human albumin injection (rice), both being Class 1 innovative drugs with innovative mechanisms and clinical advantages, are less susceptible to pricing pressure from competing manufacturers, whereas bevacizumab injection, trastuzumab injection and pertuzumab injection, as biosimilars, may be subject to a certain level of price competition. However, there can be no assurance that we will be able to win bids through the centralized tender process at prices that would not adversely affect our profitability. Please also refer to "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates — If we are unable to win bids to sell our products to PRC public hospitals through the centralized tender process, we will lose market share and our revenue and profitability could be adversely affected."

In addition, prices of certain pharmaceutical products in China sold to public hospitals and public medical institutions are affected by the volume-based procurement (VBP) scheme. The VBP scheme aims to achieve a lower price of pharmaceuticals with mature, high-volume clinical usage and sufficient market competition through a competitive bidding process for large-volume

procurement. The VBP scheme has been rolled out at both national and regional levels. As part of the bidding process for the VBP scheme, relevant products need to undergo an evaluation and approval procedure based on specific criteria. During the Track Record Period and up to the Latest Practicable Date, our products were not sold through the centralized VBP system. If generic versions of any of our marketed products are commercially launched and sufficient generic competition develops, we may have to participate in national or regional centralized VBP schemes, which may create further pricing pressure on our products. See "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates — Certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs" for further details of risks associated with pricing regulation.

OUR BUSINESS DEVELOPMENT

Strategic partnerships have become the cornerstone of our development strategy, enabling us to efficiently expand our product pipeline and achieve global integration. Over the past few years, we have established collaborations with several renowned pharmaceutical companies in the areas of patent licensing and/or transfer, clinical development, marketing and distribution. These partnerships reflect our "bringing in and going global" approach, which emphasizes the complementary synergy between external innovation and in-house R&D. Through targeted licensing, collaborative development, and equity investments, we have accelerated the enrichment of our product pipeline in oncology and other promising therapeutic areas. The table below sets forth a summary of our key collaboration agreements.

Collaboration partner	Product/Product candidate (licensed indications, if applicable)	Agreement date	Type of collaboration	Territory/Locations
InventisBio Co., Ltd.	Befotertinib (all human indications)	December 2018	In-license	Chinese Mainland, Hong Kong, Taiwan
Beijing Mabworks Biotech Co., Ltd.	MIL60 (all human indications)	March 2017	In-license	Greater China
Hangzhou Bozhirui Biopharmaceutical Co., Ltd. (a wholly-owned subsidiary of BioRay)	Pertuzumab injection (all current and future indications obtained within the term of the agreement)	May 2025	In-license	Greater China
	Trastuzumab injection	May 2025	National exclusive distribution	Greater China
Wuhan Healthgen Biotechnology Corp.	Recombinant human albumin injection (rice)	September 2024	Regional exclusive distribution	Specified regions in Chinese Mainland
EyePoint Inc.	Vorolanib (ophthalmology indications using EyePoint's localized delivery technologies)	February 2020	Out-license	Worldwide ex-Greater China
	EYP-1901 (ophthalmology indications)	May 2022	In-license	Greater China
Merus N.V.	MCLA-129 (all human indications)	December 2018	In-license	Mainland China, Hong Kong, Macau
Agenus Inc.	Balstilimab & Zalifrelimab (all indications except for intravesical administration)	June 2020	In-license	Greater China
C4 Therapeutics, Inc.	CFT8919 (all human indications)	May 2023	In-license	Greater China
Hangzhou Gensciences Biopharmaceutical Co., Ltd. (a subsidiary of Gensciences)	FRSW117	November 2025	National exclusive distribution	Greater China

* Greater China refers to Chinese Mainland, the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and the Taiwan region

Collaboration Agreement with InventisBio on Befotertinib

In December 2018, we entered into a collaboration agreement (together with its supplement or revisions from time to time, the "**InventisBio Collaboration Agreement**") with InventisBio Co., Ltd. ("**InventisBio**"), a clinical-stage pharmaceutical company in China, to have exclusive rights for research, development, manufacturing and commercialization of befotertinib in Chinese Mainland, Hong Kong, and Taiwan (the "**Territory**"). Based on the InventisBio Collaboration Agreement, we will also co-own certain intellectual property rights of befotertinib with InventisBio. In the development of befotertinib, we and InventisBio will each have exclusive ownership of each party's respective inventions and other intellectual property rights under the agreement. In addition, we and InventisBio will jointly own all joint inventions and other intellectual property rights under the agreement.

InventisBio is eligible to receive an upfront payment, as well as milestone payments upon achievements of certain future pre-specified regulatory and sales milestones, with total payments in the range of approximately RMB400 million to RMB600 million, and tiered low-double-digit royalties on annual net sales of befotertinib in the Licensed Territory during the prescribed royalty term, which will expire, on a region-by-region (meaning each region of the Territory is measured independently) and product-by-product (meaning each licensed product form is measured independently) basis, on the expiration of InventisBio's compound patent that contains the last valid claim on such product in such region, subject to further extension in accordance with the agreement.

Meanwhile, under the InventisBio Collaboration Agreement, we and InventisBio shall use reasonable commercial efforts to jointly and actively explore the relevant rights and interests of befotertinib outside the Territory, and are also entitled to receive a mid-double-digit percentage share of the net economics generated from the commercialization of befotertinib outside the Territory (whether pursued by InventisBio itself or through third-party arrangements), provided that if such overseas economics are realized without using any clinical data generated by us after we assumed the project, the applicable share adjusts to a low-double-digit percentage. When making the aforementioned allocation, both parties shall also reasonably share the costs incurred in realizing such rights and interests in equal proportion.

Unless terminated earlier, the agreement will expire, on a region-by-region basis, upon the termination of our payment obligations with respect to all licensed products in all regions, and, in its entirety, upon the termination of our payment obligations with respect to the last commercialized product in the last region. The agreement may be terminated (i) by either party for uncured material breach by the other party; (ii) by InventisBio if we abandon the development of befotertinib, develop other EGFR-T790M targeted drugs, or continuously fail to undertake substantial activities in relation to clinical trials of befotertinib for three months; or (iii) by us if certain befotertinib compound fails to be patented or such patents are later invalidated.

Collaboration Agreement with Mabworks on MIL60

On March 1, 2017, we entered into a collaboration agreement with Beijing Mabworks Biotech Co., Ltd. (北京天廣實生物技術股份有限公司) ("**Mabworks**"), a clinical-stage biopharmaceutical company focusing on the discovery and development of therapeutic antibodies in China, pursuant to which we obtained an exclusive, sub-licensable and perpetual license to develop, manufacture and commercialize MIL60 in Greater China (including Chinese Mainland, Hong Kong, Macau and Taiwan) (the "**Territory**").

Pursuant to the collaboration agreement, we are responsible for the Phase III clinical trials, post-market clinical follow up studies, regulatory filings and commercialization of MIL60 in the Territory, while Mabworks shall remain responsible for developing MIL60 for all phases before its Phase III clinical trials. Mabworks granted us an exclusive, sub-licensable and perpetual license to its certain patents and technologies relating to MIL60 created before the execution of the collaboration agreement. In addition, we are entitled to the rights to all intellectual properties of MIL60 created during the research and development activities of MIL60 after the execution of the collaboration agreement.

As a consideration for our rights under the collaboration agreement, we are obligated to pay RMB15 million upfront license fees and up to RMB35 million milestone payments. In addition, Mabworks is entitled to single-digit percentage royalties based on the annual net sales of the product in 10 years after the initial launch, which may be extended to 15 years with mutual consent by Mabworks and us (the "**Royalty Term**").

Unless terminated earlier, the collaboration agreement will expire upon expiration of the Royalty Term. The collaboration agreement may also be early terminated by Mabworks and us with mutual consent if either party issues a 30 days' prior notice to the other party. According to Frost & Sullivan, such early termination clause is in line with industry norm. Pursuant to the collaboration agreement, certain provisions shall remain effective after such termination, including, among others, the intellectual properties originally belong to each party before the execution of the agreement still solely belong to such party, and the intellectual properties of MIL60 created during the research and development activities of MIL60 after the execution of the collaboration agreement shall belong to us; we should make sufficient payments according to the milestones achieved before the termination; and either party may claim for indemnity for any breach by the other party. Also, as the early termination with notice requires the mutual consents of both parties, we will negotiate the details of post-termination arrangement with the other party to the extent necessary. Therefore, as the early termination of the agreement in this circumstance requires our consent and we will not have additional payment liabilities beyond those we already have, we believe such early termination clause will not have material adverse impact on our operations. In addition, either party may terminate this agreement upon material breach of the contract and failure to rectify by the other party.

On December 30, 2023, we entered into a supplemental agreement with Mabworks, under which, after arm's length negotiations taking into account the anticipated market performance of MIL60, we agreed to pay Mabworks a one-off buyout fee of RMB25.0 million in order to streamline project management and further optimize our resource allocation, and the parties agreed to terminate all future royalty arrangements under the collaboration agreement. Following the payment of such buyout fee, we are not required to pay any further royalties or other amounts to Mabworks in respect of MIL60 and Mabworks may not claim any further royalty payment from us. There were no disagreements or disputes between us and Mabworks in connection with the supplemental agreement or the termination of the royalty arrangements.

Collaboration with BioRay

License and Collaboration Agreement with BioRay for Pertuzumab

In May 2025, we entered into a license and collaboration agreement with Hangzhou Bozhirui Biopharmaceutical Co., Ltd. (杭州博之鋭生物製藥有限公司), a wholly-owned subsidiary of BioRay Pharmaceutical Co., Ltd. (浙江博鋭生物製藥股份有限公司) ("**BioRay**") (the "**BioRay Pertuzumab Agreement**"), pursuant to which BioRay granted to us an irrevocable, perpetual, exclusive license in Chinese Mainland, Hong Kong, Macau and Taiwan (collectively, the "**Territory**") under certain of BioRay's background intellectual property rights, to apply for regulatory approval, commercialize, and conduct post-marketing development of its pertuzumab injection and certain improvements thereto (the "**Pertuzumab Product**") in the Territory.

To facilitate this collaboration, we and BioRay have established a joint steering committee with equal representation from each party, chaired by our representative, to oversee regulatory approval, manufacturing, post-marketing development and commercialization strategies for the Pertuzumab Product in the Territory. Decisions are made by majority vote. If a majority vote cannot be reached after discussion, the chair may make the final determination within the joint steering committee's remit.

We and BioRay agreed to use commercially reasonable efforts to jointly advance the registration, manufacturing and commercialization of the Pertuzumab Product in the Territory. BioRay, being the applicant for NDA registration in Chinese Mainland at the time of the agreement, shall transfer the marketing authorization holder ("**MAH**") to us or our designated affiliate in compliance with applicable laws and regulations. Upon becoming the MAH, we have the sole right to determine the commercialization plan for the Pertuzumab Product in the Territory, including branding, labeling, pricing, distribution and promotion, at our sole cost and expense. We agree to use commercially reasonable efforts to market and promote the Pertuzumab Product in compliance with applicable laws and regulations.

In partial consideration of the BioRay Pertuzumab Agreement, we agreed to pay BioRay a mid-eight-figure upfront payment in RMB in two tranches, and milestone payments totaling up to nearly half a billion in RMB upon the achievement of specified regulatory and net sales events in the Territory, as well as tiered single- to low-double-digit royalties based on annual net sales of the Pertuzumab Product in the Territory.

Each party retains ownership of its background intellectual property. All intellectual property rights and technical results, together with all related rights arising from our development, improvement or modification of the Pertuzumab Product after the effective date belong exclusively to us.

The BioRay Pertuzumab Agreement will remain in force indefinitely unless earlier terminated in accordance with its terms. Either party may terminate the BioRay Pertuzumab Agreement for the other party's material breach or upon mutual agreement. Disputes not resolved by the joint steering committee or senior management within specified periods may be submitted to binding arbitration.

Exclusive Master Distribution Agreement with BioRay for Trastuzumab

In May 2025, we entered into an exclusive national master distribution agreement with Hangzhou Bozhirui Biopharmaceutical Co., Ltd. (杭州博之鋭生物製藥有限公司), a wholly- owned subsidiary of BioRay (the "**BioRay Trastuzumab Agreement**"), pursuant to which BioRay granted us the exclusive rights to conduct distribution activities and business affairs in relation to its trastuzumab injection (Anruize®/安瑞泽®, the "**Trastuzumab Product**") across Greater China (Chinese Mainland, Hong Kong, Macau and Taiwan).

We and BioRay have established a joint steering committee composed of an equal number of representatives from each party to coordinate and oversee the Trastuzumab Product's production, promotion and distribution under the BioRay Trastuzumab Agreement. All decisions of the joint steering committee are made by unanimous vote, with each party's representatives collectively holding one vote. If consensus cannot be reached, BioRay has the final decision-making authority over production and supply, post-marketing R&D, pharmacovigilance, and regulatory/ registration matters, while we have the final decision-making authority over national/regional sales arrangements, market strategy and access execution matters, provided that certain other matters remain subject to mutual agreement and are outside the joint steering committee's tie-break remit.

Under the BioRay Trastuzumab Agreement, we are responsible for managing sales, distribution, logistics, market access, and academic promotion of the Trastuzumab Product. BioRay is responsible for supplying the Trastuzumab Product, ensuring quality control, and supporting required regulatory matters. BioRay retains all intellectual property rights over the Trastuzumab Product, provided that we may use certain BioRay intellectual property solely to the extent necessary to perform our distribution obligations under the BioRay Trastuzumab Agreement.

We agreed to pay BioRay a mid-eight-figure refundable performance deposit in RMB, which was fully paid on May 30, 2025. Settlement is referenced to the publicly listed price while permitting adjustments to reflect listed price or VAT changes.

The BioRay Trastuzumab Agreement will remain in force for ten-year unless earlier terminated in accordance with its terms, and automatically renews for successive ten-year terms unless a party gives 90 days' prior notice of non-renewal. Either party may terminate the BioRay Trastuzumab Agreement for the other party's defined breach or insolvency, or upon mutual agreement. Disputes not resolved by the joint steering committee within specified periods may be submitted to binding arbitration.

Regional Exclusive Distribution Agreement with Healthgen for Recombinant Human Albumin Injection (Rice)

In September 2024, we entered into a regional exclusive distribution agreement with Wuhan Healthgen Biotechnology Corp. (武漢禾元生物科技股份有限公司) ("**Healthgen**") (the "**Healthgen Agreement**"), pursuant to we were appointed as the exclusive distributor for its recombinant human albumin injection (rice) (HY1001/奥福民®, the "**Product**") in specified regions in Chinese Mainland.

Under the Healthgen Agreement, we are granted exclusive, province-specific distribution rights and must sell strictly within the authorized regions. Cross-region sales or reallocations require Healthgen's prior written consent. Healthgen is responsible for supply, documentation, regulatory filings, and quality control of the Product. Healthgen retains all intellectual property rights over the Product, provided that we may use certain Healthgen intellectual property solely to the extent necessary to perform our distribution obligations under the Healthgen Agreement.

We paid Healthgen an engagement deposit of less than one million RMB. Under the Healthgen Agreement, supply settles at a fixed calculation ratio of the publicly listed price of the Product. The settlement mechanism also permits adjustments in response to policy or market changes. Under the Healthgen Agreement, we assume province-by-province annual sales targets for each year during its terms. If annual targets are not met, a carry-over mechanism applies whereby the shortfall volume in the following year is settled at a modestly higher ratio until caught up and, where under-performance persists over time, Healthgen may, subject to agreed exceptions, adjust the commercial arrangement.

The Healthgen Agreement will remain in effect until the end of 2028 unless earlier terminated or renewed in accordance with its terms. Either party may terminate the Healthgen Agreement for the other party's defined breaches. Disputes not resolved by the parties shall be submitted to the competent court.

Collaboration with EyePoint

Exclusive License Agreement with EyePoint for Vorolanib

We, through our wholly-owned subsidiaries, own the global rights to vorolanib for all indications. On February 3, 2020, Equinox, our wholly-owned subsidiary and the holder of vorolanib's intellectual property rights outside of China, entered into an exclusive license agreement with EyePoint Pharmaceuticals, Inc. (now EyePoint, Inc.) ("**EyePoint**"), an ophthalmology-focused biopharmaceutical company listed on the NASDAQ (Nasdaq: EYPT), pursuant to which Equinox granted to EyePoint an exclusive license to develop and commercialize vorolanib for the prevention or treatment of age-related macular degeneration (AMD), retinal vein occlusion (RVO) and diabetic retinopathy (DR) using EyePoint's proprietary localized delivery technologies (the "**Licensed Field**"). The licensed territory includes the entire world except for Greater China (the "**Territory**").

In consideration of the license granted, Equinox received an upfront payment of US$1.0 million. EyePoint is also obligated to pay developmental and regulatory milestone payments of up to US$50.0 million, as well as tiered single- to low-double-digit post-commercialization royalties (subject to discount) on annual net sales of vorolanib in the Territory for a prescribed time period commencing on the date of first commercial sale.

Equinox granted EyePoint an exclusive option to acquire an exclusive license for additional ophthalmology indications in the Territory. The parties also agreed to negotiate in good faith the terms and conditions of (i) an exclusive license agreement pursuant to which Equinox shall have the exclusive right to develop, seek regulatory approval and commercialize the licensed products in Greater China and (ii) a supply agreement pursuant to which EyePoint shall manufacture and supply the licensed products to Equinox in Greater China.

EyePoint is obligated to develop and share with Equinox a detailed clinical development plan with commercially and clinically reasonable clinical and developmental milestones and a commercially reasonable timeline to achieve those milestones. Failure to perform such obligations will constitute a material breach by EyePoint of the agreement.

Equinox has the first right to prepare, file, prosecute, and maintain the licensed patents throughout the Territory, and EyePoint has the step-up right to assume responsibility for such preparation, filing, prosecution or maintenance at its sole cost and expense, in the name of Equinox. EyePoint will have the first right to address infringement or misappropriation by a third party of any licensed patents or know-how in the Licensed Field in the Territory and to defend against any related declaratory judgement action, and Equinox will have the step-up right, at its own expense, to take appropriate action to address such infringement. EyePoint will also have the right to defend in the Territory, at its sole cost and expense, any action, suit or proceeding alleging infringement of patents or know-how brought by a third party against either party or its affiliates in the Licensed Field in the Territory.

Unless terminated earlier, the agreement with EyePoint will expire on a licensed product-by-licensed product and country-by-country basis upon the expiration of all applicable royalty terms, which will expire on a country-by-country and licensed product-by-licensed product basis on the later of (i) the date that is 12 years after first commercial sale of such licensed product in such country, and (ii) the first day of the month following the month in which a generic product corresponding to such licensed product is launched in a particular country. The agreement may be terminated by either party because of the other party's material breach that is not remedied within a prescribed time period or bankruptcy or insolvency, or by EyePoint without cause upon 90 days' prior written notice to Equinox.

On May 2, 2022, Equinox and EyePoint entered into the first amendment to the exclusive license agreement, pursuant to which the parties agreed to (i) expand the Licensed Field to encompass the prevention or treatment of all ophthalmology indications using EyePoint's proprietary localized delivery technologies, (ii) delete the section in relation to the exclusive license rights for additional ophthalmology indications, which is no longer applicable considering the expansion of the Licensed Field, and (iii) make certain conforming changes to related provisions. The amendment was entered into in connection with the grant by EyePoint to us of an exclusive license to develop and commercialize EYP-1901 in Greater China.

Exclusive License Agreement with EyePoint for EYP-1901

On May 2, 2022, we entered into an exclusive license agreement with EyePoint under which EyePoint granted us an exclusive, royalty-bearing, sublicensable license to develop, use (but not make or have made), sell, offer for sale and import EYP-1901, EyePoint's potential twice-yearly, intravitreal, sustained-release anti-VEGF product that combines EyePoint's bioerodible delivery technology with vorolanib as the sole active ingredient, in ophthalmology indications (excluding DME, with grounds for future inclusion) (the "**Licensed Field**") within Greater China (Chinese Mainland, Hong Kong, Macau and Taiwan) (the "**Territory**"). Outside Greater China, EyePoint retains exclusive rights and control over EYP-1901. In September 2022, upon EyePoint's notice that the conditions set forth in the agreement had been satisfied, DME was also included in the Licensed Field.

We and EyePoint coordinate through a joint steering committee (the "**JSC**"), composed of an equal number of representatives from each party, to oversee the development and commercialization of EYP-1901 in the Licensed Field and Territory and facilitate the exchange of information. The members of each party on the JSC shall collectively have one vote and decisions of the JSC shall be made by unanimous vote. If the representatives cannot reach a consensus on any matter, the matter is first escalated to both parties' executive officers for good-faith negotiation. If unresolved within fifteen days, EyePoint has final decision-making authority over matters that raise *bona fide* product-safety concerns, *bona fide* manufacturing technical concerns, or that could reasonably be expected to have a material adverse effect on development or commercialization outside the Territory, and we have final decision-making authority over all other matters within the JSC's remit.

In consideration of the license granted, we agree to pay EyePoint tiered single-digit royalties (subject to discount) on annual net sales of EYP-1901 in the Territory for a prescribed time period commencing on the date of first commercial sale.

We are solely responsible for the development and commercialization of EYP-1901 in the Territory, at our own cost, and are subject to commercially reasonable efforts, diligence and reporting obligations. EyePoint agrees to provide know-how and reasonable technical support to assist us with our regulatory filings, and the parties will enter into separate clinical and commercial supply agreements for product supply. In the event that EyePoint decides to conduct a global registrational clinical trial for EYP-1901 in the Licensed Field, we hold the right to participate in such global trial by including clinical trial sites in the Territory on the terms set forth in the agreement.

Each party retains ownership of its background intellectual property. Ownership of new intellectual property arising under the agreement is allocated based on the nature of the invention: EyePoint owns improvements to or derived from EyePoint IP; we own improvements solely and specifically related to the vorolanib and our solely conceived inventions; jointly conceived inventions are jointly owned.

Unless earlier terminated, the agreement expires on a licensed product-by-licensed product and relevant region-by-relevant region basis upon expiry of the applicable royalty term described above. Either party may terminate the agreement for the other party's uncured material breach or bankruptcy. In addition, the agreement provides for a unilateral termination right for us with or without cause, and a separate right for EyePoint to terminate under specified circumstances, which include defined material safety issue and material efficacy issue scenarios that lead to discontinuation of development or commercialization of EYP-1901 by EyePoint in the United States, both upon prior written notice. Disputes that cannot be resolved by the parties within a specified time may be submitted to binding arbitration.

Collaboration and License Agreement with Merus on MCLA-129

Pursuant to a collaboration and license agreement entered into in December 2018 (the "**Merus Agreement**"), we obtained an exclusive license from Merus N.V. ("**Merus**") (Nasdaq: MRUS), a clinical-stage oncology company developing innovative antibody therapeutics incorporated in the Netherlands, to develop and commercialize MCLA-129 in Chinese Mainland, Hong Kong and Macau ("**Territory**"). Merus retains all rights to MCLA-129 outside of the Territory.

Under the Merus Agreement, we are responsible for clinical development and commercialization of MCLA-129 in the Territory. We are also responsible to retain a CMO with experience in filing IND applications with U.S. and CTAs with European regulatory authorities in order to produce clinical trial materials for marketing in the Territory and the rest of the world.

As consideration for the license granted under the Merus Agreement, Merus received a one-time, non-refundable upfront payment and will be eligible to receive milestone payments contingent upon us achieving certain specified development and commercial goals in the Territory, totaling up to more than US$10 million, as well as tiered royalty payments on the annual net sales of MCLA-129 products in the Territory from us. We will be eligible to receive milestone payments contingent upon Merus achieving certain specified development and commercial goals outside of the Territory, totaling up to more than US$10 million, and will be eligible to receive tiered royalty payments on net sales of MCLA-129 products outside of the Territory from Merus.

All intellectual property rights to MCLA-129 created from the collaboration under the Merus Agreement will be solely owned by Merus. Notwithstanding the foregoing, if we, including our employees, sublicensees or agents, are the sole inventor of intellectual property that primarily and specifically relates to a method of treatment, formulation or method of delivering or formulating of MCLA-129 and does not relate generally to antibodies, including bispecific, Biclonics® antibodies generated from Merus technology, or the Merus technology, such specific intellectual property will be jointly owned by Merus and us.

Unless terminated earlier, the Merus Agreement will remain in effect on a country-by-country basis until there is no outstanding royalty payment obligations with respect to MCLA-129 in such country. We may terminate the Merus Agreement without cause with prior written notice to Merus subject to different notice periods depending on the stage of development of MCLA-129, and Merus may terminate the agreement upon 30 days' prior written notice to us if we challenge their patent rights related to the collaboration. In addition, the Merus Agreement may be terminated by either party in the event the other party materially breaches its obligations thereunder or in the event of insolvency.

License and Collaboration Agreement with Agenus on Balstilimab and Zalifrelimab

In June 2020, we entered into a license and collaboration agreement with Agenus Inc. ("**Agenus**") (Nasdaq: AGEN), a U.S. biotechnology company focusing on the development of immunotherapy, pursuant to which we obtained an exclusive, nontransferable license and sublicense, as applicable, under certain intellectual property rights owned or exclusively licensed to Agenus to develop, manufacture and commercialize balstilimab and zalifrelimab (the "**Licensed Products**") either as monotherapies or combination therapies in Greater China (including Chinese Mainland, Hong Kong, Macau and Taiwan) for treatment of all indications (except for intravesical administration) (the "**Licensed Field**"). Under the agreement, Agenus retains limited rights in Greater China to conduct development and manufacturing activities solely to support exploitation of the Licensed Products outside Greater China, and such retained rights do not permit commercialization in Greater China. As between the parties, Agenus will solely own inventions under the collaboration agreement related to the Licensed Products and all patent rights therein that are made solely by Agenus or by Agenus in conjunction with us, and we will own inventions made solely by us, and any patent rights therein.

We paid US$35 million to Agenus, which included US$15 million in upfront cash and a US$20 million equity investment. Furthermore, we also agreed to pay Agenus a one-time technology transfer fee and milestone payments based on the achievement of specified development and commercialization milestones up to an aggregate amount of US$100 million. In addition, we are obligated to pay tiered incremental royalties based on the net sales of the Licensed Products for the applicable royalty term beginning on the date of first commercial sale.

Unless earlier terminated by a party, the agreement will expire upon the expiration of the royalty term in all regions for all licensed products, and the royalty term will expire on a licensed product-by-licensed product and region-by-region basis upon the latest of: (i) the expiration of the last-to-expire licensed patent in such region having a valid claim that covers such licensed product; (ii) the expiration of all regulatory exclusivity periods that apply to such licensed product in such region; or (iii) the 10th anniversary of the first commercial sale of such licensed product in Greater China. The agreement may be terminated early by us without cause by providing prior written notice to Agenus, or by Agenus in the event of our abandoned development or abandoned commercialization of any Licensed Product, or by either party because of the other parties' uncured material breach (including challenge of the licensed patent rights by us), bankruptcy, or force majeure events. Moreover, we may also terminate the agreement if the licensed patent rights have not been granted prior to December 31, 2022 in Greater China.

License and Collaboration Agreement with C4 Therapeutics for CFT8919

On May 29, 2023, we entered into a license and collaboration agreement with C4 Therapeutics, Inc. ("**C4 Therapeutics**") (the "**C4 Therapeutics Agreement**"), pursuant to which C4 Therapeutics granted to us an exclusive, royalty-bearing, sublicensable license under certain of C4 Therapeutics' proprietary or licensed patents and know-how to develop, manufacture and commercialize CFT8919, a mutant- selective epidermal growth factor receptor (EGFR) degrader, for all uses in humans (the "**Field**") in Chinese Mainland, Hong Kong, Macau, and Taiwan (collectively, the "**Betta Territory**"). C4 Therapeutics retains all rights to develop and commercialize CFT8919 in the rest of the world outside of the Betta Territory (the "**C4 Therapeutics Territory**") or outside the Field in the Betta Territory. Under the C4 Therapeutics Agreement, we also granted C4 Therapeutics an exclusive, royalty-bearing, sublicensable license and certain non-exclusive rights under certain patents and know-how to enable C4 Therapeutics' development, manufacture and commercialization of CFT8919 and related products in the C4 Therapeutics Territory.

We and C4 Therapeutics have established a joint steering committee (the "**JSC**"), composed of an equal number of representatives from each party, to coordinate and oversee development activities for CFT8919 in the Betta Territory and to facilitate information exchange under the C4 Therapeutics Agreement. All decisions of the JSC shall be made by unanimous vote, with each party's representatives collectively having one vote. If the representatives cannot reach unanimous consensus, the matter escalates to the chief executive officers of both parties for resolution in accordance with the procedures set forth in the C4 Therapeutics Agreement.

Under the C4 Therapeutics Agreement, we are responsible for the development, regulatory filings and commercialization of CFT8919 and related products in the Betta Territory, while C4 Therapeutics is responsible for such activities in the C4 Therapeutics Territory, with each party bearing all associated costs in its respective territory. The C4 Therapeutics Agreement contemplates single agent Phase I clinical trials for NSCLC in each territory, as well as a global registrational single agent trial for NSCLC, and certain global and China combination trials in NSCLC, with sponsorship, cost allocation and regulatory responsibilities set forth in the C4 Therapeutics Agreement, as modified by any subsequent agreements between the parties. Generally, each party is responsible for preparing, submitting and maintaining regulatory filings in its territory, using commercially reasonable efforts to obtain and maintain approvals, with relevant development data sharing, technology transfer, manufacturing and supply arrangements as provided under the C4 Therapeutics Agreement and certain ancillary agreements entered into pursuant to the C4 Therapeutics Agreement.

In partial consideration of the C4 Therapeutics Agreement, we agreed to make C4 Therapeutics a non-refundable, non-creditable upfront payment of US$10.0 million. C4 Therapeutics is also eligible to receive payments upon the achievement of specified technology

transfer, development, regulatory and sales milestone events, up to an aggregate amount of US$357.0 million, as well as tiered double-digits royalties on net sales in the Betta Territory (subject to reduction). We are responsible for the development and commercialization of CFT8919 in the Betta Territory and are eligible to receive low single-digit percent royalties on net sales outside of the Betta Territory. In return, we are eligible to receive enrollment milestone payments from C4 Therapeutics upon its receipt of FDA approval for CFT8919 in certain indications, with the amount determined based on the proportion of patients enrolled in the Betta Territory, as well as tiered low-single-digit royalties on C4 Therapeutics' net sales in the C4 Therapeutics Territory (subject to reduction as set forth in the C4 Therapeutics Agreement).

As between the parties, all inventions and related patents arising during the term that relate to CFT8919 or related products are owned by C4 Therapeutics; where sole ownership by C4 Therapeutics is not permitted by law in any jurisdiction in our territory, such rights are jointly owned in that jurisdiction and C4 Therapeutics receives an exclusive, perpetual, irrevocable, fully paid-up, royalty-free, worldwide, sublicensable license under our rights and interest. Inventions relating to our combination products are solely owned by us, and C4 Therapeutics agrees to assign its rights therein to us. Other inventions or patents unrelated to CFT8919 or related products that are generated, developed, conceived, reduced to practice or filed by each of the parties are owned by such party or jointly owned if jointly invented.

The C4 Therapeutics Agreement will expire, on a product-by-product, region-by-region and country-by-country basis, upon the expiry of the applicable royalty term for CFT8919 or related products in such region or country, unless earlier terminated in accordance with its terms. Either party may terminate the C4 Therapeutics Agreement in the event of the other party's uncured material breach or insolvency. Following a notice period specified in the C4 Therapeutics Agreement, we may terminate the agreement without cause once dose escalation in the single agent Phase I trial is complete or for specified regulatory stoppage, upon prior written notice to C4 Therapeutics, while C4 Therapeutics may terminate the agreement for our patent challenge. Disputes not resolved by the parties shall be submitted to binding arbitration.

Business Collaboration Agreement with Gensciences for FRSW117

In November 2025, we entered into a business collaboration agreement with Hangzhou Gensciences Biopharmaceutical Co., Ltd. (杭州晟斯生物製藥有限公司), a subsidiary of Jiangsu Gensciences Inc. (江蘇晟斯生物製藥有限公司) ("**Gensciences**") (the "**Gensciences Agreement**"), pursuant to which Gensciences granted us the exclusive master distribution rights to conduct distribution activities and business affairs in relation to FRSW117, a PEGylated recombinant FVIII Fc fusion protein candidate in Greater China (Chinese Mainland, Hong Kong, Macau and Taiwan) (the "**Territory**").

Under the Gensciences Agreement, we are responsible for managing distribution and commercial affairs in the Territory. Gensciences will grant us a royalty-free IP license solely to the extent necessary for distribution and promotion within the Territory. Gensciences or its affiliates will supply the product to us or our designated entities on an exclusive basis for sales in the Territory.

OUR INNOVATION ECOSYSTEM

Guided by a philosophy of co-building, sharing, openness and win-win partnership, we have architected a Betta-centered innovation ecosystem that fuses R&D, clinical development and commercialization resources and serves as a multi-layered, systematic channel for pipeline expansion. Betta Industry Fund (貝達產業基金) and Betta Dream Works (貝達夢工場) serve as the dual engines of our innovation ecosystem, driving incubation, investment, and accelerated commercialization of research achievements. Our collaboration partners, such as BioRay, Healthgen, Merus, and C4 Therapeutics, also constitute an important complement to our innovation ecosystem, continuously contributing new perspectives to the expansion of our pipeline. Together, this ecosystem forms critical bridges connecting top scientific talent and emerging technologies with unmet clinical needs.

Betta Industry Fund

As one of the two "wings" of our innovation ecosystem, Betta Industry Fund leverages our full value chain resources to empower high-quality projects across the entire cycle from early-stage R&D support and clinical trial acceleration to commercialization. Acting as the capital engine for external innovation, Betta Industry Fund focuses its investment on oncology while actively expanding into therapeutic areas with significant unmet clinical needs, thereby serving as a strong complement to our internal R&D pipeline. As of the Latest Practicable Date, Betta Industry Fund had invested in nearly 30 high-quality biopharmaceutical projects, of which three portfolio companies have successfully completed public listings.

Betta Industry Fund is a branded investment and strategic cooperation platform under the "Betta" name, designed to foster collaborations and provide our Group with access to valuable assets and industry resources. Betta Industry Fund comprises four limited partnership funds, namely Hangzhou Beicheng Venture Capital Partnership (Limited Partnership) (杭州貝橙創業投資合夥企業(有限合夥), "Hangzhou Beicheng"), Hangzhou Beiyi Equity Investment Fund Partnership (Limited Partnership) (杭州貝奕股權投資基金合夥企業(有限合夥), "Hangzhou Beiyi"), Hangzhou Beiming Equity Investment Fund Partnership (Limited Partnership) (杭州貝銘股權投資基金合夥企業(有限合夥), "Hangzhou Beiming") and Hangzhou Beixin Venture Capital Partnership (Limited Partnership) (杭州貝欣創業投資合夥企業(有限合夥), "Hangzhou Beixin"). We provide consultation and advisory input to these four industry funds in connection with their investment decision-making through the relevant governance arrangements and personnel linkages, which in turn has enabled us to exert a certain degree of influence over the ultimate investment arrangements of these funds. Specifically, all these funds share a common general partner, Hangzhou Beijia Investment Management Co., Ltd. (杭州貝加投資管理有限責任公司, "Hangzhou Beijia"), which is ultimately controlled by Mr. DING Shizhe, our executive Director and assistant to the Chairman. Mr. DING Shizhe is responsible for our Group's program in-licensing, business development and technology transfer initiatives, and as such maintains close involvement in identifying, evaluating and advancing strategic opportunities relevant to the Group. In particular, from an accounting perspective, we have significant influence over Hangzhou Beicheng in accordance with *International Accounting Standard 28 Investments in Associates and Joint Ventures* ("IAS 28"). Under IAS 28, significant influence is the power to participate in the financial and operating policy decisions of an investee but is not control or joint control, and a holding (directly or indirectly) of 20% or more of the voting power of an investee gives rise to a rebuttable presumption of significant influence. Hangzhou Beicheng is accounted for as an associate of the Group, as we hold approximately 49.95% of the partnership interest in Hangzhou Beicheng as a limited partner and, based on the relevant governance arrangements, we have significant influence over Hangzhou Beicheng but do not control it. By contrast, our Group does not hold any partnership interest or equity interest in Hangzhou Beiyi, Hangzhou Beiming and Hangzhou Beixin.

Hangzhou Beicheng was established on November 18, 2022. Its general partner is Hangzhou Beijia, while its limited partners include our Company. Our Company has contributed capital to this fund and holds approximately 49.95% of its equity interest as a limited partner. Given our Company's significant influence over this partnership, our interest in Hangzhou Beicheng is accounted for as an investment in an associate and is recognized as an investment accounted for using the equity method in the Group's consolidated financial statements.

Hangzhou Beiyi, Hangzhou Beiming and Hangzhou Beixin were established on April 28, 2020, November 17, 2020 and December 29, 2017, respectively. The general partner of each of these funds is Hangzhou Beijia, and the limited partners mainly comprise various institutional investors and individual investors. Our Group has not made any capital contribution to, and does not hold any equity interest in, these three funds. Accordingly, they are not consolidated by our Group, nor are they accounted for as associates or other investments in the Group's consolidated financial statements.

In therapeutic areas not yet covered by our internal pipeline, we have built a portfolio of promising innovative companies by making indirect investments through capital contributions to four industry funds. In the field of autoimmune diseases, we invested in E-nitiateBio (啟元生物), whose lead drug candidate, QY201, is currently in Phase III clinical stage for the treatment of moderate-to-severe atopic dermatitis. Our investee companies in this therapeutic area also include BRL Medicine (邦耀生物), which has achieved globally leading breakthroughs in universal CAR-T applications across autoimmune diseases, solid tumors and rare diseases, and Thederma (澤德曼醫藥), dedicated to innovative therapies targeting the aryl hydrocarbon receptor (AhR) and related diseases.

Healthgen (禾元生物) is a flagship example of an ecosystem company we cultivated through equity investment that later became a strategic partner. In July 2025, Healthgen's Category 1 innovative drug, the world's first rice-derived recombinant blood product, recombinant human albumin injection (rice) (HY1001/奥福民®) was approved for commercialization. In October 2025, Healthgen was successfully listed on the STAR Market. We entered into a collaboration with Healthgen and were granted exclusive distribution rights for recombinant human albumin injection (rice) (HY1001/奥福民®) in certain regions in China. For further details, see "— Our Business Development — Regional Exclusive Distribution Agreement with Healthgen for Recombinant Human Albumin Injection (Rice)."

As of the Latest Practicable Date, Betta Industry Fund had assets under management totaling approximately RMB3.0 billion, with a portfolio covering small molecules, antibodies, CAR-T therapies and CDMO businesses, as well as therapeutic areas such as oncology, recombinant blood products, autoimmune diseases and metabolic diseases. For the avoidance of doubt, Betta Industry Fund is a branded investment and strategic cooperation platform, and it is not presented as a separate line item in our Group's consolidated financial statements. In the Group's consolidated financial statements, the Group's only equity interest in the four industry funds under Betta Industry Fund platform is its limited partnership interest in Hangzhou Beicheng (approximately 49.95%), which is accounted for as an investment in an associate using the equity method. The Group has not made any capital contribution to, and does not hold any equity interest in, Hangzhou Beiyi, Hangzhou Beiming or Hangzhou Beixin and, accordingly, these three funds are not consolidated by the Group nor accounted for as associates or other investments in the Group's consolidated financial statements. For details of the accounting policy for investments accounted for using the equity method, see Note 2.3 (c) to the Accountants' Report in Appendix I to this document.

Betta Dream Works

As another key component of our innovation ecosystem, Betta Dream Works plays an important role as our professional co-creation hub. Since its launch in 2018, Betta Dream Works has established the International Innovation and Intelligence Center (國際創智中心) and the International Innovation Center (國際創新中心) in Linping, and operates and manages the Haichuang Park (海創園區) in Yuhang, with a total managed area of approximately 550,000 square meters.

Through Betta Dream Works, we have created a professional co-creation space that connects high-quality research and clinical resources to accelerate the translation of laboratory discoveries. The platform provides end-to-end incubation for startups, including GMP-standard laboratories, access to shared government platforms, and a seasoned mentor-advisor network comprising returnee scientists and national key-program experts. As of the Latest Practicable Date, more than 50 companies in the healthcare industry, covering areas such as diagnostic technologies, medical big data, health education, health consulting, IoT and information management, have settled in Betta Dream Works. Multiple proprietary and co-developed innovative drug candidates incubated through this platform have already entered clinical development or reached the market.

As of the Latest Practicable Date, Betta Dream Works has successfully incubated a number of high-quality enterprises, including four national-level Specialized and Innovative Little Giant companies and nearly ten quasi-unicorn enterprises. Betta Dream Works also facilitated break-through technology innovations, with resident companies collectively holding over 2,500 patents. Leveraging its outstanding incubation capabilities, Betta Dream Works was honored with the Entrepreneurship Service Institution (創業服務機構) award at the Growth of All Things Conference · Unicorn Conference of 2025.

OUR RESEARCH AND DEVELOPMENT

Our Research and Development Platform and Team

Our research and development activities are primarily conducted through our R&D facilities in Chinese Mainland, where we perform comprehensive R&D functions across our pipeline, including drug discovery, preclinical studies, clinical development, post-marketing research and lifecycle management. We also maintain an R&D site in the United States, which primarily supports ensartinib's global clinical development and certain post-marketing, regulatory and medical affairs activities.

We have built fully-integrated capabilities to enable our strategic focus on the R&D of innovative products and drug candidates in oncology, as well as other promising therapeutic areas. Our R&D organization encompasses all the key drug development functions and capabilities at various key points in the lifecycle of a drug candidate. Our R&D activities primarily include the development of our innovative pipeline candidates, through a combination of in-house discovery and external collaborations, as well as the improvement of the technologies relating to our existing products. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we recorded R&D investment (including research and development expenses and development costs) of RMB1,002.1 million, RMB717.2 million, RMB573.5 million, RMB298.6 million and RMB230.8 million, respectively.

Over the past two decades, we have focused on developing Category 1 innovative drugs that address patient needs and provide clinical value, a commitment that began with our work on China's first domestically developed small-molecule targeted therapy. We have built a leading domestic new drug R&D system and assembled a team of innovative drug R&D and industrialization talents with internationally advanced expertise. Through independent R&D and strategic collaborations, we have successfully established a robust product pipeline. As a matter of disciplined, normal-course portfolio management and continued pipeline iteration, we have also strategically suspended or discontinued the development of certain candidates. Our Directors are of the view that such changes in pipeline composition are consistent with industry norms for early-stage innovative drug development and do not indicate any concerns regarding the Group's R&D capabilities. In recent years, we have focused our resources on core programs and key areas to address unmet clinical needs, accelerating the advancement of these programs while introducing and applying new technologies in the R&D process. We continuously explore novel targets and new therapeutic areas to create new growth drivers for our future development.

As of June 30, 2026, our R&D team consisted of 288 professionals who are primarily responsible for preclinical drug discovery, CMC, clinical development, and regulatory and medical affairs. Our R&D personnel have extensive working experience in the field of drug development, 45.8% of which have a master's or higher degree, including 29 with doctor's degree. We also boast five national level leadings experts (國家級領軍人才) in our team, with extensive experience in drug discovery and development at MNCs. The R&D team is led by Professor LI MAO, our President of Research and Development and Chief Medical Officer.

We had 562, 327, 296 and 288 R&D personnel as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. This decrease during the Track Record Period was mainly attributable to (i) our dynamic evaluation of the development value and potential of our pipeline assets, under which we discontinued or deprioritized certain projects with less attractive clinical or commercial outlook and adjusted staffing levels in line with actual project needs, and (ii) our successful evolution from a biotech company into a biopharmaceutical company with nine commercialized products, during which we have strengthened our commercial and medical organizations to support product promotion, market access and post-marketing medical activities, and correspondingly optimized our R&D headcount as part of an overall rebalancing of our human resources structure. These measures represent our proactive response to the evolving operating environment, enable us to concentrate resources on the development of key projects and also reserve organizational capacity and budget for the subsequent initiation and staffing of new pipeline programs. During the Track Record Period and up to the Latest Practicable Date, the majority of key R&D personnel responsible for the subsequent research and development of our major products and product candidates remained with our Group. Taking into account our stable and growing revenue base, strong operating cash flows which provide solid financial support for our core R&D projects and the establishment of a comprehensive talent development platform to attract and retain R&D personnel and external experts, our Directors are of the view that the reduction in R&D expenses and R&D staff during the Track Record Period reflect deliberate and rational resource reallocation and align with our development stage, and do not indicate any insufficiency in our R&D resources or capabilities.

Our experienced drug R&D team identifies innovative molecules with significant market potential, conducts preclinical development and clinical trials, and ultimately assists with the commercialization of these products. We carefully select drug development programs by balancing the commercial potential of each drug candidate and its likelihood of successful development, its potential competition and market size.

To date, we have successfully launched nine products. Our robust pipeline now comprises over ten Category 1 innovative drug development programs across various stages, complemented by a decade-long history of successful commercialization. Our research and development engine runs on both in-house discovery and external collaboration of innovative drug candidates. We intend to continue to develop our other pipeline products through a combination of internal discovery and external business development efforts, including acquisitions, in-licensing, out-licensing and other forms of collaborations.

We are also committed to advancing the development of in-licensed drugs or drug candidates leveraging our integrated R&D capabilities. The following summarizes our R&D contributions to in-licensed drugs or drug candidates.

- Befotertinib was being evaluated in an ongoing Phase I clinical trial in China when we in-licensed this candidate from InventisBio. Before the in-licensing, our R&D team conducted a series of testing and evaluation of the molecule and on-site audit of the Phase I clinical trial. After the in-licensing, we completed the Phase I clinical trial in China, initiated and completed the Phase II registrational trial to evaluate befotertinib as second-line treatment for NSCLC, and initiated two Phase III trials to evaluate it as first-line and postoperative adjuvant therapy treatment for NSCLC. For these clinical trials, our R&D team is responsible for the formulation of trial design and the preparation and management of trial implementation, including the selection of vendors and clinical sites, preparation of standards of practice, guidelines and other documents, provision of training to investigators, screening and recruitment of patients, follow-up visits, collection, verification and analysis of trial data. Based on the results of these trials, befotertinib was approved for the second- and first-line treatment of NSCLC in China.

- MIL60 has been evaluated in a completed Phase I clinical trial when we in-licensed this candidate from Mabworks. We conducted an on-site audit of the production facility of MIL60 before the in-licensing, and we completed the validation of manufacturing process after the in-licensing. In addition, our team initiated and completed the Phase III clinical trial of MIL60 in China. We conducted substantive R&D work throughout the process of this clinical trial, including the selection of vendors and clinical sites, preparation of documentation and systems, provision of training to investigators, screening and recruitment of patients, management of the study, review of protocol deviation cases and verification and review of trial data. Based on the results of the Phase III registrational trial, we have prepared and submitted the NDA of MIL60 in June 2020 in China, and have obtained the marketing approval in November 2021.

- MCLA-129 was being evaluated in preclinical studies when we in-licensed this candidate from Merus. Before the in-licensing, our R&D team conducted a series of testing and evaluation of the molecule. After the in-licensing, our R&D team carried out pharmacology, PK/PD, toxicity and other preclinical studies to evaluate MCLA-129, as well as developed and optimized its production process. Based on the encouraging preclinical results, we formulated the clinical and regulatory strategy for MCLA-129, prepared the IND application to the NMPA for the treatment of solid tumors and obtained IND approval. We are currently conducting four clinical trials for MCLA-129.

- C4 Therapeutics received IND approval for CFT8919 from the FDA in July 2023 following our in-licensing in May 2023. Prior to the in-licensing, our R&D team had conducted a series of assessments and evaluations of CFT8919. Following the in-licensing, our team undertook formulation redevelopment and process optimization. Preclinical studies demonstrated favorable target protein degradation activity, and we subsequently formulated a clinical and regulatory strategy for CFT8919, prepared the IND submission to the NMPA for solid tumor indications, and obtained IND approval. We are currently conducting a Phase I clinical trial of CFT8919.

- MRX2843 was being evaluated in an ongoing Phase I trial out of China when we in-licensed this candidate from Meryx, Inc. After the in-licensing, we conducted pharmacology, PK/PD and safety evaluations and CMC activities for this molecule, performed detailed analysis of its nonclinical and clinical data, and prepared the IND application for the Phase I clinical trial in solid tumors in China. We have obtained the IND approval from the NMPA and initiated two clinical trials of MRX2843.

- Balstilimab and zalifrelimab were being evaluated in ongoing Phase I/II and Phase II trials either as monotherapy or combination therapy when we in-licensed those candidates from Agenus. After the licensing-in, we conducted in-depth research and analysis to develop a clinical and registration strategy for these two products in China. We are currently advancing the preclinical studies evaluating balstilimab and zalifrelimab as a combination therapy for the treatment of NSCLC and liver cancer.

Our Technology Platforms

We have established four technology platforms, including an advanced small-molecule targeted drug platform, GlueOnX (molecular glue platform), DegradoX (PROTAC degrader platform), and AlbuVive (albumin-based therapeutics platform), to prosecute targets with limited prior clinical validation. In recognition of our advanced platform technologies, we have received various national-level honors, including designation as a Major New Drug Innovation Technology Platform, "Major New Drug Creation" National Science and Technology Program ("重大新藥創製"科技重大專項藥物技術創新平台), a National Enterprise Technology Center (國家企業技術中心) designation issued by National Development and Reform Commission of China, a National Intellectual Property Demonstration Enterprise (國家知識產權示範企業), a National Technological Innovation Demonstration Enterprise (國家技術創新示範企業), and a National Model Academician Expert Workstation (國家示範院士專家工作站).

- **Small-Molecule Platform.** Our small-molecule platform anchors our discovery engine with an end-to-end workflow that integrates computer-aided drug design (CADD), medicinal chemistry, experimental pharmacology, and *in vitro* and *in vivo* drug metabolism and pharmacokinetics (DMPK). Spanning target identification and validation through hit discovery and design, lead optimization, bioactivity assessment, and mechanism-of-action studies, the platform provides critical flexibility to generate high-quality candidates across diverse targets. It reduces R&D cost, compresses timelines, and accelerates translational readiness. The vast majority of our internally discovered small-molecule assets in our pipeline originated from this platform, underscoring its well-established productivity and scalability.

- **GlueOnX Platform.** GlueOnX is our AI-enabled, non-degrading molecular glue research and development platform. It integrates advanced analytic technologies and AI models, and operates through closed-loops comprising structure prediction, surface-feature analytics, natural-ligand anchoring, multi-scale computation, and wet-lab validation, to systematically enhance possibility-of-success in molecular glue R&D. Under GlueOnX, we have discovered and advanced BPI-572270 (a pan-RAS molecular glue inhibitor), and are actively exploring additional targets.

- **DegradoX Platform.** DegradoX is our PROTAC discovery platform centered on our proprietary high-throughput "ubiquitin-conjungation" screening system and reinforced by our deep PROTAC-linker know-how and AI-assisted PROTAC-linker design model, which markedly shortens optimization cycles. Supported by diversified databases and advanced analytic tools, it is designed with the aim of tackling the low bioavailability that often limits PROTACs and thereby improving clinical translation. BPI-585771 (a multi-KRAS mutant PROTAC molecule) was advanced using this platform, and we continue to explore additional targets enabled by DegradoX.

- **AlbuVive Platform.** AlbuVive is an albumin-based therapeutics R&D platform. It integrates albumin-based formulation and delivery technologies with chemical conjugation technologies, aiming to create more targeted, longer-acting, and potentially safer therapies. It focuses on the development of albumin-drug formulation and delivery technologies in the near term, and aims to build a chemical conjugation/fusion albumin-drug development capability over the mid- to long-term.

Our Drug Development Process

With a comprehensive R&D system, our R&D function is capable of executing key tasks such as project initiation, synthesis, screening, analysis, chemical preparation, pharmacology, clinical study, and new drug registration applications, while efficiently conducting multiple new drug R&D projects simultaneously. Our R&D process for innovative drugs primarily includes target identification and validation, assay development, lead discovery, lead optimization, preclinical development and clinical trials.

Drug Discovery and Preclinical Development

Guided by a patient-centric and clinical value-driven philosophy, we have integrated our preclinical R&D teams to establish the Betta Institute for Biomedical Research (貝達研究院). With the support of this institute, we have established drug discovery and screening platforms centering on oncology as well as other key therapeutic areas, allowing for more efficient target identification and validation, compound design, lead optimization, and IND submissions. During the drug discovery stage, our R&D team continuously explores new opportunities and conducts feasibility studies to evaluate these opportunities. We also systematically oversee the production process and quality management of drug candidates and protect our research and development innovations through measures such as patent filings. Our current business focus is the discovery and development of targeted therapies for various types of lung cancer and other tumors, aiming to achieve precision treatment across multiple oncology indications, as well as exploring other non-neoplastic diseases with high potential.

Clinical Development

During the clinical development stage, our clinical development team manages clinical trials and conducts a comprehensive range of clinical development activities, including trial design, implementation, and the collection and analysis of clinical data. We manage substantially all stages of our clinical trials in-house, including protocol design, selection of investigators and sites, and execution of clinical trial programs. Our clinical development team has extensive expertise in designing and efficiently executing adaptive clinical trial plans.

With extensive knowledge and experience, our clinical development experts are particularly good at identifying unique therapeutic opportunities for our drug candidates based on the differentiating properties observed in the trials and improving the life cycle management of our products. Through cooperation with leading medical experts, we published clinical study results on top international peer-review journals, such as *The New England Journal of Medicine, The Lancet Oncology*, *The Lancet Respiratory Medicine* and *JAMA Oncology*. We have consistently accumulated high-quality academic achievements in the field of innovative oncology drugs, building strong academic influence and industry recognition, which provide a solid foundation for clinical application, market promotion, and international expansion of our products. As of the Latest Practicable Date, there were 280 and 97 SCI-indexed papers related to icotinib and ensartinib, respectively, culminating in a total impact factor of 1,229.85 and 604.53, respectively. Three other products, including bevacizumab injection, befotertinib, and vorolanib have also yielded 36 SCI-indexed papers with a cumulative impact factor exceeding 200 as of the Latest Practicable Date.

In particular, during the clinical development of ensartinib, our first product to achieve a breakthrough in international multi-center clinical trials, we established a mature and directly replicable model and accumulated successful experience for future global expansion of our pipeline. From a regulatory strategy perspective, ensartinib has received international recognition by strictly following the clinical trial design requirements of regulatory authorities such as the FDA, applying rigorous inclusion/exclusion criteria, scientifically defined endpoints, and standardized data management procedures. The core capabilities accumulated during this process — such as establishing SOPs for international multi-center study operations, efficiently coordinating cross-regional ethical reviews, and integrating international supply chains — can be directly applied to our current and future pipeline candidates, effectively avoiding redundant exploration costs and accelerating the internationalization process. We believe these established capabilities provide us a significant advantage in implementing large-scale global clinical trials and also enable us to seamlessly conduct multiple clinical trials concurrently.

While we conduct most preclinical and clinical studies using our in-house capabilities, we also collaborate with highly reputable CROs to support certain clinical studies. These CROs provide clinical trial support services such as site selection and activation, patient recruitment support, clinical monitoring, data management, trial logistics, and project management. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our purchases from CROs amounted to RMB105.8 million, RMB106.4 million, RMB83.7 million and RMB75.9 million, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, we maintained long-term collaborations with 24, 17, 26 and 19 CRO partners, respectively, primarily located in China and the United States, to

support our clinical studies. The decrease in the number of long-term CRO partners over the Track Record Period primarily reflected our proactive cost and efficiency optimization and the internalization of certain activities previously outsourced. Additionally, we may from time to time engage other qualified CROs on a short-term, project-specific basis, such as to conduct animal studies for our drug candidates. All testing of our drug candidates on humans and animals is conducted in compliance with applicable laws and regulations and meets industry standards. In selecting our CROs, we consider multiple factors, including their qualifications, professional experience, industry reputation, and service fees.

We closely supervise our CRO partners to ensure that they perform their duties in accordance with our protocols and applicable laws and regulations, and that the integrity of data generated from preclinical studies and clinical trials is fully protected. Below is a summary of the key terms typically included in our agreements with CROs:

- **Term.** The CRO is required to provide services within the specified time frame, usually corresponding to the term of the relevant project as set out in the master agreement or work order.
- **Payment.** We make payments to the CRO in accordance with the mutually agreed payment schedule, which typically includes an upfront payment and milestone payments in installments.
- **Intellectual Property.** We retain ownership of all intellectual property arising from the clinical research project and have the right to file patent applications for such intellectual property.
- **Termination.** The agreement may be terminated early by mutual consent. We also have the right to terminate the agreement based on our assessment of the CRO's performance, including where such assessment identifies circumstances indicating a material breach by the CRO, a loss of its ability to perform its contractual obligations, or other events giving rise to a statutory or contractual right of termination.

Medical Affairs

We established our medical affairs team dedicated to our innovative oncology drug business in 2019. Internally, the medical affairs team bridges the information gap between our drug R&D team and our sales and marketing force, assisting the sales and marketing team in preparing educational materials that accurately describe the differentiation and superiority of our products. Externally, the medical affairs team communicates our research data and clinical evidence to KOLs and physicians to support our academic promotion efforts.

Business Development

Our strong business development capability complements our in-house R&D capabilities and serves as another important source of our pipeline products. The business development team is responsible for identifying valuable collaboration partners and in-licensing programs that complement our pipeline. Through strategic collaborations and licensing transactions, we can stay abreast of the latest developments in science and technology and selectively enhance our drug portfolio efficiently and in a timely manner.

Collaboration with CDMO Partners

We collaborate with our CDMO partners (including both CMOs and CDMOs) to manufacture a portion of our products, product candidates and materials. In particular, we procure from our CDMO partners (i) finished products, namely bevacizumab injection and pertuzumab injection, (ii) intermediates or APIs for several of our small-molecule drug products, as well as (iii) other materials and services to support our preclinical studies and clinical trials. In 2023, 2024 and 2025 and the six months ended June 30, 2026, we cooperated with 22, 22, 13 and nine CDMOs, respectively, primarily located in China and the United States. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our purchases from CDMOs amounted to RMB339.2 million, RMB324.6 million, RMB427.0 million and RMB212.7 million, respectively. We select our CDMO partners based on various factors, including their operating history, market reputation, relevant

expertise, internal quality control systems, production technology, cGMP certification, production capacity, and pricing. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product quality issues with products manufactured by our CDMO partners. We believe there are alternative CDMO partners capable of meeting our quality standards at comparable prices.

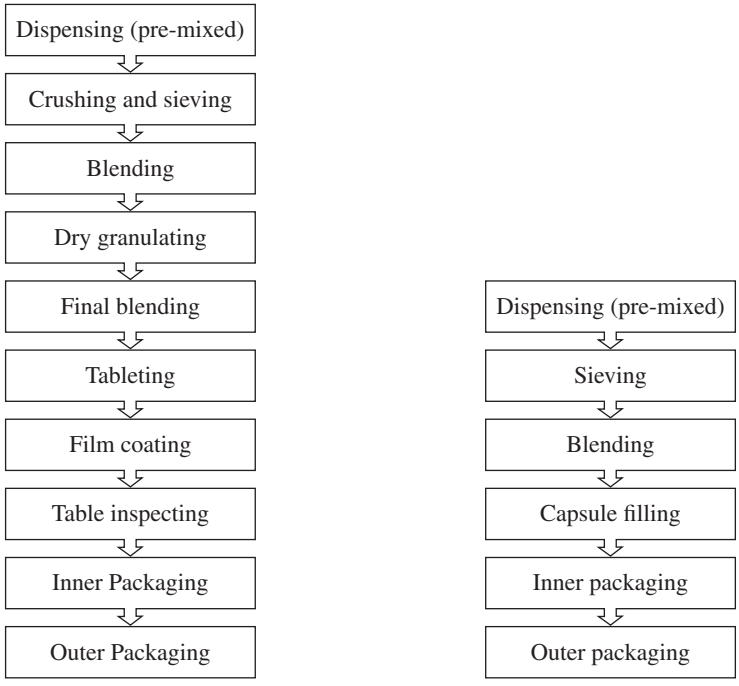
Under our agreements with our CDMO partners, the CDMO is required to perform its services according to the prescribed time frame, typically identical to the term of the specific project as set out in the agreement. We generally pay our CDMO partners in a lump sum within a short credit period. Our CDMO partners are responsible for manufacturing the required products in accordance with product specifications, cGMP requirements, and our quality standards. We retain all intellectual property rights and grant our CDMO partners the right to use our intellectual property solely for manufacturing and packaging activities during the contract period. We are entitled to inspect and audit the CDMO partners' manufacturing processes. Our CDMO partners are also required to obtain and maintain all relevant permits and certificates. If a CDMO partner fails to deliver products or materially breaches its obligations under the relevant agreement, we are entitled to terminate the agreement or reduce our order quantity. Such material breaches, as specified under the relevant agreements, generally include where after multiple written reminders from us, the CDMO partner (i) is unable to deliver the products, (ii) performs its principal contractual obligations in a manner that does not conform to the agreed specifications, (iii) materially delays delivery and fails to perform within the additional period specified in our reminder notice, or (iv) otherwise commits a breach that results in our inability to achieve the contractual purpose. CDMO partners receive processing fees from us according to a price schedule set out in the agreement, which specifies per-unit fees for the respective production volumes.

MANUFACTURING AND QUALITY CONTROL

We maintain a mature production and quality management system that engages our teams from early R&D through commercial supply. We have implemented six GMP-based management subsystems centered on quality assurance. Since our first product was approved and launched in 2011, we have consistently upheld rigorous product qualification and quality compliance for over a decade with no quality issues reported, for which we were awarded the Quality Management Innovation Prize by the People's Government of Zhejiang Province (浙江省人民政府質量管理創新獎). Our manufacturing facilities feature fully automated, smart production lines for both API and solid-dosage production, providing ample capacity to produce high-quality medicines at scale and meet growing global demand.

Manufacturing Process and Capacity

We have in-house capabilities to manufacture both marketed products and drug candidates, employing advanced technologies to synthesize complex drug compounds. The following diagrams provide an overview of the production process for our tablet products (exemplified by icotinib hydrochloride tablets) and capsule products (exemplified by ensartinib hydrochloride capsules), respectively.



Tablet products **Capsule products**

The following table sets forth the annual production capacity, output, and utilization rate of our Hangzhou facility for the years/periods indicated:

		Year ended December 31,									Six Months Ended June 30,		
		2023			2024			2025			2026		
Product[6]	*Unit*	*Production capacity*[1]	*Output*[2]	*Utilization rate*[3]	*Production capacity*[1]	*Output*[2]	*Utilization rate*[3]	*Production capacity*[1]	*Output*[2]	*Utilization rate*[3]	*Production capacity*[1]	*Output*[2]	*Utilization rate*[3]
		'000	*'000*		*'000*	*'000*		*'000*	*'000*		*'000*	*'000*	
Tablet products[4]	Tablet	102,799	53,133	52%	102,799	53,991	53%	102,799	60,562	59%	51,400	21,754	42%
Capsule products[5]	Capsule	66,054	13,190	20%	66,054	19,086	29%	77,523	23,609	30%	38,762	18,685	48%

Notes:

(1) Capacity is calculated based on the packaging time of each product per batch, assuming 260 production days (being the average number of working days in a calendar year) per year, eight hours per day, and only one product produced at a time. For workshops shared by two products, capacity is calculated assuming 130 production days per product per year.

(2) Output is based on the quantity recorded in inventory.

(3) Utilization rate equals output divided by capacity.

(4) Including icotinib and vorolanib products.

(5) Including ensartinib, befotertinib and tibremciclib products.

(6) During the Track Record Period, we outsourced the production of bevacizumab injection and pertuzumab injection.

In-house Manufacturing Facilities and Future Expansion

Our manufacturing facilities are designed and operated in compliance with GMP standards, and equipped with systems and equipment sourced from globally leading and highly reputable manufacturers and suppliers. Substantially all of our in-house manufacturing activities are carried out at our Hangzhou facility. Our Hangzhou facility comprises two main plant sites. The first plant site is primarily used for producing icotinib hydrochloride tablets, ensartinib hydrochloride

capsules, befotertinib capsules and other products. The second plant site is primarily used for producing icotinib hydrochloride API, ensartinib hydrochloride API, CM082 API, and other intermediate formulation products. Our key manufacturing processes are highly automated, and we can adjust production volumes to meet market demand and our sales targets. We conduct regular maintenance and repair work in compliance with applicable GMP requirements.

To expand our manufacturing capacity and meet the growing market demand, we are building a new manufacturing site in Shengzhou, Zhejiang Province. As of the Latest Practicable Date, our Shengzhou manufacturing facility had completed the integrated commissioning of its production equipment, process validation and phased trial production. This project was included in the National Development and Reform Commission's 2023 Special Program for Supporting the Development of Advanced Manufacturing and Modern Services.

Our Shengzhou facility is positioned as our dedicated manufacturing hub for commercial- and pilot-scale innovative drug API production. This facility is currently designed to manufacture, on a designated basis, APIs of icotinib (with a designed annual capacity of approximately 20 tonnes), befotertinib (approximately 20 tonnes per annum) and tibremciclib (approximately 1 tonne per annum). The remaining space is intended to be fitted out in stages to accommodate additional innovative drug APIs, including the planned transfer of certain API production currently undertaken at our Hangzhou facility and by external CDMOs, and is designed to provide an additional aggregate annual capacity of approximately 10 to 50 tonnes, depending on the specific products and process routes. Once fully operational, the Shengzhou facility is expected to serve as our core innovative drug API manufacturing hub, enhancing our cost efficiency, supply stability and flexibility in the long run.

Quality Management

We regard stringent product quality as a key factor in our customers' purchasing decisions and devote substantial resources to the quality management of our products. As of June 30, 2026, our quality management team consisted of 67 employees.

Our quality management team monitors every stage of our operations in accordance with the applicable laws and regulations. We have established comprehensive policies and procedures to ensure quality control over procurement and laboratory sample, production process, final products, transportation and after-sales. Our quality control system has been validated and audited multiple times by regulators and meets stringent and comprehensive Chinese and international standards. During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints regarding product quality, and our products had not been subject to any material claims, litigation, or investigations. In addition, during the same period, we did not experience any material product recalls or fatal incidents related to our products.

During the same period, we did not report any major adverse events under applicable PRC laws and regulations to government authorities. We track products sold to end customers to reduce safety risks and protect patient safety. If we determine that an incident involving our product constitutes a major adverse event under relevant regulations, we report it to government authorities, such as the NMPA and the FDA, and analyze the expectedness, severity, and causality of the event.

We also review feedback from distributors and hospitals and handle any customer complaints regarding product quality. Both verbal and written quality complaints are documented and investigated following standard procedures. We have dedicated personnel responsible for responding to complaint calls. If a product fails to meet the relevant quality standards due to our fault, we replace the defective product at our own cost.

Logistics and Delivery Management

During the Track Record Period, we engaged an independent third-party logistics service provider to transport our products to customers in China. We select transportation partners based on their reputation, track record, and level of experience to ensure our products arrive safely at their destinations. In 2023, 2024 and 2025 and the six months ended June 30, 2026, transportation costs amounted to RMB16.1 million, RMB20.4 million, RMB22.0 million and RMB11.1 million, respectively.

INVENTORY MANAGEMENT

Our inventory consists of raw materials, work-in-progress, and finished goods. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our inventories amounted to RMB327.5 million, RMB290.1 million, RMB381.2 million and RMB351.7 million, respectively. We have implemented an inventory management system to monitor each stage of our warehousing process. We typically keep a three-month supply of raw materials, particularly for our principal raw materials. Our marketed products are generally sold on a first-in, first-out basis. The shelf lives of our marketed products range from 1.5 years to 3 years. We generally destroy all expired products.

We have adopted inventory management policies to minimize the risk of excessive inventory accumulation. Under these policies, we regularly review inventory levels, monitor inventory movements, and adjust procurement or production plans as needed to maintain a reasonable inventory level and ensure timely delivery of drug products to customers. We also conduct physical stock counts and inspections from time to time to identify damaged, obsolete, or soon-to-expire products, which are either disposed of or provided for accordingly. In 2023, 2024 and 2025 and the six months ended June 30, 2026, the write-downs of inventories were nil.

Our Directors confirm that our inventory control system and policies have been effective, and we did not experience any material supply shortages or excessive inventory accumulation during the Track Record Period and up to the Latest Practicable Date.

CUSTOMERS

Our customers primarily consist of distributors of our pharmaceutical products in China, which is in line with prevailing industry practice. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our revenue from our five largest customers in each year/period during the Track Record Period in aggregate accounted for 61.5%, 59.3%, 62.0% and 65.0% of our total revenue for the respective years/periods. Our revenue from our largest customer in each year/period during the Track Record Period accounted for 31.6%, 32.2%, 33.5% and 35.5% of our total revenue for the respective years/periods. The following table summarizes information about our five largest customers and our revenue from them in each year/period during the Track Record Period:

For the six months ended June 30, 2026

Customer	Commencement of business relationship	Product purchased	Payment terms	Payment method	Revenue contribution	Percentage of total revenue
					(RMB in thousands)	*(%)*
Customer A	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001, tibremciclib and pertuzumab injection	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	702,277	35.5%
Customer B	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001, tibremciclib and pertuzumab injection	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	331,555	16.8%
Customer C	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001, tibremciclib and pertuzumab injection	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	127,803	6.5%
Customer D	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, HY1001 and tibremciclib	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	68,183	3.5%
Customer E	2017	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001, tibremciclib and pertuzumab injection	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	55,062	2.8%
Total					**1,284,881**	**65.0%**

For the year ended December 31, 2025

Customer	Commencement of business relationship	Products purchased	Payment terms	Payment method	Revenue contribution	Percentage of total revenue
					(RMB in thousands)	*(%)*
Customer A	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001 and tibremciclib	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	1,209,874	33.5%
Customer B	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001 and tibremciclib	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	615,485	17.0%
Customer C	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001 and tibremciclib	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	203,345	5.6%
Customer D	2011	icotinib, ensartinib, befotertinib, vorolanib, MIL60, HY1001 and tibremciclib	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	110,166	3.1%
Customer F	2016	icotinib, ensartinib, befotertinib, vorolanib, MIL60, Anruize®, HY1001 and tibremciclib	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	101,038	2.8%
Total					**2,239,907**	**62.0%**

For the year ended December 31, 2024

Customer	Commencement of business relationship	Products purchased	Payment terms	Payment method	Revenue contribution	Percentage of total revenue
					(RMB in thousands)	*(%)*
Customer A	2011	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	930,310	32.2%
Customer B	2011	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	483,629	16.7%
Customer C	2011	icotinib, ensartinib, befotertinib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	137,127	4.7%
Customer D	2011	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	85,988	3.0%
Customer F	2016	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	77,725	2.7%
Total					**1,714,779**	**59.3%**

For the year ended December 31, 2023

Customer	Commencement of business relationship	Products purchased	Payment terms	Payment method	Revenue contribution	Percentage of total revenue
					(RMB in thousands)	*(%)*
Customer A	2011	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	776,737	31.6%
Customer B	2011	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	421,730	17.2%
Customer C	2011	icotinib, ensartinib, befotertinib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	133,422	5.4%
Customer D	2011	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	111,954	4.6%
Customer F	2016	icotinib, ensartinib, befotertinib, vorolanib and MIL60	Advance payment or 60 days from the date of issuance of invoice	Bank transfer	65,493	2.7%
Total					**1,509,336**	**61.5%**

Notes:

(1) Customer A is a leading drug distributor and retailer headquartered in Shanghai, China, listed on the Stock Exchange, with a registered share capital of RMB3,120.7 million.

(2) Customer B is a leading drug distributor and retailer headquartered in Beijing, China, with a registered share capital of RMB19,646.5 million.

(3) Customer C is a leading drug distributor and retailer headquartered in Shanghai, China, with a registered share capital of RMB5,000.0 million, which is a subsidiary of a pharmaceutical company dual listed on the Stock Exchange and the Shanghai Stock Exchange.

(4) Customer D is a leading drug distributor and retailer headquartered in Hangzhou, China, with a registered share capital of RMB426.0 million, which is a subsidiary of a pharmaceutical company listed on the Shenzhen Stock Exchange.

(5) Customer E is a leading drug distributor and retailer headquartered in Liuzhou, China, listed on the Shanghai Stock Exchange, with a registered share capital of RMB397.2 million.

(6) Customer F is a leading drug distributor and retailer headquartered in Nanjing, China, listed on the Shanghai Stock Exchange, with a registered share capital of RMB1,308.2 million.

To the best of our knowledge, (i) all of our customers in each year/period during the Track Record Period are Independent Third Parties, and (ii) none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date has any interest in any of our customers for each period during the Track Record Period.

RAW MATERIALS AND SUPPLIERS

We procure raw materials and equipment for the development and manufacture of our products and drug candidates from highly reputable manufacturers and suppliers primarily in China, as well as from overseas such as the United States, the United Kingdom, and Switzerland. Our purchases mainly include raw materials, packaging materials, third-party contracting services for research and development purposes, and machines and equipment. Our major raw materials primarily include BPI-2009-04, S35706, S28004, m-Aminophenylacetylene, and tibremciclib mesylate. Our raw material suppliers are generally the manufacturers of the raw materials we procure. In 2023, 2024 and 2025 and the six months ended June 30, 2026, we purchased raw materials from 33, 33, 33 and 31 suppliers, respectively. For the principal packaging materials and raw materials purchased from third parties, we select suppliers based on product quality, reputation, and business scale. The purchase price is primarily based on prevailing market prices for materials of comparable quality. We generally contract with more than one supplier for each major type of material. As of the Latest Practicable Date, we had not experienced significant difficulties in maintaining reliable sources of supply and expect to be able to maintain adequate sources of quality supplies in the future.

We generally enter into purchase orders with our chemical reagent and solvent suppliers, which specify the product specifications and quality standards that the suppliers should comply with. All suppliers are obligated to conduct their production in compliance with relevant requirements, such as cGMP standards, and their manufacturing facilities and processes are subject to our audit from time to time. During the Track Record Period and up to the Latest Practicable Date, fluctuations in raw material costs have not had a material impact on our results of operations or gross profit margin. For details, see "Financial Information."

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, purchases from our five largest suppliers, which were primarily CROs, CDMOs, other pharmaceutical companies and other service providers, in each year/period during the Track Record Period in aggregate accounted for 47.9%, 55.0%, 56.3% and 63.2% of our total purchases for the respective years/periods. Our purchases from our largest supplier in each year/period during the Track Record Period accounted for 13.0%, 20.5%, 30.8% and 32.4% of our total purchases for the respective years/periods. The following table summarizes information about our five largest suppliers and our purchases from them in each year/period during the Track Record Period.

For the six months ended June 30, 2026

Supplier	Commencement of business relationship	Major purchases	Payment terms	Payment method	Purchase amount	Percentage of total purchase
Hangzhou Bozhirui Biopharmaceutical Co., Ltd	2020	Manufacturing of MIL60, and procurement of Anruize®	Combination of prepayment and payment by batches; or 30 days	Bank Transfer	134,176	32.4%
Supplier A	2016	R&D services	Milestone payment; or monthly payment; or onetime payment	Bank transfer	48,398	11.7%
Supplier B	2018	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	40,152	9.7%
Supplier C	2016	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	22,293	5.4%
Supplier D	2025	R&D services	Settlement based on actual delivery	Bank transfer	16,793	4.1%
Total					**261,812**	**63.2**

For the year ended December 31, 2025

Supplier	Commencement of business relationship	Major purchases	Payment terms	Payment method	Purchase amount	Percentage of total purchase
					(RMB in thousands)	*(%)*
Hangzhou Bozhirui Biopharmaceutical Co., Ltd.	2020	Manufacturing of MIL60, and procurement of Anruize®	Combination of prepayment and payment by batches; or 30 days	Bank transfer	284,790	30.8%
Supplier B	2018	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	107,741	11.7%
Supplier A	2016	R&D services	Milestone payment; or monthly payment; or onetime payment	Bank transfer	68,296	7.4%
Supplier C	2016	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	33,726	3.6%
Wuhan Healthgen Biotechnology Corp.	2025	Procurement of HY1001	Settlement on an order-by-order basis	Bank transfer	26,111	2.8%
Total					**520,663**	**56.3%**

For the year ended December 31, 2024

Supplier	Commencement of business relationship	Major purchases	Payment terms	Payment method	Purchase amount	Percentage of total purchase
					(RMB in thousands)	*(%)*
Hangzhou Bozhirui Biopharmaceutical Co., Ltd.	2020	Manufacturing of MIL60	Combination of prepayment and payment by batches	Bank transfer	146,823	20.5%
Supplier A	2016	R&D services	Milestone payment; or monthly payment; or onetime payment	Bank transfer	114,374	15.9%
Supplier B	2018	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	64,845	9.0%
Supplier C	2016	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	39,471	5.5%
Hangzhou Astrocyte Technology Co., Ltd.	2016	R&D services	Milestone payment	Bank transfer	29,185	4.1%
Total					**394,699**	**55.0%**

For the year ended December 31, 2023

Supplier	Commencement of business relationship	Major purchases	Payment terms	Payment method	Purchase amount	Percentage of total purchase
					(RMB in thousands)	*(%)*
Supplier A	2016	R&D services	Milestone payment; or monthly payment; or onetime payment	Bank transfer	108,128	13.0%
Supplier E	2019	R&D services	Combination of prepayment and monthly payment	Bank transfer	90,815	10.9%
Hangzhou Bozhirui Biopharmaceutical Co., Ltd.	2020	Manufacturing of MIL60	Combination of prepayment and payment by batches	Bank transfer	83,527	10.1%
Supplier B	2018	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	60,961	7.3%
Supplier C	2016	Raw materials and R&D services	Milestone payment; or 30 days	Bank transfer	54,440	6.6%
Total					**397,870**	**47.9%**

Notes:

(1) Hangzhou Bozhirui Biopharmaceutical Co., Ltd. is a subsidiary of BioRay, a commercial-stage biopharmaceutical company headquartered in Hangzhou, China, with a registered share capital of RMB750.0 million.

(2) Wuhan Healthgen Biotechnology Corp. is a commercial-stage biopharmaceutical company headquartered in Wuhan, China and listed on the Shanghai Stock Exchange, with a registered share capital of RMB357.5 million.

(3) Hangzhou Astrocyte Technology Co., Ltd. (formerly known as Hangzhou Repugene Technology Co., Ltd.) is an innovative biopharmaceutical R&D and testing service provider headquartered in Hangzhou, China, with a registered share capital of RMB37.2 million.

(4) Supplier A is a global-leading CRO company listed on the New York Stock Exchange.

(5) Supplier B is a leading CDMO company headquartered in Taizhou, China and listed on the Shanghai Stock Exchange, with a registered share capital of RMB881.7 million.

(6) Supplier C is a leading CDMO company headquartered in Tianjin, China and dual listed on the Stock Exchange and the Shenzhen Stock Exchange with a registered share capital of RMB360.6 million.

(7) Supplier D is a health technology company headquartered in Shanghai, China, with a registered share capital of RMB10.0 million.

(8) Supplier E is a subsidiary of a global leading CRO and CDMO company headquartered in Wuxi, China and listed on the Stock Exchange, with a registered share capital of RMB8,915.8 million.

To the best of our knowledge, other than Wuhan Healthgen Biotechnology Corp. and Hangzhou Astrocyte Technology Co., Ltd., (i) all of our five largest suppliers in each year/period during the Track Record Period are Independent Third Parties, and (ii) none of our Directors, their respective associates or any shareholder who owned more than 5% of our issued share capital as of the Latest Practicable Date has any interest in any of our five largest suppliers in each year/period during the Track Record Period.

Salient Terms of Supply Agreements

Our suppliers primarily include CROs, CDMOs, providers of other materials, consumables and equipment, and other product and service providers. For the salient terms of our agreements with CROs and CDMOs, please refer to "— Our Research and Development — Clinical Development" and "— Collaboration with CDMO Partners." With respect to the procurement of other materials, consumables and equipment, we generally enter into supply agreements with our suppliers, which typically set out, among other things, our quality requirements, pricing, delivery and other arrangements. We decide whether to accept the goods upon inspection and examination. Under such agreements, we may also place purchase orders with our suppliers. We settle payments with our suppliers in accordance with the payment schedule set out in the relevant supply agreements or purchase orders.

INTELLECTUAL PROPERTY

Intellectual property, including patents, trade secrets, trademarks and copyrights, is critical to our business. Our success depends in part on our ability to obtain and maintain proprietary intellectual property and proprietary protection for our drug candidates, novel discoveries, product development technologies, inventions and know-how. Our success also depends in part on our ability to defend and enforce our patents, including any patent that we own or may be granted from our patent applications, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the valid and enforceable patents and proprietary rights of other parties.

We have a broad portfolio of patents to protect our products, drug candidates and technologies. As of the Latest Practicable Date, we owned approximately (i) 59 issued patents in China, (ii) 20 issued patents in the United States, (iii) 237 issued patents in other jurisdictions, and (iv) 205 pending patent applications, including 35 Chinese patent applications, 16 U.S. patent applications, 18 patent applications under the Patent Cooperation Treaty (PCT) and 136 patent applications in other jurisdictions, relating to certain of our drug candidates and technologies.

In particular, as of the Latest Practicable Date, with respect to icotinib, we owned 9 issued Chinese patents, 3 pending Chinese patent applications, 3 issued U.S. patents, and 65 issued patents in other jurisdictions (including the EU), with no pending PCT or other jurisdiction patent applications. Such issued patents and any patents derived from such applications or applications that claim priority from such applications, if granted, would be expected to expire by 2045, excluding any additional term for potential patent term adjustments or extensions. Specifically, icotinib hydrochloride (the hydrochloride salt form of icotinib) is protected by various patents and applications that expired or are expected to expire between 2023 and 2034, among which the patent covering the composition of matter (compound) expired in 2023, and the patent covering crystalline form of icotinib hydrochloride is expected to expire in 2029. We have developed a multi-layer patent portfolio to protect icotinib, which includes primary patents directly protecting the active ingredient (*i.e.*, the compound, the chemical that produces the biological effect in a drug), and secondary patents protecting a range of crystalline forms of the original compound (*i.e.*, how the compounds are arranged to form solid materials), formulations, manufacturing processes and methods of use related to the active ingredient.

While we cannot guarantee that our patent portfolio will fully block generic market entry in all circumstances, we believe it would be difficult for other manufacturers to launch and distribute generic versions of icotinib in China by avoiding these patents before their expiration. The patent for the icotinib compound (CN1305860) expired in March 2023. The secondary patents for icotinib will expire between 2029 and 2034, excluding any additional term for patent term extensions, if applicable. The main secondary patents protecting icotinib include three tiers, including CN101878218, CN104024262, CN103254204, CN104470929, CN102911179, CN104530061,

CN104592242, CN104487443, CN104470526, CN116829152 and CN117729922. The first tier of patents includes those covering the commercialized crystalline form of icotinib directly, consisting of hydrochloride crystal I *per se*, the intermediates and related manufacturing process, which create a barrier for generic versions of specific crystalline form of icotinib hydrochloride. The second tier of patents includes those covering other modifications of the crystalline form of icotinib in order to prevent competitors from designing around the commercialized crystalline form of icotinib, covering free base crystal, other hydrochloride crystals, maleate, and phosphates. The third tier of patents includes those covering preparation methods, intermediates, drug combinations, and new uses of icotinib, which provide further layers of exclusivity, blocking the generics to design around the commercialized product or develop new products. This multi-layer patent portfolio provides continued protection following the expiry of the icotinib compound patent and may delay or constrain generic competition, although it cannot eliminate the risk of generic market entry. The effectiveness of our multi-layer patent portfolio is clearly reflected in generics' market behavior. Since the expiration of the compound patent CN1305860C on March 28, 2023, there is only one generic company that filed a patent certification on Chinese Marketed Drug Patent Information Registration Platform on December 10, 2024 and subsequently obtained marketing approval on July 8, 2026. The limited number of generic approvals to date demonstrates that our multi-tiered secondary patent portfolio has significantly delayed and constrained generic competition. Taking into consideration that (a) the Company's extensive multi-layer patent protection extending through 2029-2034, (b) the limited presence of competing generics at present, (c) the strong clinical reputation and brand recognition of icotinib, (d) the growingly diversified and progressively commercialized oncology portfolio, including established marketed products such as icotinib and ensartinib, as well as newly launched and pipeline products supporting lifecycle management and long-term revenue transition, and (e) the Company's internal budgeting and scenario planning for post-expiry impact, the Sole Sponsor is of the view that the potential risk of competition from generic drug alternatives upon patent expiry is manageable, and is not expected to result in any material adverse impact on the Group's business operations or financial performance. Our PRC intellectual property legal adviser, Liu Shen & Associates, and we are of the view that, as we own secondary patents covering both the commercialized crystal *per se* and other crystals that could potentially form the active ingredient, these secondary patents collectively create an effective barrier to prevent or delay generic competition after the expiration of the icotinib compound patent. Our industry consultant, Frost & Sullivan, is also of the view that, as a market practice in the pharmaceutical industry, secondary patents are often filed in the later phases of the drug development process to extend patent protection for a new chemical entity. A well-structured portfolio of secondary patents can effectively prevent or delay generic competition after the expiry of primary patents. Our industry consultant concurs with the view of our PRC intellectual property legal adviser and us that the secondary patents of icotinib can work together to create effective barrier to prevent or delay the competition of generic drugs after the expiration of its patent of compound.

Following the expiry of the icotinib compound patent and the marketing approval of generic versions of icotinib, icotinib may face competition from its generic versions if and when such generic version is commercially launched and achieves market penetration at a lower price, in addition to existing competitors, which may reduce the market share and sales revenue of icotinib. Furthermore, if sufficient generic competition develops, we may have to participate in national or regional centralized VBP systems, which could create additional downward pricing pressure. If our selling price and market share decline due to such competition, our business and operating results may be adversely affected. While we acknowledge that such competition will have an impact on the sales of icotinib, we believe our established market position and brand recognition will help to mitigate the effects of this competition. Taking into account our existing product portfolio, ongoing R&D pipeline, sales network and cost-control measures, our Directors are of the view that the approved generic version of icotinib and potential further generic competition are not likely to have a material adverse effect on our results of operations, financial condition, or business prospects.

We strive to diversify our product portfolio and sources of revenue. To date, we had nine commercialized products. Our continued efforts to advance our pipeline may lead to the approval of multiple new products and indication expansion of our existing and new products in the next few years. With new products/indications, if approved, contributing to our business and financial growth, we believe our source of revenue would be more diversified and our business and financial performance would be less reliant on icotinib over time. For further details, please also refer to "Risk Factors — We are largely dependent on sales of our launched products. If we are unable to

maintain or increase the sales volume, pricing levels and profit margins of our main products, our revenue and profitability could be adversely affected" and "— The life of patent protection is inherently limited. After the expiration of our patent rights, such as those relating to icotinib, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us."

We have adopted comprehensive measures and systems to protect our intellectual property rights. In certain circumstances, we may rely on trade secret protection, know-how, and other confidential or proprietary information to protect aspects of our technology. We seek to protect our intellectual property rights and other confidential information in part by entering into confidentiality agreements with our employees, consultants, scientific advisers, and contractors, and invention assignment agreements with our employees. We include non-competition clauses in our standard employment contract. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining the physical security of our premises as well as the physical and electronic security of our information technology systems. Despite the measures we have taken to protect our intellectual property rights and other confidential information, unauthorized parties may attempt to or successfully copy aspects of our products or gain access to and use information that we regard as proprietary without our consent. For a description of risks relating to our intellectual property, see "Risk Factors — Risks Relating to Our Intellectual Property Rights."

We conduct our business under the brand name of "Betta" ("貝達"). As of the Latest Practicable Date, we had registered 376 trademarks in China. We are also the registered owner of two major domain names. In addition, to protect our proprietary products and to prevent counterfeit products, we have adopted a drug traceability code management system to trace each of our products through a unique drug traceability code assigned to the inner package unit of such product. We also print barcodes and watermarks on the packaging boxes of our products. Such packaging boxes are disposable and cannot be restored once opened. During the Track Record Period and as of the Latest Practicable Date, we had not been penalized by any government authority due to counterfeit products.

As of the Latest Practicable Date, 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 may be threatened or pending, which would have a material and adverse impact on our business, financial condition or results of operations.

DATA PRIVACY AND PROTECTION

During the Track Record Period and up to the Latest Practicable Date, the data we collect mainly fall into three categories, including (i) de-identified codes of subjects enrolled in our clinical studies and the corresponding clinical data, (ii) personal data from post-marketing surveillance and real-world studies, and (iii) certain personal data of our employees or candidates collected in the ordinary course of our business, which were collected based on either the prior consent of the data subjects or the fulfillment of our statutory obligations. Specifically, we receive, collect and store de-identified codes of subjects enrolled in our clinical studies and the corresponding clinical data and we process, analyze and transfer these data within the scope of the relevant clinical studies and drug registration, which are collected and processed strictly in accordance with signed informed consents. In line with industry practices, some of our studies are based on published research data, which may contain de-identified individual cases. In addition, we receive, collect and store personal data from post-marketing surveillance and real-world studies, such as spontaneously reported adverse drug reactions, with detailed data collection notice provided on our website in fulfillment of our statutory obligations, and submit drug safety reports as required by regulatory authorities. We also collect certain personal data of our employees or candidates to the extent necessary in the ordinary course of our business, which we collect with prior consent. As such, we are bound by the relevant data privacy and protection laws and regulations that apply to our data activities in the jurisdictions where we operate and conduct our clinical studies. For instance, any transfer or processing of personal and clinical data from our clinical studies across jurisdictions, including regulatory submissions, is subject to applicable local data privacy and protection laws and regulations.

Data we collect and generate are stored in the PRC. Our cross-border transfers mainly include (i) submissions of de-identified clinical data to overseas drug regulatory authorities, and (ii) joint statistical analyses with our wholly owned U.S. subsidiary through controlled access to de-identified clinical data. Any cross-border transmission of clinical trial data in connection with our

product development efforts and regulatory communications is subject to the applicable local data and privacy protection laws in the relevant jurisdictions. We continue to diligently monitor the regulatory landscape to ensure compliance with applicable laws and regulations. As advised by our PRC Legal Adviser, we had not been subject to any claims, lawsuits, penalties or administrative actions relating to cross-border clinical data transfer activities during the Track Record Period and up to the Latest Practicable Date.

Our data privacy and protection policy includes comprehensive measures and procedures to safeguard the security and confidentiality of data we access in our operations. We collect and retain data only as permitted by law and as necessary for our clinical studies. Personal data of subjects enrolled in our clinical studies and the corresponding clinical data are collected and processed in accordance with the informed consent agreed upon by the subjects. We require our partners for clinical studies to have data protection clauses in the agreements with us, making them responsible for safeguarding personal and clinical data handled by them. We also require employees involved in clinical studies to comply with confidentiality requirements, and our policies mandate training for our employees in the protection of personal information.

Furthermore, together with our partners, we have implemented controls to govern the transfer or processing of all personal and clinical data. We implement internal controls through the establishment of information security management policies and personal information protection management regulations, forming a comprehensive information security and data privacy and protection management system. In addition, under the relevant policies, we have also appointed a cybersecurity officer and a personal information protection officer, and established a data information security committee with defined responsibilities, to oversee our data privacy and protection practices. We also arrange periodic staff training and inspections to cultivate data privacy and protection awareness. In addition, we have also established policies and protocols to ensure compliance with data security and privacy protection requirements for the cross-border transfer of clinical data, and to ensure that the applicable filings for the export or transfer of personal data, are made with the competent government authorities in accordance with applicable laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we had not encountered any material data breaches or personal information leaks. Our Directors confirm that, as of the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with applicable laws and regulations for data privacy and protection. Our PRC Legal Adviser is of the view that we have complied in all material respects with applicable PRC data security and personal information protection laws and regulations during the Track Record Period and up to the Latest Practicable Date, and that there has been no unlawful use of personal information.

COMPETITION

The pharmaceutical and biopharmaceutical industries are highly competitive and are undergoing rapid and significant changes. While we believe that our robust pipeline of innovative products and drug candidates, strong research and development capability, fully-integrated platform, and world-class leadership team provide us with distinctive competitive advantages, we face potential competition from many different sources that are dedicated to developing therapies targeting the same indications as those for which we are developing our drug candidates, particularly in the field of lung cancer. Such competitors include major pharmaceutical companies, specialty pharmaceutical and biotechnology companies of various sizes, academic institutions, government agencies, and research institutions. Any drug candidates that we successfully develop and commercialize will compete with both existing drugs and any new drugs that may be introduced in the future. For more information on the competitive landscape of our drug candidates, see "Industry Overview" and "Business — Our Commercialized and Pipeline Products."

Our products primarily compete with other products indicated for similar conditions on the basis of efficacy, price, and general market acceptance by medical professionals and hospitals. The identities of our key competitors vary by product or drug candidate. In certain cases, our competitors may have greater financial resources and more expertise than we do in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approved drugs. We believe our continued success will primarily depend on our capability to develop innovative products and advanced technologies, our capability to apply such technologies across all product lines, our capability to continuously develop an extensive product portfolio and pipeline, our capability to effectively commercialize and market our existing

and future products, our capability to expand our distribution network and maintain customer relationships, our capability to attract and retain experienced and talented R&D personnel, our ability to maintain high quality standards, our capability to maintain a highly efficient operational model, and our ability to obtain and maintain regulatory approvals.

EMPLOYEES

As of June 30, 2026, we had a total of 1,828 employees, among which 552 were based in Hangzhou, 144 were based in Beijing, 1,119 were based in 234 other cities in China, and 13 were based in the United States. The following table sets forth the number of our employees categorized by function as of June 30, 2026:

Function	Number	% of Total
Research and development	288	15.8
Commercialization	1,147	62.7
Manufacturing and quality control	205	11.2
General and administrative	188	10.3
Total	1,828	100.0

We enter into individual employment contracts with our employees covering matters such as job responsibilities, compensation and benefits, workplace safety, and confidentiality obligations. We also enter into separate confidentiality agreements with our senior management, certain key members of our clinical development team and other employees who have access to trade secrets or other confidential information about our business. To maintain the quality, knowledge and skill levels of our workforce, we provide continuing education and training programs, including both internal and external training, to improve our employees' technical, professional and management skills, and compliance awareness. We provide various incentives and benefits to our employees, including competitive salaries, bonuses and share-based compensation, especially to key employees. In China, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees in accordance with applicable PRC laws. During the Track Record Period and as of the Latest Practicable Date, we had not made social insurance and housing provident fund contributions for some of our employees in full and we engaged third-party agencies to pay social insurance premium and housing provident funds for some of our employees. For further details, see "— Legal Proceedings and Compliance — Compliance" and "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to Our General Operations — Any failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions."

We believe we maintain good relationships with our employees. Our employees are represented by a labor union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any strikes or labor disputes that had a material impact on our business.

LAND AND PROPERTIES

We are headquartered in Hangzhou, China. We own and lease certain properties in various cities in China primarily to be used for manufacturing bases, R&D and office premises, warehouses and dormitories. The Property Valuation Report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, set out in Appendix III of this document, sets out details of our selective property interests as of June 30, 2026. Jones Lang LaSalle Corporate Appraisal and Advisory Limited valued these property interests at an amount of RMB1,702 million as of June 30, 2026. Save as disclosed in this document, as of June 30, 2026, (i) no single property that forms part of property activities has a carrying amount of 1% or more of our total assets; and (ii) no single property interest that forms part of our non-property activities has a carrying amount of 15% or more of total assets.

Owned Land Properties

As of the Latest Practicable Date, we owned land use rights with respect to five parcels of land in Hangzhou and Shengzhou, China with land use right certificates, with a total gross land area of approximately 371,215 sq.m. We also owned four sets of buildings in Hangzhou and Shengzhou, China with building ownership certificate with an aggregate gross floor area of approximately 447,671 sq.m. These buildings are primarily used for manufacturing, R&D, and operations.

Leased Properties

As of the Latest Practicable Date, we had primarily 16 leased properties in China with a total area of approximately 9,076.58 sq.m., used for offices, warehouses and dormitories. The relevant lease agreements generally provide a duration of up to five years. As of the Latest Practicable Date, 12 of our lease agreements for properties leased in the PRC, with a total area of approximately 8,210.8 sq.m., had not completed lease registration with relevant regulatory authorities. For further details, see "— Legal Proceedings and Compliance — Compliance — Non-Registration of Lease Agreements" and "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to Our General Operations — We are subject to various governmental approvals and compliance requirements for our land and properties."

ENVIRONMENTAL MATTERS, WORKPLACE SAFETY AND SOCIAL RESPONSIBILITY

EHS Governance

We are committed to protecting the environment, ensuring workplace safety, and upholding social responsibility. In our operations, we strictly comply with all applicable PRC laws and regulations concerning environmental protection, chemical usage, waste discharge, and pollution control. For details on the PRC environmental laws and regulations applicable to us, see "Regulatory Overview — Overview of Laws and Regulations in the PRC — Regulations in Relation to Environment, Health and Safety" in this document.

We are a commercial-stage, profitable biopharmaceutical company with integrated capabilities of R&D, manufacturing and commercialization of drug products. With the future scaling of production and the launch of new products, we may face short-term challenges related to increased emissions. We have implemented company-wide EHS manuals and comprehensive policies covering hazardous waste management, pollution control, risk management, and occupational safety. Our EHS department oversees policy development, maintains ISO14001 and ISO45001 certifications, manages emergency preparedness, and conducts risk assessments to prevent pollution incidents. During the Track Record Period, our total capital expenditure on environmental protection equipment was RMB38.5 million. In addition to such equipment purchase costs, our total EHS-related expenses for compliance with environmental protection and health and safety laws and regulations in 2023, 2024 and 2025 and the six months ended June 30, 2026 were RMB6.4 million, RMB5.9 million, RMB5.7 million and RMB2.7 million, respectively.

As part of our EHS system, we have implemented environmental risk management measures to regularly identify and assess risks arising from production, storage, pollutant disposal, regulatory changes, new projects, and climate events. To strengthen emergency response, we have submitted an environmental incident plan to local authorities, equipped relevant facilities, and conducted company-wide drills. When risks are identified, our EHS department investigates, prepares assessment reports, and takes mitigation actions. For climate-related risks, we strictly comply with GMP and emission standards, engage third parties for periodic assessments, and monitor emissions daily.

We follow all applicable national standards for wastewater and waste gas emissions. During the Track Record Period, our emissions of wastewater and waste gas did not exceed the maximum permissible levels, emission concentrations, or other applicable metrics under these standards.

ESG Materiality Assessment and Risk Management

We value sustainable development management and regard ESG materiality assessment and risk management as key steps in building our sustainable development management system. In accordance with the Environmental, Social and Governance Reporting Guide and considering our Company's actual operations and industry development trends, through methods such as industry benchmarking, we identify material ESG issues and potential risks.

- Based on the Environmental, Social and Governance Reporting Guide, and taking into account the Company's operational realities and industry development trends, we have identified material issues closely related to our environmental, social, and governance performance.

- We engage external experts to provide professional advice and guidance. Through peer benchmarking analysis, we prioritize ESG issues by considering their importance to both our Company and stakeholders. This process helps us identify high-priority ESG topics, which are then integrated into our ESG management policies and strategies.

According to our materiality assessment results, we consider chemical management, waste and emissions, workplace safety, clinical trials, R&D innovation, intellectual property protection, and employee training and development as our key ESG matters.

We continuously improve our ESG managerial framework, actively take measures to manage and mitigate ESG-related risks, and incorporate ESG issues into our Company's ESG strategy and development plans, thereby enhancing our resilience to sustainability risks. As of the Latest Practicable Date, we have not experienced any significant ESG-related risk incidents, nor have we incurred any penalties for violations of ESG-related laws and regulations, such as environmental protection, product and service quality, or occupational health and safety. Additionally, we have not suffered any actual or anticipated material impacts on our business, strategy, or financial performance due to ESG risks. Moving forward, we will continue to optimize our ESG risk identification and assessment mechanisms, strengthen risk management capabilities, and regularly publish ESG reports in compliance with regulatory requirements.

Chemical Management

We consistently adhere to the safety production principle of "Safety First, Prevention Foremost, and Comprehensive Management," and follow the occupational health guideline of "People-Oriented, Prevention-First, and Controlled Protection." Our EHS goals are clearly defined as "zero safety incidents, zero environmental pollution, and ensured occupational health." We have established and implemented the "Hazardous Chemical Management System" and "Highly Toxic Chemical Management System", enforcing strict controls over the entire lifecycle of chemicals, including procurement, storage, distribution, transportation, usage, and disposal. Additionally, we have set up a cross-departmental collaborative governance structure to comprehensively oversee and manage the entire chemical usage process. To solidify safety production efforts, as of the Latest Practicable Date, nearly 700 relevant employees have signed safety production target responsibility undertakings. We fully recognize the importance of hazardous chemical management and are committed to continuously improving its full lifecycle management. We have developed specialized emergency plans for accidents or urgent situations involving hazardous chemicals, outlining response procedures for critical scenarios such as leaks and poisoning. We require operational personnel to properly wear personal protective equipment, including gas masks and protective clothing, and conduct annual emergency drills and training to optimize response mechanisms, ensuring timely, safe, and effective emergency handling. In 2025, we engaged external institutions to conduct comprehensive evaluations of production facilities and hazardous chemical usage. Any potential safety hazards identified during the assessment have been addressed and eliminated in accordance with the rectification recommendations.

To further deliver our commitment on chemical management, we have set targets of zero chemical leakage incidents, zero environmental pollution incidents, and 100% certification rate for special operations personnel. Moving forward, we will continue to refine our chemical management system and steadily reduce our environmental impact.

Waste and Emissions

We are committed to ensuring that our future pollutant emissions consistently comply with applicable standards. We store hazardous waste in dedicated warehouses and engage third-party contractors for the management and disposal of hazardous materials and waste. In 2023, 2024 and 2025 and the six months ended June 30, 2026, the fees paid to third parties for handling hazardous materials and waste were RMB2.4 million, RMB2.7 million, RMB2.6 million and RMB1.2 million, respectively. We have established and implemented internal systems, including the "Solid Waste Management System" and "Hazardous Waste Management System", which specify management requirements for the emission of various types of solid waste. Through classification, collection, storage, and disposal, we ensure full-process compliance control over hazardous waste. In line with the national principle of "polluters being legally responsible" for solid waste pollution prevention, we adhere to the principles of "prevention first, full-process management, and polluter accountability" for hazardous waste pollution control. We implement a management system where "top leadership holds overall responsibility, and members of the leadership team assume dual responsibilities," and have established corresponding accountability mechanisms. We actively promote clean production to reduce the generation of hazardous waste and encourage the rational utilization of hazardous waste within the Company. At our Hangzhou facility, we maintain a 24-hour duty system for environmental protection personnel, who conduct regular inspections to promptly identify and resolve issues. Additionally, we regularly organize environmental emergency drills and training to enhance the emergency response capabilities of our staff. Furthermore, we fully recognize the critical importance of establishing and continuously improving an environmental management system in the biopharmaceutical industry. To maintain compliance with the ISO 14001 Environmental Management System standards and ensure its effectiveness and suitability, we successfully completed recertification and obtained the relevant certificate in 2024.

We are dedicated to adopting advanced clean production technologies to reduce waste generation at the source and minimize pollutant emissions. To this end, we have set the following targets: (i) achieve 100% compliance in waste treatment, (ii) reduce hazardous waste emission intensity by 3% by 2030, using 2024 as the baseline, and (iii) reduce non-hazardous waste emission intensity by 10% by 2030, using 2024 as the baseline.

Workplace Safety

We strictly comply with PRC laws and regulations on occupational health and safety, committed to preventing and mitigating operational hazards and risks to protect employees and surrounding communities. We have implemented rules, standard operating procedures, and protective measures — including safety guidelines and video surveillance for hazardous chemical use. New employees receive safety training; we engage fire safety experts for training and conduct regular emergency drills. We also maintain workplace hygiene and employee health policies. Our PRC Legal Adviser has confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalties for violations of PRC laws, regulations or normative documents related to health, workplace safety, social responsibility, or environmental protection.

Clinical Trials

We attach great importance to the compliance of clinical trials and strictly adhere to relevant laws, regulations and standards. We have established and implemented internal systems, including the "New Drug Project Lifecycle Management Measures", to ensure that all clinical research activities are initiated and conducted in accordance with laws and regulations. We have also set up a New Drug R&D Committee, a Registration and Clinical Committee, and a Strategy Committee, to comprehensively evaluate, manage, and make decisions on clinical research projects. As the entity responsible for protecting the rights and interests of subjects in drug clinical trials, our Company consistently upholds the bottom line of ethical compliance. All studies involving human subjects must undergo independent review by an ethics committee prior to initiation to verify scientific validity and ethical appropriateness. During the clinical research process, we place significant emphasis on safeguarding the rights and interests of subjects. We ensure thorough and objective communication with subjects, guaranteeing their understanding of potential risks, side effects, and benefits of the trial. Additionally, we collaborate with CROs, rigorously selecting qualified and experienced institutions, and clarifying service scopes and compliance responsibilities

through agreements to ensure full process control. Building on the international multi-center clinical trial experience with ensartinib, we have established robust capabilities in developing international clinical trial SOPs and cross-regional ethical coordination mechanisms, significantly enhancing our global clinical trial compliance competencies. Pharmacovigilance serves as a robust shield in safeguarding drug safety, reflecting our scientific pursuit of drug safety and ongoing concern for the well-being of subjects and patients. We have established a pharmacovigilance organizational structure with clearly defined responsibilities and duties, staffed with dedicated pharmacovigilance personnel. We always prioritize the health and safety of subjects. We are committed to conducting clinical trials in accordance with high industry standards and ethical principles. We have set a goal of zero major penalties related to clinical trials.

R&D Innovation and Intellectual Property Protection

As a biopharmaceutical company centered on the research and development of innovative drugs with proprietary intellectual property, we integrate R&D, production, and commercialization. To safeguard our core technologies, we have established and implemented internal policies such as the "Information Security Management System" and "Intellectual Property Protection System", providing comprehensive support for our R&D innovation efforts. We have built a leading domestic new drug R&D system centered around the Betta Institute for Biomedical Research (貝達研究院). Through independent research and strategic collaborations, we have developed a diverse product pipeline. To fully protect our R&D achievements, we implement stringent intellectual property risk control measures at every stage of our R&D projects. This ensures the safeguarding of our innovative outcomes while avoiding infringement of third-party intellectual property during product development. Furthermore, to continuously enhance employees' awareness of intellectual property protection, we conduct IP-related training through online platforms, actively empowering our R&D and management teams.

Employee Training and Development

We are committed to enabling every employee to realize their value and potential. We have established and implemented the "Promotion Management System" to actively foster a fair and equitable competitive environment, building a talent pipeline aligned with our long-term development. To support both horizontal and vertical career growth, we have enacted the "Employee Transfer Management System", empowering employees to choose career paths that match their professional aspirations. In the area of employee training, we adhere to internal systems such as the "Employee Handbook", "Pre-Job Training Management System", and "External Training Management System". Our training programs focus on core competencies including fundamental skills, professional expertise, and innovation, integrating online and offline methods while combining theory with practice. We have also developed a targeted leadership training system tailored to employees at different levels. In addition, we have established a comprehensive career planning system, comprising dual career paths and a comprehensive performance management system, to support employees' professional development.

To ensure the full development of our talent, we have set clear requirements: (i) every employee must complete systematic onboarding training within three months of joining our Company, (ii) new employees in drug production and quality-related roles must undergo three-tier training at the Company, department, and team levels, and (iii) annual employee training coverage must reach 100%.

Key ESG Performance Indicators

				For the year ended December 31,			For the six months ended June 30,
			Unit	2023	2024	2025	2026
Emissions	Exhaust gas emissions		10,000 m^3	18,120.54	17,104.76	21,450.05	10,570.42
	Nitrogen oxides (NOx) emissions		Ton(s)	0.0001	0.16	0.09	0.08
	Sulfur oxides (SOx) emissions		Ton(s)	0.03	0.02	0.02	0.01
	Volatile Organic Compounds (VOCs) emissions		Ton(s)	1.17	0.24	0.36	0.12
	Particulate matter (PM) emissions		Ton(s)	0.06	0.03	0.03	0.02
	Environmental compliance costs		RMB	2,568,598.00	4,305,000.00	6,307,123.31	2,100,492.58
	Scope 1 greenhouse gas emissions		tCO2e	2,282.73	2,023.91	1,267.74	77.61
	Scope 1 greenhouse gas emission intensity		tCO2e/RMB million revenue	0.93	0.70	0.35	0.04
	Scope 2 greenhouse gas emissions		tCO2e	10,876.99	8,459.80	11,171.77	3,446.99
	Scope 2 greenhouse gas emission intensity		tCO2e/RMB million revenue	4.43	2.93	3.10	1.74
	Scope 3 greenhouse gas emissions		tCO2e	121,112.90	114,778.61	151,301.66	67,123.79
	Scope 3 greenhouse gas emission intensity		tCO2e/RMB million revenue	49.31	39.69	41.92	33.97
	Scope 3 Category 1 Purchased goods and services		tCO2e	118,103.64	110,744.50	147,467.04	65,576.90
	Scope 3 Category 5 Waste generated in operations		tCO2e	1,520.40	2,674.74	2,524.16	785.06
	Scope 3 Category 7 Employee commuting		tCO2e	1,488.86	1,359.37	1,310.46	761.83
	Total greenhouse gas emissions		tCO2e	134,272.62	125,262.32	163,741.17	70,648.39
	Total greenhouse gas emission intensity		tCO2e/RMB million revenue	54.67	43.31	45.37	35.75
	Total hazardous waste emissions		Ton(s)	889.48	1,321.70	1,506.00	750.55
	Hazardous waste emission intensity		Ton(s)/RMB million revenue	0.36	0.46	0.42	0.38
	Total non-hazardous waste emissions		Ton(s)	40.21	41.64	33.13	26.57
	Non-hazardous waste emission intensity		Ton(s)/RMB million revenue	0.02	0.01	0.01	0.01
Resource Use	Total energy consumption		kWh	28,795,539.75	23,312,341.84	23,990,512.31	6,165,972.34
	Total energy consumption intensity		kWh/RMB million revenue	11,723.63	8,061.12	6,646.79	3,120.54
	Electricity consumption		kWh	17,487,770.00	13,286,000.00	17,716,810.00	5,783,131.12
	Electricity consumption intensity		kWh/RMB million revenue	7,119.86	4,594.13	4,908.60	2,926.79
	Gasoline consumption (for business travel)		Liter(s)	4,408.06	2,896.73	6,227.56	2,402.73
	Diesel consumption		Liter(s)	320.20	420.76	1,332.67	100.00
	Natural gas		m^3	1,039,272.00	922,300.00	571,887.00	32,925.00
	Steam		Ton(s)	5,393.85	4,760.18	5,978.65	4,605.14
	Water consumption		m^3	258,954.00	276,035.00	231,406.00	86,609.53
	Water consumption intensity		m^3/RMB million revenue	105.43	95.45	64.11	43.83
	Packaging material usage		Ton(s)	192.85	202.77	234.60	123.22
	Packaging material usage intensity		Ton(s)/RMB million revenue	0.08	0.07	0.06	0.06
Development and Training	Percentage of employees trained by gender	Male	%	76.72	77.44	79.91	79.82
		Female	%	79.74	78.69	79.57	79.68
	Percentage of employees trained by employee category	Senior management	%	100	100	100	100
		Middle management	%	82.76	85.14	85.61	85.79
		Junior-level employees	%	77.33	76.31	77.83	77.85
	Average training hours per employee by gender	Male	Hour(s)	40.99	32.51	37.01	25.24
		Female	Hour(s)	36.78	30.26	36.85	22.92
	Average training hours per employee by employee category	Senior management	Hour(s)	31.33	28.48	32.17	24.00
		Middle management	Hour(s)	26.76	22.31	41.34	27.70
		Junior-level employees	Hour(s)	41.72	33.89	35.59	24.21

		Unit	For the year ended December 31, 2023	2024	2025	For the six months ended June 30, 2026
Product Responsibility	Registered trademark(s)	Item(s)	373	375	376	376
	Registered patent(s)	Item(s)	163	207	238	233
	Copyrighted work(s)	Item(s)	9	9	9	9
	Registered domain names in use	Item(s)	3	3	2	7
	Software copyright(s)	Item(s)	10	10	10	10

Sustainable Development Goals

To establish reasonable and effective sustainable development goals, we conducted a comprehensive assessment of the historical trends in environmental performance indicators from 2022 to 2024, evaluated our previous governance outcomes, and considered potential improvements in technology and management. The year 2024 has been designated as the baseline for all environmental performance targets, with projected improvement rates set for 2030. Based on the KPI analysis, indicators that have already achieved significant reductions (such as hazardous waste emission intensity and greenhouse gas emission intensity) will continue to improve at a moderated pace. For indicators with greater historical room for improvement (such as water use intensity and non-hazardous waste emission intensity), we have set reasonable targets aligned with our development prospects, industry benchmarks, and international and domestic standards.

- ***Waste Reduction Target***: By 2030, reduce hazardous waste emission intensity by 3% and non-hazardous waste emission intensity by 10%, using 2024 as the baseline.
- ***Energy Efficiency Target***: By 2030, reduce comprehensive energy consumption intensity by 10%, using 2024 as the baseline.
- ***Water Efficiency Target***: By 2030, reduce water consumption intensity by 10%, using 2024 as the baseline.
- ***Greenhouse Gas Reduction Target***: By 2030, reduce Scope 1 greenhouse gas emission intensity by 10% and Scope 2 greenhouse gas emission intensity by 10%, using 2024 as the baseline.

INSURANCE

We maintain insurance policies that we consider consistent with market practice and adequate for our business. Our principal insurance policies include property insurance covering fixed assets and inventory, insurance for adverse events in clinical trials, safety production liability insurance, and key person insurance. Currently, we do not maintain employee benefits liability insurance, personal injury insurance, or product liability insurance. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to Our General 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." During the Track Record Period and up to the Latest Practicable Date, we have not filed any material insurance claims. As our business expands, we will regularly review and assess our risk profile and adjust our insurance coverage in accordance with our needs and prevailing industry practices.

AWARDS AND RECOGNITIONS

We have received numerous awards and recognitions in acknowledgment of our achievements in innovative drug development. Some of the major awards and recognitions we have received are summarized in the table below:

Year	Award/Recognition	Issuing Authority
2026	Top 100 Pharmaceutical Companies in China by Principal Business Revenue for 2025	China National Pharmaceutical Industry Information Center
2024	First Prize of Zhejiang Provincial Science and Technology Progress Award	People's Government of Zhejiang Province
2023	National High-Tech Enterprise	Zhejiang Science and Technology Department; Zhejiang Finance Department; State Taxation Administration, Zhejiang Branch
2022	National Technology Innovation Demonstration Enterprise	Ministry of Industry and Information Technology of the PRC
2022	National Intellectual Property Demonstration Enterprise	National Intellectual Property Administration
2021	National May 1st Labor Award	All-China Federation of Trade Unions
2020	National Enterprise Technology Center	National Development and Reform Commission of China
2019	Major New Drug Innovation Technology Platform, "Major New Drug Creation" National Science and Technology Program	Implementation Office of the National Science and Technology Program "Major New Drug Creation"
2019	National Intellectual Property Demonstration Enterprise	National Intellectual Property Administration
2018	National Postdoctoral Research Station	Ministry of Human Resources and Social Security; National Postdoctoral Management Committee
2016	4th China Industrial Award	China Industrial Economy Federation
2016	National Intellectual Property Advantage Enterprise	National Intellectual Property Administration
2015	First Prize, National Science and Technology Progress Award	State Council of the PRC
2014	16th China Patent Gold Award	National Intellectual Property Administration
2012	National Strategic Innovative Product	Ministry of Science and Technology; Ministry of Environmental Protection; Ministry of Commerce; General Administration of Quality Supervision, Inspection and Quarantine
2012	14th China Patent Gold Award	National Intellectual Property Administration
2009	"Major New Drug Creation" National Science and Technology Program: Phase IIb/III Clinical Study of EGFR Kinase Inhibitor – Icotinib Hydrochloride for NSCLC Treatment	Ministry of Science and Technology of the PRC
2008	National High-Tech Enterprise	Zhejiang Science and Technology Department; Zhejiang Finance Department; State and Local Taxation Authorities of Zhejiang Province
2006	National Torch Program Project	Torch High Technology Industry Development Center, Ministry of Science and Technology
2005	Technology Innovation Fund for Technology-Based SMEs	Technology-Based SMEs Innovation Fund Management Center, Ministry of Science and Technology

PERMITS, LICENSES AND OTHER APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we have obtained all material licenses, permits, approvals and certificates from the relevant government authorities that are material for the business operations of our Group. We intend to apply for renewal of our key licenses, permits, approvals and certificates prior to their respective expiry dates. Our Directors are not aware of any circumstances that would cause or result in the non-renewal of such licenses, permits or certificates. As of the Latest Practicable Date, none of our material licenses, permits, approvals and certificates are expiring by the end of 2026, and we are not aware of any legal impediment that would prevent the renewal of such licenses, permits, approvals and certificates, provided that we continue to comply with the applicable laws, regulations and requirements.

The following table sets out a list of our material licenses, approvals and permits as of the Latest Practicable Date, with the grant/filing dates set forth below being the most recent dates on which the licenses and permits are renewed or obtained:

License/Approval/Permit	Entity Holding the License/Approval/ Permit	Issuing Authorities	Grant/Filing Date	Expiration Date
Drug Production License (藥品生產許可證)	Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司)	Zhejiang Provincial Drug Administration (浙江省藥品監督管理局)	August 20, 2025	June 17, 2030
Drug Trading License (藥品經營許可證)	Zhejiang Betta Pharmaceutical Sales Co., Ltd. (浙江貝達醫藥銷售有限公司)	Zhejiang Provincial Drug Administration (浙江省藥品監督管理局)	May 8, 2025	March 30, 2030
Internet Drug Information Services Qualification License (網路藥品資訊服務資格證書)	Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司)	Zhejiang Provincial Drug Administration (浙江省藥品監督管理局)	June 16, 2023	June 15, 2028
Internet Drug Information Services Qualification License (網路藥品資訊服務資格證書)	Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司)	Zhejiang Provincial Drug Administration (浙江省藥品監督管理局)	December 8, 2022	December 7, 2027

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various litigation, legal disputes, claims, administrative proceedings or other administrative measures arising in the ordinary course of our business. As of the Latest Practicable Date, we were not a party to any actual or threatened legal or administrative proceedings (including any investigation or other regulatory actions by the CSRC or other regulatory authorities) that would have a material and adverse impact on our business, financial condition or results of operations.

Compliance

We are committed to maintaining the highest standards of compliance with the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance incidents which our Directors believe, individually or in the aggregate, would have a material operational or financial impact on our business as a whole.

The following sets forth certain incidents which our Company considers to be immaterial and do not constitute material or systemic non-compliances.

Failure to Make Full Contributions to Social Insurance and Housing Provident Funds

During the Track Record Period, we failed to make full contribution to the social insurance and housing provident funds for some of our employees in accordance with the relevant PRC laws and regulations. Pursuant to the relevant PRC laws and regulations, the under-contribution of social insurance within a prescribed period may subject us to a daily overdue charge of 0.05% of the delayed payment amount. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount. Pursuant to the relevant PRC laws and regulations, if there is any failure to pay the full amount of housing provident funds as required, the housing provident funds management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. For further details, see "Risk Factors — Risks Relating to Our General Operations — Any failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions."

As of the Latest Practicable Date, no administrative action or penalty had been imposed on us by the relevant regulatory authorities with respect to our social insurance and housing provident funds contributions, nor had we received any order to settle the deficit amount. Moreover, as of the Latest Practicable Date, we were not aware of any material complaint filed by our employees regarding our social security insurance and housing provident funds policy.

Pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security, Notice of the State Taxation Administration on Implementing Further Measures to Support and Serve the Development of the Private Economy (《國家税務總局關於實施進一步支援和服務民營經濟發展若干措施的通知》) and Notice of the General Office of the State Taxation Administration on Prudently and Orderly Carrying Out Work Related to the Collection and Administration of Social Insurance Contributions (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》), administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises' historical social insurance arrears on their own initiative. We undertake to make timely payments for the deficient amount and overdue charges, as soon as requested by the competent government authorities.

We have not fully rectified the historical shortfall in social insurance and housing provident fund contributions, primarily because (i) the applicable PRC laws and regulations governing social insurance and housing provident funds are intricate and vary by region, which added complexity to our compliance efforts. We operate across multiple cities in China, and rectification procedures and requirements vary among local authorities. Given employee mobility (particularly sales and business development personnel) and historical changes in work locations and employment status, completing retrospective registrations, adjustments and catch-up payments involves substantial work; and (ii) a portion of the relevant employees are reluctant to make retrospective contributions, as rectification would require payment of both the employer's and the employee's respective portions. In particular, requiring employees to bear their share of historical arrears (including through salary deductions) may adversely affect employee relations and retention. To mitigate potential risks, we have enhanced our internal control measures, including designating our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a regular basis and we will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

Our Directors believe, and our PRC Legal Adviser concurs, that such non-compliance would not have a material adverse effect on our business and results of operations, considering that: (1) to our knowledge and based on the Credit Reports on Legal and Regulatory Compliance issued by the competent government authorities, we had not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date; (2) we were neither aware of any material employee complaints filed against us nor involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date; (3) as of the Latest Practicable Date, we had not received any formal notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing provident funds; (4) based on the interviews with the relevant government authorities for our Company, i.e. Linping Human Resources and Social Security Bureau, Shengzhou Social Insurance Service Center and Shengzhou Branch of Shaoxing Housing Provident Funds Management Center: (i) the investigation by the competent government authorities regarding the Company's failure to make full social insurance and housing provident funds contributions are primarily based on employee complaints. If the Company has appropriately addressed the employee complaints, no further measures such as case filing or administrative penalties will be taken; (ii) the competent government authorities have not, with respect to our Company, initiated any filed investigations, issued any formal payment deficiency notices, imposed any administrative penalties, or applied to any courts for compulsory enforcement regarding social insurance and housing provident funds matters; (iii) base on the relevant PRC regulatory policies, the competent government authorities will not organize centralized collection of enterprises' historical social insurance arrears on their own initiative; and (5) as advised by our PRC Legal Adviser, considering relevant regulatory policies and the facts stated above, the likelihood that we are subject to centralized collection of historical arrears and any material penalties, which would have a material adverse effect on our business, financial condition

or results of operations, initiated by the relevant PRC authorities due to our failure to provide full social insurance and housing provident funds contributions for our employees, is relatively low. As a result, we did not make any provisions in connection with these non-compliances during the Track Record Period and up to the Latest Practicable Date.

Use of Third-party Agencies to Pay Social Insurance

During the Track Record Period, our Company and three of our PRC subsidiaries engaged qualified state-owned third-party human resources agencies to pay social insurance premium and housing provident funds for certain of our employees in the locations where those employees work. We use such agency arrangements mainly because our sales personnel work in a number of cities across the nation where we do not have legal entities to pay social insurance premium or housing provident funds for them locally. Such arrangements, although not uncommon in China, are not in strict compliance with relevant PRC laws and regulations. Pursuant to the agreements entered into between our Company or our relevant PRC subsidiaries and such third-party human resources agencies, such human resources agencies are required to pay social insurance premium and housing provident funds for our relevant employees on behalf of us. These third-party human resources agencies have confirmed in writing that: (i) they have paid such contributions according to our agreements with them; (ii) no local regulatory policies at the premise of third-party agencies prohibits its cooperation model with our Company; (iii) during the cooperation period within the Track Record Period, third-party agencies has not received any notice from the social insurance or housing provident funds authorities requiring the termination of such agency arrangement, nor has it been subject to any administrative penalties from these authorities in this regard. We have not fully rectified this non-compliance primarily because (i) our sales personnel are dispersed across various cities where our Group lacks legal entities, and these employees generally prefer to make the relevant contributions in their place of residence so as to enjoy the applicable local benefits. Given the high mobility of such personnel, the dispersed contribution locations preferred by them, and the limited number of employees involved in each location, it is not commercially or administratively viable for us to establish legal branches or dedicated accounts in every such location solely for contribution purposes; and (ii) retrospective adjustment involves cancelling past agency payments and re-paying through our Group. This process carries a high risk of interrupting employees' continuous contribution records, which would adversely affect the employees.

However, if the local governments determine the use of third-party agencies to pay social insurance and housing provident funds to be non-compliant or such human resource agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required by applicable PRC laws and regulations, we may be subject to additional contribution, late payment fee and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify. Please also refer to "Risk Factors — Risks Relating to Our General Operations — Any failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions."

Our Directors believe, and our PRC Legal Adviser concurs, that such non-compliance would not have a material adverse effect on our business and results of operations, considering that: (1) paying the social insurance premium or housing provident funds through third-party agencies does not harm the benefits of employees and in practice the legal consequences and potential liabilities of using such agency arrangements tend to be varied and ambiguous, (2)the risk of us being subject to material penalties as a result of paying the social insurance premium or housing provident funds through third-party agencies is remote; and such non-compliance will not have any material adverse effect on our financial condition or results of operations taken as a whole; (3) to our knowledge and based on the Credit Reports on Legal and Regulatory Compliance issued by the competent government authorities, we had not been subject to any administrative penalties in relation to the agency arrangements during the Track Record Period and up to the Latest Practicable Date; (4) based on the written confirmation issued by the third-party human resources agencies, no regulatory policies have been issued in the third-party agencies' locality that prohibit its cooperation model with our Company; (5) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for any amount in additional to what we have paid to the social insurance and housing provident funds; and (6) we were neither aware of any material employee complaints filed against us nor involved in any material labor disputes with our

employees with respect to the payment of social insurance or housing provident funds through third party agencies during the Track Record Period and up to the Latest Practicable Date. As advised by our PRC Legal Adviser, considering relevant regulatory policies and the facts stated above, thelikelihood that we are subject to any material penalties, which would have a material adverse effect on our business, financial condition or results of operations, initiated by the relevant PRC authorities as a result of paying the social insurance premium or housing provident funds through third-party agencies, is relatively low. As a result, we did not make any provisions in connection with these non-compliances during the Track Record Period and up to the Latest Practicable Date.

Non-Registration of Lease Agreements

As of the Latest Practicable Date, 12 of our lease agreements for properties leased in the PRC, with a total area of approximately 8,210.8 sq.m., had not completed lease registration with relevant regulatory authorities. Registration requires cooperation from both parties, and lessors are typically unwilling to complete such procedures due to the low penalty risk. As such, we were unable to complete registration for these lease agreements. We have required our employees to proactively coordinate with lessors to complete the registration process and to register lease agreements where lessors are cooperative. As advised by our PRC legal adviser, non-registration of lease agreements does not affect the validity of such lease agreements. However, pursuant to the requirements of the Administrative Measures for Commodity House Leasing and relevant local rules, we may be subject to a fine between RMB1,000 and RMB10,000 per lease for any delay in making these registrations imposed by local authorities. The maximum aggregate penalty, if imposed, would be approximately RMB120,000, which our Directors believe would not have any material adverse impact on our business operations. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of lease agreements, and we have not received any order from the relevant government authorities requiring us to register these lease agreements. Considering relevant regulatory policies and the facts stated above, our Directors believe, and our PRC Legal Adviser concurs that the non-registration of lease agreements will not have a material adverse impact on our business, financial condition and results of operations taken as a whole. As a result, we did not make any provisions in connection with these non-compliances during the Track Record Period and up to the Latest Practicable Date. We undertake to cooperate fully to facilitate the registration of lease agreements once we are notified of any requirements by the relevant government authorities. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to Our General Operations — We are subject to various governmental approvals and compliance requirements for our land and properties."

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We have adopted a series of risk management policies that set out a risk management framework to identify, assess, evaluate, respond to and monitor key risks associated with our strategic objectives on an ongoing basis. Risks identified by management will be analyzed based on their likelihood and impact, properly followed up, mitigated and rectified by the Company, and reported to our Directors. Our audit committee, and ultimately our Directors, supervise the implementation of our risk management policies. We consider that our Directors and members of senior management possess the necessary knowledge and experience to provide effective corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an independent internal control consultant (the "Internal Control Consultant") to perform certain agreed-upon procedures (the "Internal Control Review") in connection with the internal control of the Company and our major operating subsidiaries during the period from July 1, 2024 to June 30, 2025, covering aspects such as financial reporting and disclosure controls, corporate-level control, human resources and payroll management, general IT system controls, and other operational procedures. The Internal Control Consultant conducted the Internal Control Review in July to August 2025 and follow-up reviews in September 2025, and no material findings were identified during the process. As of the Latest Practicable Date, there were no material outstanding issues relating to the Company's internal control.

During the Track Record Period, we regularly reviewed and enhanced our internal control system. We have adopted various measures and procedures covering all aspects of our business operations, including related party transactions, risk management, protection of intellectual property, environmental protection, and occupational health and safety. Our Directors, who are responsible for monitoring corporate governance across our Group, with the assistance of our legal advisors, will also periodically review our compliance with all relevant laws and regulations after the [**REDACTED**]. We have also established an audit committee which (i) makes recommendations to our Directors regarding the appointment and removal of external auditors; and (ii) reviews financial statements, provides advice on financial reporting, and oversees internal control procedures of the Company. In addition, we have engaged Somerley Capital Limited as our compliance adviser to provide advice to our Directors and management team regarding matters relating to the Listing Rules until the end of the first fiscal year after the [**REDACTED**]. Our compliance adviser is expected to ensure that our use of funding after the [**REDACTED**] complies with the section headed "Future Plans and [**REDACTED**]" in this document and to provide support and advice regarding the requirements of relevant regulatory authorities in a timely fashion.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information together with the accompanying notes in the Accountants' Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with all applicable IFRS Accounting Standards, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely 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 that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" in this document. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a key player in the innovative drug industry in China, having evolved from a discovery-focused biotech into a fully integrated, commercial-stage biopharmaceutical company. Our business model synergizes four complementary pillars, including proprietary R&D, commercialization, strategic partnerships, and ecosystem engagement. This robust model has enabled us to achieve consecutive years of profitability since our inaugural product launch in 2011. To date, we have successfully commercialized nine drug products, among which icotinib (Conmana®/凯美纳®, EGFR TKI), ensartinib (Ensacove®/贝美纳®, ALK TKI), and vorolanib (伏美纳®, VEGFR/PDGFR inhibitor) were the first among domestically developed drugs in their respective classes to be approved in China or enter the global market for targeted indications.

Our total revenue increased from RMB2,456.2 million in 2023 to RMB2,892.0 million in 2024, representing a year-over-year growth rate of 17.7%. Revenue further increased to RMB3,609.3 million in 2025, reflecting a growth rate of 24.8%. Our total revenue increased from RMB1,731.4 million in the six months ended June 30, 2025 to RMB1,975.9 million in the six months ended June 30, 2026, reflecting a growth rate of 14.1%. We recorded adjusted EBITDA (non-IFRS measure) of RMB653.8 million, RMB747.7 million, RMB1,080.4 million, RMB515.0 million and RMB689.5 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. We continue to demonstrate strong cost discipline and operational efficiency. Operating expenses are effectively managed, reflecting our marketing productivity and organizational rigor. Our operational cash flow generation is particularly strong. Our net profit cash conversion ratio exceeds 200% in each of 2023, 2024 and 2025, indicating high-quality earnings and providing a solid financial foundation to support sustainable growth.

We plan to continuously accelerate the development and commercialization of our marketed products and drug candidates, and further enhance our fully-integrated capabilities. We believe that these efforts will allow us to maintain and solidify our leadership position in China's innovative biopharmaceutical industry, to better fulfill our mission to deliver innovative therapies with superior efficacy, safety and affordability, to continuously improve patients' survival rate and quality of life, and to eventually realize our vision of becoming a China-based, world-leading innovative biopharmaceutical company.

BASIS OF PREPARATION

We were incorporated in the PRC on January 7, 2003 and converted into a joint stock limited liability company under the PRC laws in August 2013. Our A Shares have been listed on the Shenzhen Stock Exchange since November 7, 2016. Our historical financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"). In addition, our historical financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. The IASB has issued a number of new and revised IFRS Accounting Standards. For the

purpose of preparing our historical financial information, we have adopted the accounting policies which conform with all applicable new and revised IFRS Accounting Standards that are effective for the Track Record Period, consistently throughout the Track Record Period.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The following are the principal factors that have affected, and we expect will continue to affect, our business, financial condition, results of operations and prospects:

The growth of the global and China's pharmaceutical market, in particular, the therapeutic areas we focus on

We believe that the overall growth of the global and China's pharmaceutical market, and in particular, the therapeutic areas we focus on, has significantly, and will continue to significantly impact, our revenue growth. Our diversified product portfolio spans across multiple therapeutic areas, including oncology, ophthalmology, hematologic diseases, and more. In particular, our financial results are affected by the demand for innovative oncology therapies, which in turn dependent on the growth of the oncology drug market and the prevalence of the oncology therapeutic areas we focus on. According to Frost & Sullivan, the global oncology drug market grew from US$150.3 billion in 2020 to US$278.2 billion in 2025, representing a CAGR of 13.1%, and China's oncology drug market grew from US$28.6 billion in 2020 to US$38.8 billion in 2025, representing a CAGR of 6.3%. In line with such trends, our revenue increased from RMB2,456.2 million in 2023 to RMB2,892.0 million in 2024, and further increased to RMB3,609.3 million in 2025, and increased from RMB1,731.4 million in the six months ended June 30, 2025 to RMB1,975.9 million in the six months ended June 30, 2026. We expect to continue to benefit from such positive policies and market trends.

We have built a rich and diversified drug portfolio focused on lung cancer and have gradually expanded our pipeline to cover breast, renal and other therapeutic areas in China. Lung cancer has long exhibited the highest incidence and mortality rates among malignant cancers both in China and worldwide. The number of new cases of lung cancer patients per year in China increased from 1.0 million in 2020 to 1.1 million in 2025. Combined with a large cancer patient pool in China with breast cancer incidence reaching 379.1 thousand and kidney cancer incidence reaching 78.0 thousand in 2025, there is significant medical needs for innovative oncology therapies. Please refer to the section headed "Industry Overview" for further details on the historical growth of the lung cancer therapeutic area and other therapeutic areas.

Our ability to successfully increase market share of our marketed drugs

Our ability to successfully increase the market share of our marketed drugs significantly affects our business and results of operations. We boast an expansive pipeline of nine commercialized products.

In NSCLC, our product portfolio includes three approved oral tyrosine-kinase inhibitors — icotinib, ensartinib, and befotertinib — plus one biologic, bevacizumab injection. Our first marketed drug, icotinib (Conmana®/凯美纳®), China's first domestically-developed EGFR TKI, has generated more than RMB18 billion in cumulative sales and remains the only first-generation EGFR TKI that still competes head-to-head with third-generation agents of its class. Ensartinib (Ensacove®/贝美纳®), our second marketed drug, despite entering a competitive ALK inhibitor market, achieved rapid uptake through pre-launch academic engagement and post-launch indication expansion. Befotertinib offers a new treatment option for advanced NSCLC patients with EGFR mutations. Our bevacizumab injection also achieved rapid market penetration without first-mover advantage, posting a CAGR of 52.8% between 2023 and 2025. We expect sales of icotinib, ensartinib, befotertinib, and bevacizumab injection to continue to grow as we pursue indication expansions and broaden the eligible patient base.

In breast cancer, we have established a strong presence with three approved products. Tibremciclib, our internally developed CDK4/6 inhibitor with a novel molecular structure, recently received NDA approval from the NMPA in June 2025 for the treatment of locally advanced or metastatic breast cancer. We also partnered BioRay Pharma to exclusively distribute and commercialize trastuzumab injection, and in-licensed pertuzumab injection. In renal cancer, our wholly owned VEGFR inhibitor vorolanib received NDA approval from the NMPA in June 2023 and

was included in the NRDL by the end of 2023. In hematology, through our partnership with Healthgen, we obtained exclusive distribution rights for recombinant human albumin injection (rice) across certain regions in China. By leveraging our strong channels with state-owned enterprises, deep penetration into hospitals of all tiers, acute market insight, and established partnerships with top academic institutions, we aim to replicate and extend our proven commercialization capabilities in lung cancer to other therapeutic areas.

Our ability to commercialize recently approved products and advance late clinical stage drug candidates

Our business and results of operations depend on our ability to successfully develop and commercialize our numerous Category 1 innovative drug candidates. Whether our drug candidates can demonstrate favorable clinical trial results, whether we can obtain the requisite regulatory approvals for our drug candidates in time, and whether we can successfully commercialize our drug candidates upon approval are crucial for our business and results of operations. Trastuzumab injection, pertuzumab injection and recombinant human albumin injection (rice) have already secured marketing approvals from the NMPA, with extensive sales work underway further expand our presence in China's oncology and broader pharmaceutical market. Tibremciclib recently received NDA approval from the NMPA in June 2025 for the treatment of locally advanced or metastatic breast cancer. Approved by the NMPA in July 2025 for the treatment of hypoalbuminemia in cirrhosis, recombinant human albumin injection (rice) notably addresses an annual domestic demand for human serum albumin of approximately 1,000 tons, marking a major step toward reducing China's long-standing reliance on imports in this category. With increasing public awareness of innovative cancer therapeutics and our multi-pronged commercialization channels, we believe that we can effectively promote our new drug products. We will also continue to advance the clinical development of our other pipeline candidates. However, our ability to successfully develop and commercialize new drug products in the manner we contemplate and to achieve the sales we expect is subject to a number of risks, many of which are beyond our control. For further details of the risks relating to the development and commercialization of new drug products, please refer to the paragraphs headed "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates."

The entry of our products in the national, provincial or other government-sponsored medical insurance programs in China

Under the medical insurance programs in China, patients are entitled to reimbursement of all or a portion of the cost of pharmaceutical products listed in the NRDL, the provincial medical insurance catalogues, or the provincial list of special medications related to the severe diseases insurance. Consequently, the inclusion or exclusion of a pharmaceutical product in or from any of these medical insurance programs will significantly affect the demand for such product in China.

Over the years, we successfully entered the NRDL, which has significantly increased the accessibility of our product. As of the Latest Practicable Date, icotinib, ensartinib, befotertinib and vorolanib have been included in the NRDL. For further details, please refer to "Business — Our Commercialization Capabilities — Product Pricing" and "Regulatory Overview — Overview of Laws and Regulations in the PRC — Other Laws and Regulations in relation to the Pharmaceutical Industry — National Reimbursement Drug List of China." While the inclusion of a pharmaceutical product in national, provincial or other government-sponsored medical insurance programs can significantly increase the demand and potentially sales volume, pharmaceuticals so included are subject to relevant pricing regulation and are subject to pricing pressure in the centralized tender process. In addition, drugs included in the national medical insurance negotiation list must undergo pricing negotiation process with the government. Please refer to "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates — Certain of our products are subject to pricing regulation or other policies that are intended to reduce healthcare costs" for more details.

On balance, the benefits of inclusion of our pharmaceuticals in the national or provincial medical insurance programs in China significantly outweighed the costs of such inclusion during the Track Record Period, and we believe the benefits of such inclusion will continue to contribute to our business expansion in the foreseeable future.

Our ability to implement our operation strategies

Our results of operations are significantly affected by our advancement of research and development activities, expansion of sales and distribution network, development of our innovation ecosystem, establishment of business collaborations for license-in programs, and our ability to effectively control costs and expenses.

Our current research and development activities relate to the clinical advancement of our drug candidates. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our research and development investment (including our research and development expenses and capitalized development costs) accounted for 40.8%, 24.8%, 15.9%, 17.2% and 11.7% of our total revenue, respectively. We expect our research and development expenses to continue to increase for the foreseeable future as we advance drug candidates from preclinical trials to clinical trials and registrational trials while continuing to expand the indications of such drug candidates and marketed drugs.

We have an extensive sales and distribution network that allows us to reach a broad patient base in our target markets. As of the Latest Practicable Date, we had approximately 170 distributors covering over 30 provinces, municipalities, and autonomous regions. We also have an experienced and specialized in-house sales and marketing team for our products. As of June 30, 2026, our sales and marketing team consisted of 1,072 staff in total. For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our selling and distribution expenses accounted for 34.8%, 37.8%, 36.0%, 34.3% and 34.5% of our total revenue, respectively. We aim to continue to strengthen and grow our sales and distribution network to support the commercialization of our products, especially in lower-tiered cities that we plan to penetrate.

Leveraging our development and distribution capabilities, we have attracted domestic and multinational biopharmaceutical companies and become the partner of choice for collaboration. We selectively collaborated with strategic partners with complementary resources and in-licensed assets that were highly synergistic with our pipeline to enrich our portfolio. We have established collaborations with Mabworks, InventisBio, BioRay, Healthgen, EyePoint, Merus, C4 Therapeutics, and Gensciences, which are recognized domestic and multinational biopharmaceutical companies. Our licensing fees mainly include upfront payments, milestone payments and royalty payments. During the Track Record Period, upfront payments and milestone payments were capitalized as intangible assets when incurred. Patents and exclusive licenses acquired separately or as part of a business combination or transferred from development cost are recognized as intangible assets at historical cost and amortized using the straight-line method over their estimated useful lives.

In addition, our ability to effectively control costs and expenses is critical to maintaining profitability while executing these strategies. We are one of the very few biopharmaceutical companies in China that possess comprehensive end-to-end capabilities in innovative drug research and development, manufacturing, and commercialization, which enables us to cost-effectively develop and commercialize pharmaceutical products.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. We have not materially changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. We believe that the (i) material accounting policy information in relation to revenue recognition, impairment of non-financial assets, inventories, property, plant and equipment, intangible assets, and fair value measurement, as detailed in Note 2 of the Accountants' Report in Appendix I to this document and (ii) significant accounting judgments and estimates, as set forth in details in Note 3 to the Accountants' Report in Appendix I to this document are critical and/or involve the most important estimates and judgments we used in preparing our financial statements.

DESCRIPTION OF MAJOR COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER FINANCIAL DATA

The following table sets forth our consolidated statements of profit or loss and other financial data for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928
Cost of sales	(424,719)	(562,919)	(783,437)	(346,007)	(491,020)
Gross profit	2,031,477	2,329,031	2,825,901	1,385,406	1,484,908
Other revenue	61,136	37,819	50,022	33,956	34,497
Other gain/(loss), net[(1)]	47,200	(46,866)	(71,763)	(75,563)	20,467
Research and development expenses	(640,139)	(501,902)	(510,868)	(254,658)	(216,927)
Selling and distribution expenses	(853,886)	(1,093,820)	(1,298,225)	(593,574)	(682,293)
Administrative and other operating expenses	(265,670)	(272,310)	(483,922)	(262,352)	(208,462)
Profit from operations	380,118	451,952	511,145	233,215	432,190
Finance costs	(44,057)	(45,490)	(76,138)	(38,894)	(36,473)
Share of the results of investments accounted for using equity method	(13,987)	(12,302)	(20,644)	(6,505)	(27,401)
Profit before income tax	322,074	394,160	414,363	187,816	368,316
Income tax credit/(expense)	11,541	(7,179)	(128,154)	(57,109)	(75,625)
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**
Attributable to:					
Owners of our Company	348,032	402,571	305,329	139,897	302,135
Non-controlling interest	(14,417)	(15,590)	(19,120)	(9,190)	(9,444)
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**

Note:

(1) During the Track Record Period, net other gain/(loss) primarily consisted of net foreign exchange gain/(loss), unrealized or realized gain/(loss) from financial asset at FVPL, impairment loss on intangible assets, compensation and impairment on goodwill. Unrealized or realized gain/(loss) from financial assets at FVPL mainly reflected fair value movements of wealth management products purchased during 2023 and equity securities acquired in 2024. Impairment loss on intangible assets related to a patent and an exclusive license for which the expected economic benefits were no longer expected to be realized. Compensation represented the amount received by us pursuant to a settlement agreement with a third party. Impairment loss on goodwill was primarily attributable to changes in the assumptions underlying the valuation of the Anew Pharmaceutical CGU, taking into account the latest business and development progress of EYP-1901.

NON-IFRS MEASURES

To supplement our consolidated financial statements which are presented under IFRS, we also use adjusted net profit (non-IFRS measure), EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. Adjusted net profit for the year/period (non-IFRS measure) was calculated by taking profit for the year/period and adding back (i) equity-settled share-based payment expenses, which were non-cash in nature, (ii) fair value change on financial liabilities at FVPL, which was non-cash in nature, and (iii) [**REDACTED**] in relation to the proposed [**REDACTED**] and [**REDACTED**]. The fair value change on financial liabilities at FVPL represents the repurchase obligation under an equity repurchase arrangement. The repurchase obligation was fully settled in 2023, and accordingly we did not record any fair value change on financial liabilities on FVPL since 2024. The amount reflects periodic changes in the estimated principal and interest payable. We define EBITDA (non-IFRS measure) as profit for the year/period adjusted by adding back (i) depreciation and amortization, (ii) net finance costs, and (iii) income tax expenses/credit. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) for the year/period adjusted by adding back (i) equity-settled share-based payment expenses, (ii) fair value change on financial liabilities at FVPL and (iii) [**REDACTED**].

We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. We believe that these measures provides useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of these non-IFRS measures may not be comparable

to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets out a reconciliation from adjusted net profit (non-IFRS measure), profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the years/periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Reconciliation of profit for the year/period to adjusted net profit (non-IFRS measure):					
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**
Add:					
Fair value change on financial liabilities at FVPL	10,898	–	–	–	–
Equity-settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net profit (non-IFRS measure)	**328,049**	**329,848**	**329,666**	**150,962**	**298,347**
Reconciliation of profit for the year/period to EBITDA (non-IFRS measure) and adjusted EBITDA (non-IFRS measure):					
Profit for the year/period	**333,615**	**386,981**	**286,209**	**130,707**	**292,691**
Add:					
Income tax expense (credit)	(11,541)	7,179	128,154	57,109	75,625
Net finance costs	33,822	38,708	71,844	35,831	35,463
Depreciation and amortization	303,487	371,967	550,763	271,104	280,104
EBITDA (non-IFRS measure)	**659,383**	**804,835**	**1,036,970**	**494,751**	**683,883**
Add:					
Fair value change on financial liabilities at FVPL	10,898	–	–	–	–
Equity-settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted EBITDA (non-IFRS measure)	**653,817**	**747,702**	**1,080,427**	**515,006**	**689,539**

MAJOR COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

During the Track Record Period, we generated revenue primarily from (i) sales of pharmaceutical products, (ii) rental income mainly sourced from Betta Dream Works (Hangzhou) Innovation Technology Co., Ltd. (貝達夢工場(杭州)創新科技有限公司), and (iii) license fee income associated with our exclusive license to EyePoint for developing and commercializing vorolanib in ophthalmology indications globally except the Greater China. For details, please refer to the paragraphs headed "Business — Our Business Development — Collaboration with Eyepoint — Exclusive License Agreement with Eyepoint for Vorolanib." The following table summarizes the components of our revenue in absolute amounts and as percentages of the total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000 (unaudited)*	*%*	*RMB'000*	*%*
Sales of pharmaceutical products	2,416,783	98.4	2,827,001	97.8	3,577,669	99.1	1,715,875	99.1	1,963,415	99.4
Rental income	16,132	0.7	14,965	0.5	15,549	0.4	6,761	0.4	6,057	0.3
License fee income	–	–	35,634	1.2	–	–	–	–	–	–

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000 (unaudited)*	*%*	*RMB'000*	*%*
Other income	23,281	0.9	14,350	0.5	16,120	0.5	8,777	0.5	6,456	0.3
Total	**2,456,196**	**100.0**	**2,891,950**	**100.0**	**3,609,338**	**100.0**	**1,731,413**	**100.0**	**1,975,928**	**100.0**

Revenue by product franchise

The following table sets forth a breakdown of our revenue from sales of pharmaceutical products by product franchise in both absolute amounts and percentages of our revenue from sales of pharmaceutical products for the years/periods indicated:

	Year ended December 31,									Six months ended June 30,					
	2023			2024			2025			2025			2026		
	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue	Sales volume	Revenue	% of revenue
	'000 units	*RMB'000*		*'000 units*	*RMB'000*		*'000 units*	*RMB'000*		*'000 units*	*RMB'000 (unaudited)*		*'000 units*	*RMB'000*	
EGFR TKI drugs[1]	2,221	1,616,455	66.9	2,194	1,553,571	55.0	2,345	1,722,336	48.1	1,171	862,015	50.2	1,099	810,872	41.3
ALK TKI drug[2]	565	575,929	23.8	812	836,335	29.6	1,112	1,182,311	33.0	525	547,285	31.9	651	682,540	34.8
Anti-VEGF antibody drug[3]	261	218,395	9.0	451	377,316	13.3	605	509,630	14.3	299	253,479	14.8	346	292,402	14.9
Other drugs[4]	1	6,004	0.3	29	59,779	2.1	115	163,392	4.6	27	53,096	3.1	142	177,601	9.0
Total	**3,048**	**2,416,783**	**100.0**	**3,486**	**2,827,001**	**100.0**	**4,177**	**3,577,669**	**100.0**	**2,022**	**1,715,875**	**100.0**	**2,238**	**1,963,415**	**100.0**

Notes:

(1) During the Track Record Period, our EGFR TKI drugs include icotinib and befotertinib.

(2) During the Track Record Period, our ALK TKI drug represented ensartinib.

(3) During the Track Record Period, our anti-VEGF antibody drug represented bevacizumab injection.

(4) During the Track Record Period, our other drugs include vorolanib, trastuzumab injection, recombinant human albumin injection (rice), tibremciclib and pertuzumab injection.

Revenue by geographic coverage

During the Track Record Period, our pharmaceutical products were sold primarily in China. We recorded revenue from the U.S. in 2024 as we received the milestone payment from EyePoint in connection with our exclusive license to EyePoint for developing and commercializing vorolanib globally except the Greater China. We also recorded revenue from sales of ensartinib in the U.S. in 2025 and the six months ended June 30, 2026. The following table sets forth a breakdown of our revenue attributable to China and the U.S. market in absolute amounts and as percentages of the total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000 (unaudited)*	*%*	*RMB'000*	*%*
PRC	2,455,147	100.0	2,856,314	98.8	3,588,557	99.4	1,731,409	100.0	1,968,623	99.6
U.S.	1,049	0.0	35,636	1.2	20,781	0.6	4	0.0	7,305	0.4
Total	**2,456,196**	**100.0**	**2,891,950**	**100.0**	**3,609,338**	**100.0**	**1,731,413**	**100.0**	**1,975,928**	**100.0**

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) raw material costs, which included costs of materials for pharmaceutical intermediates used to produce the product that we manufacture in-house, (ii) other manufacture overheads which included royalties, manufacturing costs for our products and costs of electricity and water, (iii) depreciation and amortization related to plants and equipment and intangible assets used for the production of our products, (iv) staff

costs, which included salaries and benefits for employees involved in the production of our products, (v) taxes and surcharges, which were mainly related to taxes and surcharges paid to competent government authorities, including city maintenance and construction tax, education surtax, land use tax, real estate tax and stamp tax, and (vi) others, which mainly consisted of loss from inventory disposal and cost of rental and promotion service. The following table sets forth a breakdown of our cost of sales in absolute amounts and as percentages of the total cost of sales for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Raw material costs	136,615	32.2	181,941	32.3	258,367	33.0	110,884	32.0	180,341	36.7
Other manufacture overheads	100,306	23.6	154,497	27.5	207,120	26.4	97,645	28.2	104,040	21.2
Depreciation and amortization	107,193	25.2	147,590	26.2	216,080	27.6	88,805	25.7	156,724	31.9
Staff costs	34,120	8.0	37,117	6.6	33,615	4.3	18,530	5.4	14,719	3.0
Taxes and surcharges	14,067	3.3	21,271	3.8	44,069	5.6	20,089	5.8	25,128	5.1
Others	32,418	7.7	20,503	3.6	24,186	3.1	10,054	2.9	10,068	2.1
Total	**424,719**	**100.0**	**562,919**	**100.0**	**783,437**	**100.0**	**346,007**	**100.0**	**491,020**	**100.0**

Gross Profit and Gross Profit Margin

Gross profit represents our revenue less our cost of sales. Gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to RMB2,031.5 million, RMB2,329.0 million, RMB2,825.9 million, RMB1,385.4 million and RMB1,484.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025, 2026, respectively, while our gross profit margin reached 82.7%, 80.5%, 78.3%, 80.0% and 75.1% during the same years/periods. The following table sets forth a breakdown of our gross profit and gross profit margin of the sale of our pharmaceutical products by product franchise for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
EGFR TKI drugs[(1)]	1,461,287	90.4	1,355,262	87.2	1,512,965	87.8	751,955	87.2	708,890	87.4
ALK TKI drug[(2)]	457,591	79.5	705,056	84.3	963,627	81.5	461,865	84.4	543,020	79.6
Anti-VEGF antibody drug[(3)]	118,800	54.4	212,342	56.3	299,347	58.7	153,197	60.4	176,317	60.3
Other drugs[(4)]	872	14.5	33,197	55.5	86,548	53.0	32,994	62.1	79,363	44.7
Total	**2,038,550**	**84.3**	**2,305,857**	**81.6**	**2,862,487**	**80.0**	**1,400,011**	**81.6**	**1,507,590**	**76.8**

Notes:

(1) During the Track Record Period, our EGFR TKI drugs include icotinib and befotertinib.

(2) During the Track Record Period, our ALK TKI drug represented ensartinib.

(3) During the Track Record Period, our anti-VEGF antibody drug represented bevacizumab injection.

(4) During the Track Record Period, our other drugs include vorolanib, trastuzumab injection, recombinant human albumin injection (rice), tibremciclib and pertuzumab injection.

Other Revenue

During the Track Record Period, our other revenue primarily consisted of government grants, most of which were one-off subsidies granted by government authorities, interest income accrued from bank deposits, and dividend income from the distribution arising from our equity investment. The government grants mainly represent (i) subsidies in the form of various government financial incentives to reward our support and contribution for the development of local economy, and (ii)

subsidies provided for the construction of production facilities as well as to encourage research and development activities. The following table summarizes a breakdown of our other revenue in absolute amounts and as percentages of total other revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Government grants (including amortization of deferred income)	46,828	76.6	27,953	73.9	42,537	85.0	29,289	86.3	31,221	90.5
Dividend income	630	1.0	–	–	–	–	–	–	–	–
Interest income	10,235	16.8	6,782	17.9	4,294	8.6	3,063	9.0	1,010	2.9
Others	3,443	5.6	3,084	8.2	3,191	6.4	1,604	4.7	2,266	6.6
Total	**61,136**	**100.0**	**37,819**	**100.0**	**50,022**	**100.0**	**33,956**	**100.0**	**34,497**	**100.0**

Other Gain/(Loss), Net

During the Track Record Period, net other gain/(loss) primarily consisted of net foreign exchange gain/(loss), unrealized gain/(loss) from financial asset at FVPL, gain/(loss) on disposal of property, plant and equipment and impairment loss on intangible assets. Unrealized gain/(loss) from financial assets at FVPL mainly reflected fair value movements of wealth management products purchased during 2023 and equity securities acquired in 2024. Gain/(loss) on disposal or written-off of investment properties and property, plant and equipment primarily reflected a loss from the retirement of aged equipment in 2023, and a loss from the derecognition of certain right-of-use assets in 2024. Impairment loss on intangible assets related to a patent and an exclusive license for which the expected economic benefits were no longer expected to be realized. The impairment loss on goodwill was primarily attributable to changes in the assumptions underlying the valuation of the Anew Pharmaceutical CGU, taking into account the latest business and development progress of EYP-1901. The following table summarizes a breakdown of our net other gain/(loss) in absolute amounts and as percentages of the total net other gain/(loss) for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Foreign exchange gain/(loss), net	6,722	14.2	4,137	8.8	(12,624)	(17.6)	(2,251)	(3.0)	(17,528)	(85.6)
Compensation	56,377	119.5	–	–	–	–	–	–	–	–
Unrealized gain/(loss) from financial asset at FVPL	(313)	(0.7)	(26,305)	(56.1)	(58,683)	(81.8)	(76,016)	(100.6)	9	0.0
Realized gain/(loss) from financial asset at FVPL	–	–	(2,362)	(5.0)	–	–	–	–	72,679	355.1
Gain/(loss) on disposal or written off of investment properties and property, plant and equipment, net	(1,078)	(2.3)	(1,181)	(2.5)	370	0.5	69	0.1	(349)	(1.7)
(Expected credit loss)/ reversal of expected credit loss on trade receivable	(5,427)	(11.5)	6,294	13.4	200	0.3	396	0.5	(4,431)	(21.6)
(Expected credit loss)/ reversal of expected credit loss on deposits and other receivables	(3,373)	(7.1)	10	0.0	345	0.5	2,251	3.0	(52)	(0.3)
Impairment loss on intangible assets	–	–	(27,460)	(58.6)	–	–	–	–	–	–
Impairment loss on goodwill	–	–	–	–	–	–	–	–	(29,933)	(146.3)
Others	(5,708)	(12.1)	1	0.0	(1,371)	(1.9)	(12)	(0.0)	72	0.4
Total	**47,200**	**100.0**	**(46,866)**	**(100.0)**	**(71,763)**	**(100.0)**	**(75,563)**	**(100.0)**	**20,467**	**100.0**

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of clinical trial costs and staff costs. The following table below sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of the total research and development expenses for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Clinical trial costs	397,087	62.0	292,474	58.3	296,916	58.1	157,385	61.8	115,733	53.4
Staff costs	121,392	19.0	112,386	22.4	119,145	23.3	58,525	23.0	61,255	28.2
Materials and utilities cost.	39,984	6.2	25,388	5.1	22,108	4.3	5,689	2.2	6,836	3.2
Depreciation and amortization	48,744	7.6	50,446	10.0	41,656	8.2	21,020	8.3	18,998	8.8
Others[(1)]	32,932	5.2	21,208	4.2	31,043	6.1	12,039	4.7	14,105	6.4
Total	**640,139**	**100.0**	**501,902**	**100.0**	**510,868**	**100.0**	**254,658**	**100.0**	**216,927**	**100.0**

Note:

(1) Others mainly include appraisal, review and acceptance expenses, technical literature expenses, and other miscellaneous expenses such as maintenance, meeting and inspection costs.

Selling and Distribution Expenses

During the Track Record Period, our selling and distribution expenses mainly consisted of marketing and promotion expenses and staff costs. The following table sets forth a breakdown of our selling and distribution expenses in absolute amounts and as percentages of the total selling and distribution expenses for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Marketing and promotion expenses	428,618	50.2	587,849	53.8	714,973	55.1	358,210	60.4	371,811	54.5
Staff costs	290,415	34.0	324,610	29.7	363,822	28.0	164,835	27.8	178,988	26.2
Travelling expenses	83,087	9.7	102,207	9.3	127,472	9.8	41,784	7.0	94,274	13.8
Others	51,766	6.1	79,154	7.2	91,958	7.1	28,745	4.8	37,220	5.5
Total	**853,886**	**100.0**	**1,093,820**	**100.0**	**1,298,225**	**100.0**	**593,574**	**100.0**	**682,293**	**100.0**

Note:

(1) Others include office expenses and business development related expenses, among others.

Administrative and Other Operating Expenses

During the Track Record Period, our administrative and other operating expenses primarily consisted of staff costs, amortization, depreciation and share-based compensation. Share-based compensation mainly represented share options granted to our directors, senior management, certain administrative personnel and key technical personnel. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of the total administrative expenses for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Staff costs	101,253	38.1	128,420	47.1	119,541	24.7	53,050	20.2	62,228	29.9

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Depreciation and amortization	112,389	42.3	122,713	45.1	255,107	52.7	151,719	57.9	93,047	44.6
Share-based compensation	(16,464)	(6.2)	(57,133)	(21.0)	41,746	8.6	20,255	7.7	4,958	2.4
Meeting, office and general expenses	47,766	18.0	53,583	19.7	43,945	9.1	26,303	10.0	30,106	14.4
Others[(1)]	20,726	7.8	24,727	9.1	23,583	4.9	11,025	4.2	18,123	8.7
Total	**265,670**	**100.0**	**272,310**	**100.0**	**483,922**	**100.0**	**262,352**	**100.0**	**208,462**	**100.0**

Note:

(1) Others include legal and professional fee, donation and consulting fees, among others.

Finance Costs

During the Track Record Period, our finance costs consisted of interest charges on bank borrowings, interest expenses on other borrowings, and interest expenses on lease liabilities. The table below summarizes a breakdown of our finance costs in absolute amounts and as percentage of the total finance costs for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Interest charges on bank borrowings	43,492	98.7	43,995	96.7	69,553	91.4	35,536	91.4	33,650	92.3
Interest expenses on other borrowings	–	–	1,181	2.6	6,299	8.3	3,233	8.3	2,695	7.4
Interest expenses on lease liabilities	565	1.3	314	0.7	286	0.4	125	0.3	128	0.3
Total	**44,057**	**100.0**	**45,490**	**100.0**	**76,138**	**100.0**	**38,894**	**100.0**	**36,473**	**100.0**

Share of Results of Investments Accounted for Using Equity Method

During the Track Record Period, our share of results of investments accounted for using equity method mainly related to our investment in Hangzhou Weinuomibo Biotechnology Co., Ltd. (杭州微諾邁博生物科技有限公司) ("Hangzhou Weinuomibo"), Fucheng Biopharmaceutical (Zhejiang) Co., Ltd. (賦成生物製藥(浙江)有限公司) ("Fucheng Biopharma"), Hangzhou Beicheng Venture Capital Partnership (Limited Partnership) (杭州貝橙創業投資合夥企業(有限合夥)) ("Hangzhou Beicheng"), and Hangzhou Guoshun Jianheng Venture Investment Partnership (Limited Partnership) (杭州國舜健恆創業投資合夥(有限合夥)). In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, we recorded losses in share of results of investments accounted for using equity method of RMB14.0 million, RMB12.3 million, RMB20.6 million, RMB6.5 million and RMB27.4 million, respectively. For details, please refer to Note 18 of the Accountants' Report set forth in Appendix I to this document.

Income Tax Credit/(Expense)

Our income tax expenses consist of current tax and deferred tax. We are subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of our Group are domiciled and operated. The following table sets forth a breakdown of our income tax expenses/(credit) for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current tax	209	3,797	144,377	65,394	88,225
Deferred tax	(11,750)	3,382	(16,223)	(8,285)	(12,600)
Total	**(11,541)**	**7,179**	**128,154**	**57,109**	**75,625**

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

Our revenue increased by RMB244.5 million, or 14.1%, from RMB1,731.4 million in the six months ended June 30, 2025 to RMB1,975.9 million in the six months ended June 30, 2026, primarily due to an increase in our revenue generated from sales of pharmaceutical products.

Revenue generated from sales of pharmaceutical products increased by RMB247.5 million, or 14.4%, from RMB1,715.9 million in the six months ended June 30, 2025 to RMB1,963.4 million in the six months ended June 30, 2026. This increase was because (i) the sales volume of ensartinib and bevacizumab injection increased as a result of our enhanced marketing efforts, and (ii) we began the commercialization of recombinant human albumin injection (rice), tibremciclib and pertuzumab injection.

Revenue generated from rental income remained relatively stable at RMB6.8 million in the six months ended June 30, 2025 and RMB6.1 million in the six months ended June 30, 2026.

Cost of Sales

Our cost of sales increased by RMB145.0 million, or 41.9%, from RMB346.0 million in the six months ended June 30, 2025 to RMB491.0 million in the six months ended June 30, 2026, primarily due to (i) an increase of our sales volume of ensartinib and bevacizumab injection, (ii) additional cost of sales associated with newly launched products, and (iii) an increase in depreciation and amortization, resulting from an increase in amortization of intangible assets in relation to our commercialization of ensartinib in the U.S. Our cost of sales accounted for 20.0% and 24.9% of our revenue in the six months ended June 30, 2025 and 2026, respectively.

Gross Profit and Gross Profit Margin

As a result of the cumulative effect of the factors described above, our gross profit increased by RMB99.5 million, or 7.2%, from RMB1,385.4 million in the six months ended June 30, 2025 to RMB1,484.9 million in the six months ended June 30, 2026. Our gross profit margin decreased from 80.0% in the six months ended June 30, 2025 to 75.1% in the six months ended June 30, 2026, primarily due to an increase in our cost of sales, particularly the increase in depreciation and amortization. This increase was mainly due to an increase in amortization expenses in relation to the commencement of U.S. sales of ensartinib.

Other Revenue

Our other revenue remained relatively stable at RMB34.0 million and RMB34.5 million in the six months ended June 30, 2025 and 2026, respectively.

Other Gain/(Loss), Net

We recorded net other loss of RMB75.6 million in the six months ended June 30, 2025, while we recorded net other gain of RMB20.5 million in the six months ended June 30, 2026. This change was primarily because we recorded unrealized loss from financial assets at FVPL of RMB76.0 million in the six month ended June 30, 2025 in relation with our subsidiary's investment in trading financial assets, partially offset by an impairment loss on goodwill of RMB29.9 million in relation with the latest business and development progress of EYP-1901.

Research and Development Expenses

Our research and development expenses decreased by RMB37.8 million, or 14.8%, from RMB254.7 million in the six months ended June 30, 2025 to RMB216.9 million in the six months ended June 30, 2026, primarily due to a decrease in clinical trial costs, mainly attributable to the

completion of certain clinical development activities in 2025 and the relatively limited costs incurred for newly initiated projects in the six months ended June 30, 2026. Our research and development expenses accounted for 14.7% and 11.0% of our revenue in the six months ended June 30, 2025 and 2026, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by RMB88.7 million, or 14.9%, from RMB593.6 million in the six months ended June 30, 2025 to RMB682.3 million in the six months ended June 30, 2026, primarily due to increases in marketing and promotion expenses and staff costs, mainly attributable to the expansion of our sales force and increased marketing and promotional activities in connection with our business expansion and new product launches. Our selling and distribution expenses accounted for 34.3% and 34.5% of our revenue in the six months ended June 30, 2025 and 2026, respectively.

Administrative and Other Operating Expenses

Our administrative and other operating expenses decreased by RMB53.9 million, or 20.5%, from RMB262.4 million in the six months ended June 30, 2025 to RMB208.5 million in the six months ended June 30, 2026, primarily due to a decrease in depreciation and amortization, mainly because amortization relating to certain intangible assets was recorded as cost of sales following the commercialization of ensartinib in the U.S. Our administrative and other operating expenses accounted for 15.2% and 10.6% of our revenue in the six months ended June 30, 2025 and 2026, respectively.

Finance Costs

Our finance costs remained relatively stable at RMB38.9 million in the six months ended June 30, 2025 and RMB36.5 million in the six months ended June 30, 2026.

Share of the Results of Investments Accounted for Using Equity Method

Our share of the losses of investments accounted for using equity method increased from RMB6.5 million in the six months ended June 30, 2025 to RMB27.4 million in the six months ended June 30, 2026, mainly in relation with our investment in Fucheng Biopharma and Hangzhou Beicheng, our associates, which incurred more losses.

Income Tax Credit/(Expense)

Our income tax expenses increased by RMB18.5 million, or 32.4%, from RMB57.1 million in the six months ended June 30, 2025 to RMB75.6 million in the six months ended June 30, 2026, primarily due to an increase in our taxable income.

Profit for the Period

As a result of the foregoing, our net profit increased by RMB162.0 million, or 123.9%, from RMB130.7 million in the six months ended June 30, 2025 to RMB292.7 million in the six months ended June 30, 2026.

Year Ended December 31, 2025 Compared to the Year Ended December 31, 2024

Revenue

Our revenue increased by RMB717.3 million, or 24.8%, from RMB2,892.0 million in 2024 to RMB3,609.3 million in 2025, primarily due to an increase in our revenue generated from sales of pharmaceutical products.

Revenue generated from sales of pharmaceutical products increased by RMB750.7 million, or 26.6%, from RMB2,827.0 million in 2024 to RMB3,577.7 million in 2025. This increase was due to an increased sales volume of ensartinib and bevacizumab injection, as a result of our enhanced marketing efforts. In particular, our revenue generated from sales of ALK TKI drug increased from RMB836.3 million in 2024 to RMB1,182.3 million in 2025.

Revenue generated from rental income remained relatively stable at RMB15.0 million in 2024 and RMB15.5 million in 2025.

Cost of Sales

Our cost of sales increased by RMB220.5 million, or 39.2%, from RMB562.9 million in 2024 to RMB783.4 million in 2025, primarily due to an increase of our sales volume and a change of our product mix. Our cost of sales accounted for 19.5% and 21.7% of our revenue in 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

As a result of the cumulative effect of the factors described above, our gross profit increased by RMB496.9 million, or 21.3%, from RMB2,329.0 million in 2024 to RMB2,825.9 million in 2025. Our gross profit margin decreased from 80.5% in 2024 to 78.3% in 2025, primarily due to a change in our product mix, as newly launched products that were still in the early stage of market penetration and had relatively lower margins contributed a larger share of revenue, and the revenue contribution from higher-margin EGFR TKI drugs, which recorded a gross profit margin of 87.8% in 2025, declined relative to products with lower margins such as ALK TKI drug with a gross profit margin of 81.5% and other drugs with a gross profit margin of 53.0%, resulting in an overall dilution of our gross profit margin.

Other Revenue

Our other revenue increased by RMB12.2 million, or 32.3%, from RMB37.8 million in 2024 to RMB50.0 million in 2025. This increase was primarily due to an increase of RMB14.6 million in government grants.

Other Gain/(Loss), Net

Our net other loss increased by RMB24.9 million, or 53.1%, from RMB46.9 million in 2024 to RMB71.8 million in 2025, primarily because an increase of RMB32.4 million in unrealized loss from financial assets at FVPL in 2025 in relation with our subsidiary's investment in trading financial assets.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB501.9 million in 2024 and RMB510.9 million in 2025. Our research and development expenses accounted for 17.4% and 14.2% of our revenue in 2024 and 2025, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by RMB204.4 million, or 18.7%, from RMB1,093.8 million in 2024 to RMB1,298.2 million in 2025, primarily due to an increase in marketing and promotion expenses as a result of the business expansion and promotion and marketing activities for our marketed drugs. Our selling and distribution expenses accounted for 37.8% and 36.0% of our revenue in 2024 and 2025, respectively.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased by RMB211.6 million, or 77.7%, from RMB272.3 million in 2024 to RMB483.9 million in 2025, primarily due to an increase in our depreciation and amortization, resulting from the completion and capitalization of certain construction projects of Betta Dream Works and Shengzhou facility, as well as the capitalization and subsequent amortization of development costs following the approval of ensartinib in the U.S. Our administrative and other operating expenses accounted for 9.4% and 13.4% of our revenue in 2024 and 2025, respectively.

Finance Costs

Our finance costs increased by RMB30.6 million, or 67.3%, from RMB45.5 million in 2024 to RMB76.1 million in 2025 primarily due to an increase in the interest expenses on bank borrowings.

Share of the Results of Investments Accounted for Using Equity Method

Our share of the losses of investments accounted for using equity method increased from RMB12.3 million in 2024 to RMB20.6 million in 2025, mainly in relation with our investment in Fucheng Biopharma and Hangzhou Beicheng, our associates, which incurred more losses.

Income Tax Credit/(Expense)

Our income tax expenses increased from RMB7.2 million in 2024 to RMB128.2 million in 2025, primarily due to an increase in our taxable income.

Profit for the Year

As a result of the foregoing, our net profit decreased by RMB100.8 million, or 26.0%, from RMB387.0 million in 2024 to RMB286.2 million in 2025.

Year ended December 31, 2024 Compared to the Year ended December 31, 2023

Revenue

Our revenue increased by RMB435.8 million, or 17.7%, from RMB2,456.2 million in 2023 to RMB2,892.0 million in 2024, primarily due to an increased sales volume of our pharmaceutical products, ensartinib and bevacizumab injection.

Revenue generated from sales of pharmaceutical products increased by RMB410.2 million, or 17.0%, from RMB2,416.8 million in 2023 to RMB2,827.0 million in 2024. This increase was due to (i) an increased sales volume of befotertinib and vorolanib, following their inclusion in the NRDL in 2023, and (ii) an increased sales volume of ensartinib and bevacizumab injection, as a result of our enhanced marketing efforts. In particular, our revenue generated from sales of ALK TKI drug increased from RMB575.9 million in 2023 to RMB836.3 million in the same period in 2024.

Revenue generated from license fees increased from nil in 2023 to RMB35.6 million in 2024 as we received the milestone payment from EyePoint in connection with our exclusive license to EyePoint for developing and commercializing vorolanib in ophthalmology indications globally except the Greater China. For details, please refer to the paragraphs headed "Business — Our Business Development — Collaboration with Eyepoint — Exclusive License Agreement with Eyepoint for Vorolanib."

Revenue generated from rental income decreased by RMB1.1 million, or 6.8%, from RMB16.1 million in 2023 to RMB15.0 million in 2024. This decrease was primarily due to the expiration of certain property lease agreements.

Cost of Sales

Our cost of sales increased by RMB138.2 million, or 32.5%, from RMB424.7 million in 2023 to RMB562.9 million in 2024, primarily due to (i) an increase in other manufacture overheads and costs of raw materials, reflecting increased sales of our products, and (ii) an increase in amortization of intangible assets. Our cost of sales accounted for 17.3% and 19.5% of our revenue in 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin

As a result of the cumulative effect of the factors described above, our gross profit increased by RMB297.6 million, or 14.6%, from RMB2,031.5 million in 2023 to RMB2,329.0 million in 2024. Our gross profit margin slightly decreased from 82.7% in 2023 to 80.5% in 2024, primarily

due to (i) the continued impact of NRDL-negotiated price reductions on certain products, which lowered their retail prices, and (ii) a change in product mix as the sales contribution from lower-margin or newly launched products increased and the proportion of higher-margin EGFR TKI drugs, which recorded a gross profit margin of 87.2% in 2024, declined relative to ALK TKI drug with a gross profit margin of 84.3% and other drugs with a gross profit margin of 55.5%, resulting in overall margin dilution. The gross profit margin of our ALK TKI drug increased from 79.5% in 2023 to 84.3% in 2024, mainly due to economies of scale resulting from higher sales volume, which led to a lower allocation of fixed costs, including depreciation and amortization.

Other Revenue

Our other revenue decreased by RMB23.3 million, or 38.1%, from RMB61.1 million in 2023 to RMB37.8 million in 2024. This decrease was primarily due to a decrease in government grants.

Other Gain/(Loss), Net

We recorded net other gain of RMB47.2 million in 2023, while we recorded net other loss of RMB46.9 million in 2024, primarily due to (i) our impairment loss on intangible assets of RMB27.5 million in 2024, resulting from the termination of one of our indications, (ii) our unrealized loss of RMB26.3 million from financial asset at FVPL million in relation with our subsidiary's investment in trading financial assets in 2024, and (iii) the receipt of litigation compensation of RMB56.4 million in 2023.

Research and Development Expenses

Our research and development expenses decreased by RMB138.2 million, or 21.6%, from RMB640.1 million in 2023 to RMB501.9 million in 2024. This decrease was primarily due to our new strategy on our R&D programs, and our efforts to optimize R&D processes, while our overall R&D investment in these periods remained at a relatively high level. Our research and development expenses accounted for 26.1% and 17.4% of our revenue in 2023 and 2024, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by RMB239.9 million, or 28.1%, from RMB853.9 million in 2023 to RMB1,093.8 million in 2024, primarily due to an increase in marketing and promotion expenses as a result of the business expansion and promotion and marketing activities for our marketed drugs. Our selling and distribution expenses accounted for 34.8% and 37.8% of our revenue in 2023 and 2024, respectively.

Administrative and Other Operating Expenses

Our administrative and other operating expenses remained relatively stable at RMB265.7 million in 2023 and RMB272.3 million in 2024.

Finance Costs

Our finance costs increased by RMB1.4 million, or 3.2%, from RMB44.1 million in 2023 to RMB45.5 million in 2024 primarily in connection with our increased bank borrowings and our interest expenses on other borrowings arising from sale and leaseback arrangements.

Share of the Results of Investments Accounted for Using Equity Method

Our share of loss from investments accounted for using equity method decreased by RMB1.7 million, or 12.1%, from RMB14.0 million in 2023 to RMB12.3 million in 2024, primarily in connection with our investment in Fucheng Biopharma.

Income Tax Credit/(Expense)

We recorded income tax credit of RMB11.5 million in 2023 and income tax expense of RMB7.2 million in 2024. This change was primarily due to an increase in our taxable income and the impact of deferred tax.

Profit for the Year

As a result of the foregoing, our net profit increased by RMB53.4 million, or 16.0%, from RMB333.6 million in 2023 to RMB387.0 million in 2024.

TAXATION

PRC

Generally, our Company and our subsidiaries established in China are subject to enterprise income tax on taxable income in China at a rate of 25%. Our Company are entitled to the preferential tax rate of 15%. Certain of our subsidiaries are entitled to the preferential tax rate of 20%. Certain research and development costs of our Company and our subsidiaries established in China are qualified for additional deduction. For details, please refer to Note 7 to the Accountants' Report in Appendix I to this document.

Hong Kong

Our subsidiary incorporated in Hong Kong was liable to the Hong Kong Profits Tax at a rate of 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million during the Track Record Period. No provision for Hong Kong profits tax has been made as we had no assessable profits derived from or earned in Hong Kong during the Track Record Period.

United States

Among our subsidiaries, Xcovery Betta Pharmaceuticals, Inc., Xcovery Holdings, Equinox Sciences, LLC and Meryx, Inc. were subject to statutory U.S. federal income tax at a rate of 21% during the Track Record Period. Our subsidiaries in the U.S. did not have assessable profits during the Track Record Period.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth certain selected items from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total current assets	1,525,881	1,224,331	1,577,827	1,741,542
Total non-current assets	7,621,028	8,117,347	8,987,819	8,557,851
Property, plant and equipment	2,716,292	3,159,901	3,109,416	3,033,117
Investment properties	33,784	31,345	28,907	27,688
Intangible assets	3,019,914	3,008,527	2,676,728	2,721,363
Goodwill	413,584	413,584	413,584	383,651
Investments accounted for using equity method	375,210	360,542	651,159	623,758
Prepayments, deposits and other receivables	16,518	10,649	117,367	77,057
Financial assets at FVOCI	1,006,597	1,076,067	1,931,530	1,632,292
Deferred tax assets	39,129	56,732	59,128	58,925
Total assets	**9,146,909**	**9,341,678**	**10,565,646**	**10,299,393**
Total current liabilities	1,803,157	1,847,959	1,917,280	2,055,198
Total non-current liabilities	1,992,278	1,827,609	1,980,683	1,607,554
Interest-bearing borrowings	1,816,000	1,620,588	1,583,690	1,287,296
Lease liabilities	8,183	2,543	2,869	2,032
Deferred income	144,703	150,990	226,219	217,963
Deferred tax liabilities	23,392	53,488	167,905	100,263
Total liabilities	**3,795,435**	**3,675,568**	**3,897,963**	**3,662,752**

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net assets	**5,351,474**	**5,666,110**	**6,667,683**	**6,636,641**
Share capital	418,486	418,486	420,734	420,734
Reserves	4,832,591	5,155,320	6,174,423	6,205,104
Total equity attributable to equity shareholders of our Company	**5,251,077**	**5,573,806**	**6,595,157**	**6,625,838**
Non-controlling interest	100,397	92,304	72,526	10,803
Total equity	**5,351,474**	**5,666,110**	**6,667,683**	**6,636,641**

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Inventories	327,502	290,085	381,156	351,707
Trade receivables	286,410	98,466	351,260	624,884
Prepayments, deposits and other receivables	159,432	237,658	349,431	309,197
Financial assets at FVPL	540	126,439	65,999	567
Cash and cash equivalents	751,997	471,683	429,981	455,187
Total current assets	**1,525,881**	**1,224,331**	**1,577,827**	**1,741,542**
Current liabilities				
Trade payables	10,674	24,018	63,639	131,550
Other payables and accruals	1,178,794	1,038,647	922,319	707,858
Interest-bearing borrowings	599,020	768,931	871,423	1,177,829
Lease liabilities	4,603	2,103	2,663	2,206
Financial liabilities at FVPL	10,000	10,000	10,000	10,000
Taxation payable	66	4,260	47,236	25,755
Total current liabilities	**1,803,157**	**1,847,959**	**1,917,280**	**2,055,198**
Net current liabilities	**(277,276)**	**(623,628)**	**(339,453)**	**(313,656)**

We had net current liabilities of RMB313.7 million as of June 30, 2026, as compared to net current liabilities of RMB339.5 million as of December 31, 2025. This decrease was primarily due to an increase in trade receivables of RMB273.6 million as a result of the increased sales volume and a decrease in other payables and accruals of RMB214.5 million as a result of our settlement of construction payments, partially offset by an increase in interest-bearing borrowings of RMB306.4 million.

We had net current liabilities of RMB339.5 million as of December 31, 2025, as compared to net current liabilities of RMB623.6 million as of December 31, 2024. This decrease was primarily due to (i) an increase in trade receivables of RMB252.8 million due to our increased sales volume, (ii) a decrease in other payables and accruals of RMB116.3 million due to our payment of the construction projects of Betta Dream Works and Shengzhou facility, and (iii) an increase in prepayment, deposits and other receivables of RMB111.8 million attributable to an increase in other deposits and receivables, resulting from an increase in our deposits for procurement, partially offset by (i) an increase in interest-bearing borrowings of RMB102.5 million and (ii) a decrease in financial assets at FVPL of RMB60.4 million in connection with our investment in listed equity securities.

We had net current liabilities of RMB623.6 million as of December 31, 2024, as compared to net current liabilities of RMB277.3 million as of December 31, 2023. This increase was primarily due to (i) a decrease in cash and cash equivalents of RMB280.3 million incurred for our daily operations and repayment of bank borrowings, (ii) a decrease in trade receivables of RMB187.9 million due to our improved distributor management and (iii) an increase in interest-bearing borrowings of RMB169.9 million, partially offset by an increase in financial assets at FVPL of RMB125.9 million in connection with our investment in listed equity securities.

Property, Plant and Equipment

Our property, plant and equipment primarily consist of plant and buildings, construction in progress, right-of-use assets, machinery and equipment and furniture, fixtures and office equipment. Our property, plant and equipment increased from RMB2,716.3 million as of December 31, 2023 to RMB3,159.9 million as of December 31, 2024, primarily due to an increase in plant and buildings. Our property, plant and equipment remained stable as of December 31, 2024 and 2025 and June 30, 2026, amounting to RMB3,159.9 million, RMB3,109.4 million and RMB3,033.1 million, respectively. The changes of our construction in progress and plant and buildings were mainly associated with our certain construction projects of Betta Dream Works and Shengzhou facility.

The following table sets forth a breakdown of the net book amount of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Plant and buildings	346,921	2,658,216	2,619,766	2,557,552
Construction in progress	2,036,585	191,870	227,308	235,374
Right-of-use assets	155,342	155,894	152,746	149,854
Machinery and equipment	167,727	147,841	97,839	79,759
Motor vehicles	7,907	4,867	10,428	9,283
Furniture, fixtures and office equipment	1,810	1,213	1,329	1,295
Total	**2,716,292**	**3,159,901**	**3,109,416**	**3,033,117**

Inventories

Our inventories primarily consists of finished goods, semi-finished goods, raw materials and work in progress. Our inventory decreased from RMB327.5 million as of December 31, 2023 to RMB290.1 million as of December 31, 2024, primarily due to decreases in semi-finished goods, resulting from our initiative to optimize inventory management. Our inventory increased from RMB290.1 million as of December 31, 2024 to RMB381.2 million as of December 31, 2025 driven by an increase in the semi-finished goods, raw materials and finished goods, primarily resulting from rising sales demand for icotinib and ensartinib. Our inventories decreased from RMB381.2 million as of December 31, 2025 to RMB351.7 million as of June 30, 2026, primarily due to a decrease in semi-finished goods and finished goods, resulting from the increased sales volume of ensartinib and our adjustment of inventory levels in response to market demand.

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	153,703	137,108	211,094	185,919
Semi-finished goods	145,254	90,010	116,657	99,296
Raw materials	27,119	27,553	44,946	44,085
Work in progress	1,426	35,414	8,459	22,407
Total	**327,502**	**290,085**	**381,156**	**351,707**

The following table sets forth our inventory turnover days during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Inventory turnover days[(1)]	301	200	156	135

Note:

(1) Inventory turnover days for a year or a period is the arithmetic mean of the beginning and ending balances of inventory for the relevant year or period divided by cost of sales for the relevant year and multiplied by 365 days for the full-year period or by 181 days for the six months ended June 30, 2026.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	308,618	269,055	364,520	333,075
Over 1 year	18,884	21,030	16,636	18,632
Total	**327,502**	**290,085**	**381,156**	**351,707**

Our inventory turnover days decreased from 301 days in 2023 to 200 days in 2024 and further to 156 days in 2025 and 135 days in the six months ended June 30, 2026, primarily due to our improved inventory management. As of July 31, 2026, RMB95.7 million, or 26.3% of inventories as of June 30, 2026 were subsequently utilized.

Our pharmaceutical products have defined shelf lives. We have strengthened our inventory management by implementing refined procurement and production planning and enhancing overall inventory control. During the Track Record Period, we did not identify any impairment issues relating to our inventories. The net realizable value of our inventories was not lower than their carrying amounts, and accordingly, no inventory impairment provision was required. The valuation of our inventories complies with the applicable accounting standards and the carrying amounts recorded in our financial statements fairly reflect their actual recoverable value.

Intangible Assets

Our intangible assets remained stable as of December 31, 2023 and 2024, amounting to RMB3,019.9 million and RMB3,008.5 million, respectively. Our development costs decreased from RMB1,218.6 million to RMB383.5 million as of December 31, 2024, mainly because ensartinib received FDA approval for its first-line indication in NSCLC in 2024 and its development costs were transferred to and accounted for as patents. Our intangible assets decreased from RMB3,008.5 million as of December 31, 2024 to RMB2,676.7 million as of December 31, 2025, primarily as tibremciclib was approved for marketing by the NMPA in June 2025 and its developments costs were transferred to and accounted for as patents. Our intangible assets remained relatively stable at RMB2,676.7 million as of December 31, 2025 and RMB2,721.4 million as of June 30, 2026.

The following table sets forth a breakdown of the net book amount of our intangible assets as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Development costs	1,218,620	383,526	220,157	233,997
Patents and exclusive licenses	1,801,294	2,625,001	2,456,571	2,487,366
Software use rights	–	–	–	–
Total	**3,019,914**	**3,008,527**	**2,676,728**	**2,721,363**

Development costs are tested for impairment annually by comparing their carrying amount with their recoverable amounts to which the intangible asset is related. The recoverable amount was determined based on value in use. The value in use was estimated using the discounted cash flow approach. The estimated revenue is based on our expectations of timing of commercialization, market penetration rate and estimated market size over the life cycle of related products. The discount rates used are pre-tax and reflect specific risks relating to the relevant products. Based on our assessment, there was no impairment for the development costs as of the end of each reporting period.

The carrying amounts and key assumption — discount rate used in the calculation of at the end of each reporting period, are as follows:

Carrying amount of development costs

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	949,788	–	–	–
Ensartinib (Ensacove)'s adjuvant therapy	57,187	85,366	108,632	118,047
BPI-D0316's adjuvant therapy	57,534	99,326	111,525	115,950
BPI-16350	154,111	198,834	–	–
	1,218,620	383,526	220,157	233,997

Discount rate applied

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Ensartinib (Ensacove)'s first line indication	13.5%	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	14%	13%	13%	13%
BPI-D0316's adjuvant therapy	14%	13%	13%	13%
BPI-16350	14%	13%	N/A	N/A

Headroom

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	51,312	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	120,813	133,635	440,368	469,953
BPI-D0316's adjuvant therapy	63,466	75,674	82,475	99,494
BPI-16350	21,890	257,166	N/A	N/A

Based on the result of assessment, there was no impairment loss on the development cost during the Track Record Period.

Sensitivity analysis is performed based on the change of a key assumption. One of the key significant unobservable inputs to determine the fair value of each development cost is the discount rate. As if the discount rate is higher by 5%, the headroom between the recoverable amount and the carrying amount of each development cost is as follows:

Headroom

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	22,912	N/A	N/A	N/A

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s adjuvant therapy	113,813	126,635	425,368	453,953
BPI-D0316's adjuvant therapy	56,466	68,674	74,475	94,494
BPI-16350	15,890	246,166	N/A	N/A

Given that there was a headroom in the assessment, the management believes that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause any individual carrying amount to exceed their respective recoverable amount.

Goodwill

We recorded goodwill of RMB413.6 million, RMB413.6 million, RMB413.6 million and RMB383.7 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, mainly in relation to our acquisition of Anew Pharmaceuticals. The decrease was mainly due to our impairment loss of RMB29.9 million as of June 30, 2026 in relation with the latest business and development progress of EYP-1901.

For the purpose of impairment testing, the goodwill has been allocated to a CGU, representing Anew Pharmaceutical CGU which were acquired by us in the prior year.

For the years ended December 31, 2023, 2024 and 2025, the recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by our management covering an eight-year period from the drug is commercialized. Our management considers that using a forecast period of over five years for financial budgets in the goodwill impairment test is appropriate because the useful lives of relevant items of drug licenses are estimated as eight years after commercialization, and it generally takes longer for a pharmaceutical company to reach the perpetual growth mode, compared to companies in other industries, especially when its product is still under clinical trial and the market of such product is at an early stage of development with substantial growth potential. Cash flow forecast beyond the eight-year period are extrapolated using nil growth rate. Key assumptions used for the value in use calculations is the discount rate. The discount rate was a pre-tax measure based on the risk-free rate in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the CGU. The cash flows for the Anew Pharmaceuticals CGU are discounted using pre-tax discount rate of 17.76%, 18.64%, and 18.79% as of December 31, 2023, 2024 and 2025.

As the recoverable amount is higher than the net carrying amount, no impairment loss would be considered during the years ended December 31, 2023, 2024 and 2025.

Sensitivity analysis is performed based on the change of a key assumption. One of the key significant unobservable inputs to determine the recoverable amount of CGU is the discount rate. As if the discount rate is higher by 5%, the headroom between the recoverable amount and the carrying amount of CGU is as follows:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Headroom	45,973	94,272	71,538

Given that there was a headroom in the assessment, the management believes that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of CGU.

For the six months ended June 30, 2026, the recoverable amount of the CGU is determined by our Directors with reference to the valuation report issued by an independent professional valuer based on fair value less cost of disposal, which is higher than its value-in-use. Such fair value is assessed by using price to development cost ratio and price to earnings ratio of the comparable companies in the market.

The recoverable of the CGU is the higher of its fair value less costs of disposal and its value-in-use. As the recoverable amount is lower than the net carrying amount, impairment loss on goodwill of RMB29.9 million was provided. The key significant unobservable input to determine is the discount for lack of marketability discount. The higher discount result in the lower in the fair value measurement of the fair value, and vice versa.

Trade Receivables

Our trade receivables primarily consists of the balances due from our distributors or customers. We generally grant our distributors credit terms of 30 to 60 days. We seek to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the above and the fact that our trade receivables relate to a large number of diversified distributors and customers, there is no significant concentration of credit risk. Further details on our credit policy and credit risk arising from trade receivables, please refer to Notes 21 and 33 to the Accountants' Report set forth in Appendix I to this document.

The following table sets forth details of our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	293,274	99,036	351,630	629,685
Less: loss allowance	(6,864)	(570)	(370)	(4,801)
Total	**286,410**	**98,466**	**351,260**	**624,884**

The following table sets forth our trade receivables turnover days for the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Average turnover days of trade receivables[(1)]	55	25	23	45

Note:

(1) Average turnover days of trade receivables for a period equals the arithmetic mean of the beginning and ending trade receivable balances divided by revenue for that period and multiplied by 365 days for the full-year period or by 181 days for the six months ended June 30, 2026.

Our trade receivables as of December 31, 2023, 2024 and 2025 and June 30, 2026 were RMB286.4 million, RMB98.5 million, RMB351.3 million and RMB624.9 million, respectively. The decrease in trade receivables from December 31, 2023 to December 31, 2024 was primarily due to our improved distributor management. Our trade receivables increased from RMB98.5 million as of December 31, 2024 to RMB351.3 million as of December 31, 2025, and further increased to RMB624.9 million as of June 30, 2026 primarily due to our increased sales volume. Our average trade receivables turnover days decreased from 55 days in 2023 to 25 days in 2024, and further to 23 days in 2025, primarily due to our efforts to accelerate cash collection and our improved distributor management. Our average trade receivables turnover days increased from 23 days in 2025 to 45 days in the six months ended June 30, 2026, primarily due to the increase in our trade receivables, a significant portion of which arose from sales during the period and had not yet reached their contractual payment due dates.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	156,001	87,782	346,950	538,731
Over 3 months but within 12 months	130,401	10,585	2,400	83,018
Over a year	8	99	1,910	3,135
Total	**286,410**	**98,466**	**351,260**	**624,884**

As of July 31, 2026, RMB209.9 million, or 33.6% of trade receivables as of June 30, 2026 were subsequently settled.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consists of prepayments for raw materials and expenses, value-added tax recoverable, prepayment for [**REDACTED**], other deposits and receivables, and prepayments for property, plant and equipment.

The following tables set forth the breakdown of prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Prepayments for raw materials and expenses	16,437	45,315	17,425	16,141
Value-added tax recoverable	140,187	188,746	228,652	231,626
Prepayment for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Costs to fulfill a contract	–	–	–	11,646
Other deposits and receivables	8,443	9,222	84,909	25,391
	165,067	243,283	354,711	314,515
Less: loss allowance	(5,635)	(5,625)	(5,280)	(5,318)
	159,432	**237,658**	**349,431**	**309,197**
Non-current				
Prepayments for property, plant and equipment	16,518	10,649	117,367	77,057
	16,518	**10,649**	**117,367**	**77,057**

Our current prepayments, deposits and other receivables increased from RMB159.4 million as of December 31, 2023 to RMB237.7 million as of December 31, 2024, primarily due to (i) an increase in value-added tax recoverable, resulting from deductible input VAT arising from Shengzhou facility's construction activities, and (ii) an increase in prepayments for raw materials and expenses resulting from prepayments advanced for procurement and services provided by Hangzhou Bozhirui for the year of 2025. The increase from RMB237.7 million as of December 31, 2024 to RMB349.4 million as of December 31, 2025 was attributable to (i) an increase in other deposits and receivables in relation to property lease changes, (ii) an increase in value added tax recoverable, and (iii) an increase in prepayments for [**REDACTED**]. Our current prepayments, deposits and other receivables decreased from RMB349.4 million as of December 31, 2025 to RMB309.2 million as of June 30, 2026, primarily due to a decrease in other deposits and receivables in relation to the collection of certain deposits and other receivables.

Our non-current prepayments, deposits and other receivables decreased from RMB16.5 million as of December 31, 2023 to RMB10.6 million as of December 31, 2024, primarily due to the delivery of the equipment in relation with our Shengzhou facility and our deposits paid in connection with sale and leaseback arrangements. Our non-current prepayments, deposits and other receivables significantly increased from RMB10.6 million as of December 31, 2024 to RMB117.4 million as of December 31, 2025, primarily due to prepayments for patent technologies and drug production approvals and manufacturing expansion expenditures for bevacizumab injection. Our non-current prepayments, deposits and other receivables decreased from RMB117.4 million as of December 31, 2025 to RMB77.1 million as of June 30, 2026, primarily due to the reclassification of certain milestone payments to intangible assets following the regulatory approval and commercialization of pertuzumab injection.

As of July 31, 2026, RMB9.0 million, or 2.3% of prepayments, deposits and other receivables as of June 30, 2026 were subsequently settled.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash on hand and at bank. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our cash and cash equivalents amounted to RMB752.0 million, RMB471.7 million, RMB430.0 million and RMB455.2 million, respectively. Our cash and cash equivalents decreased from RMB752.0 million as of December 31, 2023 to RMB471.7 million as of December 31, 2024 and further to RMB430.0 million as of December 31, 2025, mainly due to our daily operation expenditures and the scheduled repayment of bank borrowings. Our cash and cash equivalents slightly increased from RMB430.0 million as of December 31, 2025 to RMB455.2 million as of June 30, 2026, primarily due to our working capital and debt repayment arrangements. For an analysis on cash flows during the Track Record Period, please refer to the paragraphs headed "— Liquidity and Capital Resources."

Trade Payables

Our trade payables primarily consist of balances due to our suppliers for raw materials. Our trade payables increased from RMB10.7 million as of December 31, 2023 to RMB24.0 million as of December 31, 2024, primarily because we incurred trade payables for raw materials with certain supplier as of December 31, 2024. Our trade payables increased to RMB63.6 million as of December 31, 2025, primarily due to an increased payable relating to trastuzumab injection. Our trade payables increased from RMB63.6 million as of December 31, 2025 to RMB131.6 million as of June 30, 2026, primarily due to an increase in outstanding amounts payable to certain suppliers for purchases made in the ordinary course of business, which remained within the agreed credit periods as of June 30, 2026. Our credit terms on trade payables were in general 30 to 45 days. In 2023, 2024 and 2025 and the six months ended June 30, 2026, our trade payables turnover days were 20 days, 11 days, 20 days and 36 days. We have not been delinquent in repayment of our trade payables.

The following table sets forth an aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	10,674	24,018	63,597	111,157
3 to 12 months	–	–	42	20,393
Total	**10,674**	**24,018**	**63,639**	**131,550**

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Average turnover days of trade payables[(1)]	20	11	20	36

Note:

(1) Average turnover days of trade payables for a year equals the arithmetic mean of the beginning and ending trade payables balances divided by cost of sales for that period and multiplied by 365 days for the full-year period or by 181 days for the six months ended June 30, 2026.

As of July 31, 2026, RMB89.3 million, or 67.9% of trade payables as of June 30, 2026 were subsequently paid.

Other Payables and Accruals

Our other payables and accruals primarily consist of accrued expenses, payables for property, plant and equipment, payables for staff related costs, deposit and security deposit, contract liabilities, interest payable, other tax payables, [**REDACTED**] payable, and others.

The table below sets forth the details of our other payables and accruals as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	316,589	199,530	289,251	290,289
Contract liabilities	4,035	1,601	1,578	373
Deposit and security deposit	3,828	3,284	3,329	3,367
Payables for property, plant and equipment	675,629	637,315	331,966	215,381
Payables for staff related costs	149,451	151,708	163,402	115,606
Interest payable	2,500	1,928	1,752	1,522
Other tax payables	15,038	28,531	66,656	63,816
[**REDACTED**] payable	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Others[(1)]	11,724	14,750	58,512	11,268
Total	**1,178,794**	**1,038,647**	**922,319**	**707,858**

Note:

(1) We recorded others of RMB58.5 million as of December 31, 2025, primarily attributable to the accrual of costs in connection with Xcovery Holdings's acquisition of the minority equity interest in Meryx, Inc.

Our other payables and accruals decreased from RMB1,178.8 million as of December 31, 2023 to RMB1,038.6 million as of December 31, 2024. This decrease was primarily attributable to a decrease of RMB117.1 million in accrued expenses due to our timely settlement of sales and marketing expenses. Our other payables and accruals decreased to RMB922.3 million as of December 31, 2025, and further to RMB707.9 million as of June 30, 2026, primarily attributable to decreases in payables for property, plant and equipment in connection with our settlement of construction payments.

As of July 31, 2026, RMB213.5 million, or 30.2% of other payables and accruals as of June 30, 2026 were subsequently paid.

Financial Liabilities at FVPL

Our financial liabilities at FVPL represent development project entitlement payable. As of December 31, 2023, 2024 and 2025 and June 30, 2026, our financial liabilities at FVPL amounted to RMB10.0 million, RMB10.0 million, RMB10.0 million and RMB10.0 million, respectively.

Development project entitlement payable represents entitlements to potential development and commercialization achievements on two drug discovery and development projects granted to a former chief chemistry officer of our Company who resigned before the Track Record Period. The development for these two drug R&D projects remained stable, and there was no significant progress for these two drug R&D projects triggering a material change to the fair value of these projects or the percentage of entitlements, the fair value of such development project entitlement payable therefore remained stable at the end of each year or period during the Track Record Period. For further information regarding our financial liabilities at FVPL, please refer to Notes 26 and 33 to the Accountants' Report set forth in Appendix I to this document.

Financial Assets at FVOCI

We have strategically invested in a number of biotech companies. Our investments in these biotech companies are recorded as financial assets at FVOCI, which amounted to RMB1,006.6 million, RMB1,076.1 million, RMB1,931.5 million and RMB1,632.3 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. The table below sets forth the details of our financial assets at FVOCI as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities	28,595	207,628	1,530,215	1,222,036
Unlisted equity securities	978,002	868,439	401,315	410,256
Total	**1,006,597**	**1,076,067**	**1,931,530**	**1,632,292**

The listed equity securities designed at FVOCI (non-recycling) represent our investment in Agenus Inc., Beijing Biostar Pharmaceuticals Co., Ltd. (Stock Code: 2563), Wuhan Healthgen Biotechnology Corp. (SSE: 688765), and Hanx Biopharmaceuticals (Wuhan) Co., Ltd. (Stock Code: 3378).

The unlisted equity securities designated at FVOCI (non-recycling) represent our investment in a number of private entities. These investments were designated at FVOCI (non-recycling) mainly as the investments are held for strategic purposes. No dividends were received on these investments during the Track Record Period.

The performance of our invested companies, including but not limited to the commercial success of their drug candidates, will affect our cash flow and results of operation. For details of risks relating to our investments in biotech companies, please refer to the paragraphs headed "Risk Factors — Risks Relating to Our Business and Industry — Risks Relating to our Financial Position — Fluctuation of the operational results of our invested companies and the fair value of our investments may adversely affect our financial position" in this document.

Investments Accounted for Using Equity Method

Our investments accounted for using equity method relate to our equity investments in five associates and one joint venture, which are mainly engaged in research and development of medical diagnostic technology that are complementary to us. Our investments accounted for using equity method decreased from RMB375.2 million as of December 31, 2023 to RMB360.5 million as of December 31, 2024, primarily due to the decrease in results of investment in Fucheng Biopharma. Our investments accounted for using equity method significantly increased to RMB651.2 million as of December 31, 2025, primarily due to our increased investment in Hangzhou Beicheng. We invest in certain medical diagnostic technology companies through Hangzhou Beicheng and may continue to increase our investments in Hangzhou Beicheng. Our investments accounted for using equity method remained relatively stable at from RMB651.2 million as of December 31, 2025 and RMB623.8 million as of June 30, 2026.

Financial Assets at FVPL

We recorded financial assets at FVPL of RMB0.5 million, RMB126.4 million, RMB66.0 million and RMB0.6 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, primarily representing our investment in listed equity securities. The changes were primarily due to fluctuations in the stock prices of the companies we invested in. For further information regarding our financial assets at FVPL, please refer to Notes 19(b) and 33(f) to the Accountants' Report set forth in Appendix I to this document.

We have established internal investment policies and procedures governing our financial assets measured at FVPL. Such investments are required to comply with applicable laws and regulations and be consistent with our strategic objectives, with a focus on improving capital efficiency and generating reasonable returns. We have formulated post-investment management policies and external investment procedures that set out the approval authorities, investment criteria, monitoring requirements and reporting obligations for such investments. Our management team responsible for these investments possesses the relevant expertise, including knowledge of financial instrument accounting standards, regulatory and disclosure requirements, profit and risk assessment, fair value measurement and cash management skills. We maintain a comprehensive internal control mechanism with segregation of duties, under which the investment and strategic cooperation departments conduct project tracking and periodic reviews, the finance department is responsible for fund management and performance assessment, the securities department handles information disclosure matters, and the internal audit team or non-investment personnel perform regular asset verification. Investment decisions are subject to a tiered approval system based on the size and nature of the investment. After [**REDACTED**], we will comply with our internal policies and measures and the requirements under Chapter 14 of the Listing Rules.

Deferred Income

Our deferred income consists of deferred income on government grants, which mainly represent government grants from the governments for the purpose of supporting our drug research and development activities, awards for new drugs development and capital expenditure. Our deferred income increased from RMB144.7 million as of December 31, 2023 to RMB151.0 million as of December 31, 2024 and further to RMB226.2 million as of December 31, 2025, primarily due to government grants received from the governments in relation with our Shengzhou facility. Our deferred income remained relatively stable at RMB226.2 million as of December 31, 2025 and RMB218.0 million as of June 30, 2026.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through cash generated from our operating activities. Our primary uses of cash are to fund our payment for the purchase of property, plant and equipment, working capital, the development of our drug pipeline, our clinical trials, administrative expenses and other recurring expenses.

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Net cash generated from operating activities	914,229	911,172	911,261	444,978	412,340
Net cash used in investing activities	(1,505,454)	(1,001,693)	(927,866)	(391,291)	(249,975)
Net cash generated from/(used in) financing activities	608,193	(191,384)	(26,176)	2,015	(135,989)
Net increase/(decrease) in cash and cash equivalents	16,968	(281,905)	(42,781)	55,702	26,376
Effect of foreign exchange rate changes	3,744	1,591	1,079	(196)	(1,170)
Cash and cash equivalents at the beginning of the year/period	731,285	751,997	471,683	471,683	429,981
Cash and cash equivalents at the end of the year/period	751,997	471,683	429,981	527,189	455,187

Operating Activities

In the six months ended June 30, 2026, our net cash generated from operating activities was RMB412.3 million, which was primarily attributable to our profit before income tax of RMB368.3 million, adjusted for non-cash and non-operating items. Positive adjustment for non-cash and non-operating items primarily include (i) amortization of intangible assets of RMB191.0 million, (ii) depreciation for property, plant and equipment of RMB87.8 million, and (iii) interest expenses of RMB36.5 million. The amount was then adjusted negatively by changes in working capital, primarily including (i) an increase in trade receivables of RMB278.1 million and (ii) a decrease in other payables and accruals of RMB105.7 million, partially offset by a decrease in prepayments, deposits and other receivables of RMB121.2 million and an increase in trade payables of RMB67.9 million.

In 2025, our net cash generated from operating activities was RMB911.3 million, which was primarily attributable to our profit before income tax of RMB414.4 million, adjusted for non-cash and non-operating items. Positive adjustment for non-cash and non-operating items primarily include (i) amortization of intangible assets of RMB357.3 million, (ii) depreciation for property, plant and equipment of RMB190.8 million, (iii) interest expenses of RMB76.1 million, (iv) net unrealized loss on financial assets at FVPL of RMB58.7 million, and (v) equity settled share-based payment expenses of RMB41.7 million. The amount was then adjusted negatively by changes in working capital, primarily including (i) an increase in trade receivables of RMB252.6 million, (ii) an increase in prepayments, deposits and other receivables of RMB132.4 million and an increase in inventories of RMB91.6 million, partially offset by an increase in other payables and accruals of RMB200.8 million and an increase in deferred income of RMB75.2 million.

In 2024, our net cash generated from operating activities was RMB911.2 million, which was primarily attributable to our profit before income tax of RMB394.2 million, adjusted for non-cash and non-operating items. Positive adjustment for non-cash and non-operating items primarily include (i) amortization of intangible assets of RMB251.5 million, (ii) depreciation of property, plant and equipment of RMB118.0 million, (iii) interest expenses of RMB45.5 million and (iv) net unrealized loss on financial assets at FVPL of RMB26.3 million, partially offset by equity settled share-based payment expenses of RMB57.1 million. The amount was then adjusted positively by changes in working capital, primarily include (i) a decrease in trade receivables of RMB194.2 million and (ii) a decrease in inventories of RMB37.4 million, partially offset by (i) a decrease in other payables and accruals of RMB93.0 million and (ii) an increase in prepayments, deposits and other receivables of RMB61.1 million.

In 2023, our net cash generated from operating activities was RMB914.2 million, which was primarily our profit before income tax of RMB322.1 million, adjusted for non-cash and non-operating items. Positive adjustment for non-cash and non-operating items primarily include (i) amortization of intangible assets of RMB200.3 million, (ii) depreciation of property, plant and equipment of RMB101.2 million and (iii) interest expense of RMB44.1 million. The amount was then adjusted positively by changes in working capital, primarily include (i) a decrease in trade receivables of RMB158.8 million, (ii) a decrease in inventories of RMB44.7 million and (iii) an increase in deferred income of RMB31.9 million, partially offset by a decrease in trade payables of RMB25.2 million.

Investing Activities

In the six months ended June 30, 2026, our net cash used in investing activities was RMB250.0 million, which was primarily attributable to payment for the acquisition of property, plant, equipment and investment properties and intangible assets of RMB385.9 million; partially offset by proceeds from disposal of financial assets at fair value of RMB175.6 million.

In 2025, our net cash used in investing activities was RMB927.9 million, which was primarily attributable to (i) payment for the acquisition of property, plant, equipment and investment properties and intangible assets of RMB616.7 million and (ii) payment for investments accounted for using equity method of RMB312.3 million.

In 2024, our net cash used in investing activities was RMB1,001.7 million, which was primarily attributable to payment for the acquisition of property, plant, equipment and investment properties and intangible assets of RMB827.6 million and payment for acquisition of financial assets at fair value of RMB205.3 million; partially offset by proceeds from disposal of financial assets at fair value of RMB31.6 million.

In 2023, our net cash used in investing activities was RMB1,505.5 million, which was primarily attributable to payment for the acquisition of property, plant, equipment and investment properties and intangible assets of RMB1,096.0 million, payment for investments accounted for using equity method of RMB281.7 million and payment for acquisition of financial assets at fair value of RMB150.0 million; partially offset by proceeds from disposal of property, plant and equipment of RMB22.2 million.

Financing Activities

In the six months ended June 30, 2026, our net cash used in financing activities was RMB136.0 million, which was primarily attributable to repayment of borrowings of RMB607.0 million, dividends paid to equity shareholders of the Company of RMB63.1 million and payment for additional shareholding in a subsidiary of RMB40.9 million; partially offset by proceeds from new borrowings of RMB617.0 million.

In 2025, our net cash used in financing activities was RMB26.2 million, primarily as a result of repayment of borrowings of RMB851.9 million and interest paid of RMB73.4 million, partially offset by proceeds from new borrowings raised of RMB917.8 million and cash received under share option scheme of RMB92.2 million.

In 2024, our net cash used in financing activities was RMB191.4 million, primarily as a result of repayment of borrowings of RMB668.3 million, interest paid of RMB80.9 million and dividends paid to equity shareholders of our Company of RMB71.1 million. This was partially offset by proceeds from new borrowings raised of RMB644.8 million.

In 2023, our net cash generated from financing activities was RMB608.2 million, primarily as a result of proceeds from new borrowings raised of RMB1,890.0 million and cash received under share option scheme of RMB60.8 million. This was partially offset by Settlement of financial liabilities at FVPL of RMB716.5 million and repayment of borrowings of RMB511.0 million.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set forth in Note 32 to the Accountants' Report in Appendix I to this document was conducted in the ordinary course of business and on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to purchase and maintain our intangible assets and property, plant and equipment in order to enhance our development capabilities and expand our business operations, including the construction of our facilities. Our capital expenditures in 2023, 2024 and 2025 and the six months ended June 30, 2026 were RMB1,096.0 million, RMB827.6 million, RMB616.7 million and RMB385.9 million, respectively. Historically, we have funded our capital expenditures mainly through cash generated from operations, equity financing and borrowings.

We expect to incur capital expenditures in the future to purchase and maintain our intangible assets and property, plant and equipment for our research and development, which we expect to fund primarily through cash generated from operations, [**REDACTED**] from the [**REDACTED**], borrowings and others. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, the market conditions and various other factors we believe to be appropriate.

CONTRACTUAL OBLIGATIONS

Capital Commitments

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had capital commitments outstanding at the respective year/period end not provided for in the financial statements of RMB865.2 million, RMB438.8 million, RMB311.5 million and RMB212.1 million. Our capital commitments not yet provided primarily consist of construction of machinery and equipment, acquisition of plants and buildings, and acquisition of patents and exclusive licenses.

The following table sets forth our capital commitments not yet provided as of the date indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted for:				
Acquisition of plants and buildings	8,149	1,650	–	–
Construction of machinery and equipment	652,055	257,191	211,468	112,069
Acquisition of patents and exclusive licenses	205,000	180,000	100,000	100,000
Total	**865,204**	**438,841**	**311,468**	**212,069**

INDEBTEDNESS

The following table sets forth the breakdown of our bank loans, financial liabilities at FVPL and lease liabilities as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current liabilities:				
Interest-bearing borrowings	599,020	768,931	871,423	1,177,829
Lease liabilities	4,603	2,103	2,663	2,206
Financial liabilities at FVPL	10,000	10,000	10,000	10,000
	613,623	781,034	884,086	1,190,035
Non-current liabilities:				
Interest-bearing borrowings	1,816,000	1,620,588	1,583,690	1,287,296
Lease liabilities	8,183	2,543	2,869	2,032
	1,824,183	1,623,131	1,586,559	1,289,328
Total	**2,437,806**	**2,404,165**	**2,470,645**	**2,479,363**

Interest-bearing Borrowings

We recorded interest-bearing borrowings (current and non-current) of RMB2,415.0 million, RMB2,389.5 million, RMB2,455.1 million and RMB2,465.1 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. The bank loans bears a variable interest rate depending on the benchmark interest rate published by the People's Bank of China. The weighted average interest rate of our bank borrowings were 3.48%, 3.48%, 2.81% and 2.72% per annum as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. As of July 31, 2026, we had unutilized banking facilities of RMB374.0 million.

During the Track Record Period and up to the Latest Practicable Date, we had not been in violation of any of the material covenants pursuant to the respective loan agreements we entered into with the relevant banks, and there was no delay or default in the repayment of borrowings during the Track Record Period. Taking our financial position into consideration, we are able to abide by these covenants amid current market conditions and that our capital raising abilities were not materially affected as of the Latest Practicable Date.

Lease Liabilities

Our lease liabilities primarily comprise leases of properties primarily used for manufacturing bases, R&D and office premises, warehouses and dormitories. We had lease liabilities (current and non-current) of RMB12.8 million, RMB4.6 million, RMB5.5 million and RMB4.2 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively.

Financial Liabilities at FVPL

Our financial liabilities at FVPL represent preferred stock with redeemable obligation. We recorded financial liabilities at FVPL of RMB10.0 million, RMB10.0 million, RMB10.0 million and RMB10.0 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively. For more details, please refer to the paragraphs headed " — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Financial Liabilities at FVPL" in this document.

Indebtedness Statement

Except as disclosed in this document, as of June 30, 2026, we did not have any outstanding or authorized but unissued debt securities, term loans, other borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, mortgages and charges, guarantees or other material contingent liabilities.

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 breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we 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. Our Directors also confirm that there has been no material change in our indebtedness since June 30, 2026 and up to the date of this document.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities.

WORKING CAPITAL CONFIRMATION

The Directors are of the opinion that, taking into account the financial resources available to our Group, including cash on hand, internally generated funds and the estimated [**REDACTED**] from the [**REDACTED**], we will have sufficient working capital to cover our working capital needs for at least the next twelve months from the date of this document.

Our cash conversion cycle, calculated by adding inventory turnover days and trade receivables turnover days, then subtracting trade payables turnover days, was 336 days, 214 days, 159 days and 144 days for 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Although our cash conversion cycle remained positive during these periods, we did not experience any

cashflow mismatch. This was primarily because we maintained high gross profit margins of approximately 80% in recent years and our cash inflows from sales significantly exceeded our cash outflows for purchases. In addition, part of our inventory consisted of materials reserved for R&D activities of our drug candidates, which may limit the extent to which accounting turnover indicators reflect the actual cashflow cycle of our operations. We have implemented various measures to enhance operational efficiency and manage our cash conversion cycle, including strengthening inventory management through refined planning and optimized procurement and production arrangements, tightening trade receivables management by reinforcing customer credit assessments, adopting differentiated credit policies and establishing collection and ageing review mechanisms, and improving cash flow planning by arranging trade payables settlement schedules in a prudent manner and seeking longer and commercially reasonable payment terms where appropriate.

Although we had net current liabilities of RMB277.3 million, RMB623.6 million, RMB339.5 million and RMB313.7 million as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, we consider that we have sufficient working capital for our operations. The net current liability position during the Track Record Period was primarily attributable to our increased capital expenditure relating to the construction of manufacturing and R&D facilities to support the development and commercialization of our drug and drug candidates. As the major capital expenditure projects have largely been completed, capital outlays are expected to decline, and our net current liability position is expected to improve accordingly. Our operations have consistently generated strong operating cash flows, amounting to RMB914.2 million, RMB911.2 million, RMB911.3 million and RMB412.3 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively, which provide a stable source of liquidity for meeting working capital needs and repaying borrowings. We will also continue to optimize our capital structure by appropriately balancing short-term and long-term borrowings and managing the mix of debt and equity financing to further improve our net current liability position. In addition, we maintain long-standing cooperative relationships with multiple financial institutions and have sufficient banking facilities available, which enable us to access external funding in a timely manner when necessary to support our operational and strategic requirements.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years/periods or as of the dates indicated:

	Year ended/As of December 31,			Six months ended/As of June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Gross profit margin[(1)]	82.7%	80.5%	78.3%	80.0%	75.1%
Net profit margin[(2)]	13.6%	13.4%	7.9%	7.5%	14.8%
Adjusted net profit margin (non-IFRS measure)[(3)]	13.4%	11.4%	9.1%	8.7%	15.1%
EBITDA margin (non-IFRS measure)[(4)]	26.8%	27.8%	28.7%	28.6%	34.6%
Adjusted EBITDA margin (non-IFRS measure)[(5)]	26.6%	25.9%	29.9%	29.7%	34.9%
Net profit cash conversion ratio[(6)]	274.0%	235.5%	318.4%	340.4%	140.9%

Notes:

(1) Gross profit margin is calculated using gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin is calculated using profit for the year/period divided by revenue and multiplied by 100%.

(3) Adjusted net profit margin (non-IFRS measure) is calculated using adjusted net profit (non-IFRS measure) divided by revenue multiplied by 100%. See "— Non-IFRS Measures."

(4) EBITDA margin (non-IFRS measure) is calculated using EBITDA (non-IFRS measure) divided by revenue multiplied by 100%. See " — Non-IFRS Measures."

(5) Adjusted EBITDA margin (non-IFRS measure) is calculated using adjusted EBITDA (non-IFRS measure) divided by revenue and multiplied by 100%. See " — Non-IFRS Measures."

(6) Net profit cash conversion ratio is calculated using net cash generated from operating activities divided by profit for the year/period and multiplied by 100%.

Please refer to the paragraph headed "— Period to Period Comparison of Results of Operations" in this section for a discussion of the factors affecting our gross profit margin during the respective periods.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we have not entered into, nor do we expect to enter into, any off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to various types of risks, including credit risk, liquidity risk and currency risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 33 to the Accountants' Report in the Appendix I to this document.

DIVIDEND

Where we record profit for the year and has positive accumulated undistributed profit, we shall give priority to the distribution of dividends, and the total amount of dividends distributed for the year shall not be less than 20% of the profit available for distribution for that year. We declared and paid cash dividends of RMB29.2 million, RMB71.1 million, RMB83.7 million and RMB63.1 million to our shareholders in 2023, 2024 and 2025 and the six months ended June 30, 2026. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to our Articles of Association, our Board may formulate the profit distribution plans, and such plan shall be approved by both the Board meeting and the shareholders' meeting. A decision to declare or to pay dividends in the future and the amount of dividends will be at the discretion of our Board and will depend on a number of factors, including our results of operations, cash flows, financial condition, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory restrictions on our declaration and payment of dividends and other factors that our Board may consider important. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval by our Shareholders. Under our Articles of Association, when our Company makes profits in the current year and the accumulated undistributed profit is positive, our Company shall give priority to the distribution of cash dividends. The total amount of the cash dividend distributed shall be at least 20% of total dividends in the same distribution. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of our Directors.

PROPERTY INTEREST AND PROPERTY VALUATION

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, an independent property valuer, has valued our selective property interests as of June 30, 2026. Particulars of these property interests are set out in Appendix III to this document.

The table below sets out the reconciliation between the net book value of our selective property as of June 30, 2026 in the Accountants' Report set out in Appendix I to this document and the market value of our selective property as of June 30, 2026 in the Property Valuation Report set out in Appendix III to this document.

	(RMB'000)
Net book value of our selective property as of June 30, 2026	1,614,920
Net Valuation surplus as of June 30, 2026	87,080
Valuation as of June 30, 2026 as set out in Appendix III to this document	**1,702,000**

DISTRIBUTABLE RESERVES

As of June 30, 2026, we had distributable reserves of RMB3,084.4 million, which were available for distribution to our equity shareholders.

[**REDACTED**]

[**REDACTED**] to be borne by us are estimated to be approximately HK$[**REDACTED**] million (including [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share), which represent [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**], assuming no H Shares are issued pursuant to the [**REDACTED**]. The above [**REDACTED**] are comprised of (i) [**REDACTED**] expenses of HK$[**REDACTED**] million, and (ii) [**REDACTED**] expenses of HK$[**REDACTED**] million, including (a) the legal advisors and the reporting accountants expenses of HK$[**REDACTED**] million, and (b) other fees and expenses of HK$[**REDACTED**] million. During the Track Record Period, we incurred [**REDACTED**] of HK$[**REDACTED**] million, HK$[**REDACTED**] million of which was charged to our consolidated statements of profit or loss, and HK$34.4 million of which was attributable to the [**REDACTED**] of H Shares and will be deducted from equity upon [**REDACTED**]. We expect to incur [**REDACTED**] of HK$[**REDACTED**] million after the Track Record Period, of which approximately HK$[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] million is attributable to the [**REDACTED**] of H Shares and will be deducted from equity upon [**REDACTED**]. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [**REDACTED**] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Save as discussed under "Summary — Recent Developments and No Material Adverse Change", our Directors confirm that, after performing all the due diligence work which our Directors consider appropriate, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 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, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

Upon [**REDACTED**], transactions between us and our connected persons will constitute our connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business with the following entities expected to constitute our connected persons under Chapter 14A of the Listing Rules upon [**REDACTED**], which will constitute continuing connected transactions upon the [**REDACTED**]:

Name of Our Connected Person	Connected Relationship
Dr. DING	Our executive Director
Hangzhou Astrocyte Technology Co., Ltd. (杭州星源未來科技有限公司) (formerly known as Hangzhou Repugene Technology Co., Ltd. (杭州瑞普基因科技有限公司)) ("**Hangzhou Astrocyte**")	As of the Latest Practicable Date, Dr. DING owned approximately 52.37% of the total issued share capital of Hangzhou Astrocyte. Therefore, Hangzhou Astrocyte is an associate of Dr. DING and a connected person under Rule 14A.07 of the Listing Rules upon completion of the [**REDACTED**].
Zhejiang Belight Agricultural Development Co., Ltd. (浙江貝萊特農業開發有限公司) ("**Belight Agricultural**")	As of the Latest Practicable Date, Dr. DING held approximately 85.96% of the total issued share capital of Belight Agricultural. Therefore, Belight Agricultural is an associate of Dr. DING and a connected person under Rule 14A.07 of the Listing Rules upon completion of the [**REDACTED**].
Zhejiang Belight Holding Group Co., Ltd. (浙江貝萊特控股集團有限公司) ("**Belight Holding**")	As of the Latest Practicable Date, Dr. DING held 99% of the total issued share capital of Belight Holding. Therefore, Belight Holding is an associate of Dr. DING and a connected person under Rule 14A.07 of the Listing Rules upon completion of the [**REDACTED**].

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transactions	Applicable Listing Rules	Waiver Sought	Proposed annual cap for the fiscal year ending December 31, 2026
			(RMB in millions)
Partially-exempt continuing connected transaction			
1. Supply of goods from Belight Agricultural to the Group	14A.76(2)(a) and 14A.105	Announcement requirement under Chapter 14A of the Listing Rules	14.0
Non-exempt continuing connected transaction			
2. Provision of genetic testing and bioinformatics big data analysis services from Hangzhou Astrocyte to the Group	14A.34, 14A.35, 14A.36, 14A.49, 14A.52 to 59 and 14A.71	Requirements as to announcement, circular, independent shareholders' approval, terms not exceeding three years and annual caps under Chapter 14A of the Listing Rules	35.0
3. Provision of comprehensive services from Belight Holding to the Group	14A.34, 14A.35, 14A.36, 14A.49, 14A.52 to 59 and 14A.71	Requirements as to announcement, circular, independent shareholders' approval, terms not exceeding three years and annual caps under Chapter 14A of the Listing Rules	24.0
4. Provision of marketing promotion services from the Group to Hangzhou Astrocyte	14A.34, 14A.35, 14A.36, 14A.49, 14A.52 to 59 and 14A.71	Requirements as to announcement, circular, independent shareholders' approval, terms not exceeding three years and annual caps under Chapter 14A of the Listing Rules	30.0
Fully-exempt continuing connected transaction			
5. Lease of property from Dr. DING to the Group	14A.52 and 14A.76(1)(a)	N/A	N/A

CONTINUING CONNECTED TRANSACTIONS

Partially-Exempt Continuing Connected Transactions

1. Supply of Goods from Belight Agricultural to the Group

Description of the Transaction

On February 9, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a procurement agreement with Belight Agricultural, for itself and on behalf of its subsidiaries, (the "**Procurement Framework Agreement**"), pursuant to which our Group agreed to procure agricultural products including but not limited to rice, tea, fruits, vegetables, customized gift boxes and related goods (the "**Products**") from Belight Agricultural used for company cafeteria and employee benefits. The term of the Procurement Framework Agreement commences on the date of the agreement and will end on December 31, 2026. The Procurement Framework Agreement may be renewed upon mutual consent, subject to compliance with Chapter 14A of the Listing Rules and other applicable laws and regulations.

Under the Procurement Framework Agreement, Belight Agricultural will enter into specific supply orders with our Group to set out detailed terms and conditions for each procurement transaction. The consideration payable by our Group will be settled in accordance with the payment terms specified in the relevant supply orders.

Reasons for the Transaction

Belight Agricultural supplies the Products to our Group in the ordinary course of business. The arrangement allows us to secure high-quality goods and products with reliable delivery schedules, supporting our operational needs, daily consumption and employee benefit at reasonable price. While Belight Agricultural is a key supplier, our Group maintains relationships with multiple independent vendors and intend to maintain such diversified sourcing approach going forward.

Pricing Policy

The fees charged by Belight Agricultural to our Group for the Products supplied under the Procurement Framework Agreement are determined based on the composite unit price multiplied by the relevant procurement quantity. The composite unit price for the Products encompasses all costs payable by us in connection with the purchase of the products, including but not limited to the costs of goods, transportation charges, management fees, service fees, applicable taxes, and any other related expenses. Our Group will regularly review the pricing terms to ensure that the prices paid to Belight Agricultural are on normal commercial terms and no more favorable than those offered to independent third parties.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate transaction amounts under the Procurement Framework Agreement were approximately RMB10.6 million, RMB10.4 million, RMB5.6 million and RMB7.6 million, respectively. The decrease in the historical transaction amounts for the year ended December 31, 2025 compared with 2024 was due to the allocation of certain procurement orders to other qualified suppliers as well as differences in the settlement timing of individual transactions.

For the year ending December 31, 2026, the proposed annual cap for the annual transaction amount to be paid by us to Belight Agricultural under the Procurement Framework Agreement will be RMB14.0 million. In determining the annual caps, our Directors have considered: (i) the historical transaction amounts between our Group and Belight Agricultural during the Track Record Period; and (ii) the anticipated increase in our demand for the Products, resulting from the increase in the numbers of the Group's employees. As at June 30, 2026, the Group had 1,828 employees, which was more than 1,785 as at December 31, 2025.

Listing Rules Implications

As the highest applicable percentage ratio for the transactions under the Procurement Framework Agreement is expected to exceed 0.1% but remain below 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules but subject to the annual reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Non-exempt Continuing Connected Transactions

1. Provision of Genetic Testing and Bioinformatics Big Data Analysis Services from Hangzhou Astrocyte to the Group

Description of the Transaction

On February 6, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a precision medical cooperation agreement (the "**Precision Medical Cooperation Framework Agreement**") with Hangzhou Astrocyte, pursuant to which Hangzhou Astrocyte agreed to provide our Group with precision medical services, including but not limited to genetic testing and analysis services, big data analytics, and development of testing reagent kits (collectively, "**Precision Medical Services**"). The genetic testing and analysis services uses gene sequencing and data analytics technologies to deduct and interprete genetic data for clinical and research applications and support informed medical and research decisions. Based on gene sequencing and artificial intelligence technologies, the big data analytics services supports clinical genetic testing and drug discovery by enabling efficient interpretation of genomic data, facilitating personalized treatment decisions, and accelerating the identification and validation of novel therapeutic targets. The term of the Precision Medical Cooperation Framework Agreement commences on the date of the agreement and will end on December 31, 2026. The Precision Medical Cooperation Framework Agreement may be renewed upon mutual consent, subject to compliance with Chapter 14A of the Listing Rules and other applicable laws and regulations.

Under the Precision Medical Cooperation Framework Agreement, Hangzhou Astrocyte will enter into specific service agreements or accept service orders from the Group to set out detailed terms and conditions for each service engagement. The consideration payable by the Group will be settled in accordance with the payment terms specified in the relevant service agreements or orders.

Reasons for the Transaction

Hangzhou Astrocyte provides Precision Medical Services to our Group in the ordinary course of business, leveraging its advanced genomic testing capabilities and proprietary data analytics. The collaboration has contributed to our Group's clinical research and product development in oncology, and aligns with our strategic emphasis on personalized medicine. While our Group has maintained a longstanding business relationship with Hangzhou Astrocyte, we maintain communications with multiple independent service providers and intend to launch diversified sourcing approach going forward.

Pricing Policy

The service fees payable under the Precision Medical Cooperation Framework Agreement is determined based on the following pricing policies:

(i) genetic testing and analysis services: the unit price of each testing item, multiplied by the estimated number of testing samples. The unit price will be determined based on arm's length negotiations with reference to the scope of testing, design and requirements of the testing plan, prevailing market rates, and development costs associated with customized analyses tailored to meet our Group's standards and expectations;

(ii) big data analytics services: the fees of the big data analytics services will be determined based on arm's length negotiations with reference to the development cost of customized data analysis solutions considering factors such as data acquisition and preprocessing, algorithm design and implementation, and ongoing support and maintenance; and

(iii) development of testing reagent kits: the fees of developing testing reagent kits will be determined based on arm's length negotiations with reference to the design and development costs associated with each specific project related to the respective testing reagent kits, including research and development, material procurement, and compliance with regulatory standards.

The Group will regularly review the pricing terms to ensure that the fees paid to Hangzhou Astrocyte are on normal commercial terms and no more favorable than those offered to independent third parties.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate transaction amounts under the Precision Medical Cooperation Framework Agreement were approximately RMB7.1 million, RMB29.2 million, RMB5.9 million and RMB15.6 million, respectively. Details of the historical amounts of each services provided under the Precision Medical Cooperation Framework Agreement are set as follows:

	Year ending December 31,			Six months ending June 30,
	2023	2024	2025	2026
	(RMB)	*(RMB)*	*(RMB)*	*(RMB)*
Genetic testing and analysis services	7,065,600	4,685,100	5,853,058	3,696,591
Big data analytics services	–	9,500,000	–	7,070,000
Development of testing reagent kits	–	15,000,000	–	4,877,877
Total	**7,065,000**	**29,185,100**	**5,853,058**	**15,644,468**

The fluctuations in the historical transaction amounts during the Track Record Period were due to delays in sample collection schedules in 2023, which were attributable to varying progress across different R&D projects for clinical-stage pipeline products of our Group. Certain samples were tested later than scheduled, with a few even carried over into the following year. Consequently, the recognition of the associated testing fees was accounted for in 2024, driving transaction amounts to peak during the Track Record Period. The transaction amount subsequently decreased to approximately RMB5.9 million in 2025, which primarily reflected a natural normalization in testing activities and fee recognition following the peak 2024.

Pursuant to the Precision Medical Cooperation Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for the year ending December 31, 2026 are expected not to exceed as follows:

	Year ending December 31, 2026
	(RMB)
Genetic testing and analysis services	15,000,000
Big data analytics services	15,000,000
Development of testing reagent kits	5,000,000
Total	**35,000,000**

In determining the annual caps, our Directors have considered:

(i) the historical transaction amounts between our Group and Hangzhou Astrocyte during the Track Record Period, which exhibited a fluctuating trend due to project-specific demand and scheduling;

(ii) the anticipated demand for Precision Medical Services from Hangzhou Astrocyte, resulting from the expected expansion in the scope of certain clinical research and diagnostic initiatives primarily comprising:

(a) in terms of genetic testing and analysis services, the expected projects in 2025 and 2026 including, among others, drug candidates targeting RAS/KRAS pathway, the Phase I/II clinical trial of MCLA-129's monotherapy in advanced solid tumor, the Phase I/II clinical trial of MCLA-129 in combination with ensartinib, the Phase II clinical trial of MCLA-129 in patients with advanced NSCLC harboring driver gene mutations and MET amplification and/or MET overexpression, the dose escalation study of CFT8919, and the investigator-initiated trials and exploratory studies involving icotinib, ensartinib and befotertinib. For details, see "Future Plans and Use of [**REDACTED**];"

(b) in terms of big data analytics services, the planned projects relating to the entire process of AI-assisted drug discovery and research, including target identification, target validation, hit compound identification, lead compound generation, lead optimization, preclinical candidate nomination, and druggability assessment; and

(c) in terms of development of testing reagent kits, the development and outsourced manufacturing services of a human EGFR gene mutation detection kit.

2. Provision of Comprehensive Services from Belight Holding to the Group

Description of the Transaction

On February 9, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a comprehensive services framework agreement (the "**Comprehensive Services Framework Agreement**") with Belight Holding, for itself and on behalf of its subsidiaries, pursuant to which Belight Holding agreed to provide our Group with services including but not limited to property management services, event planning services, and hotel services. The term of the Comprehensive Services Framework Agreement commences on the date of the agreement and will end on December 31, 2026. The agreement may be renewed upon mutual consent, subject to compliance with Chapter 14A of the Listing Rules and other applicable laws and regulations.

Under the Comprehensive Services Framework Agreement, Belight Holding will enter into specific service agreements or accept service orders from the Group to set out detailed terms and conditions for each service engagement. The consideration payable by the Group will be settled in accordance with the payment terms specified in the relevant service agreements or orders.

Reasons for the Transaction

Belight Holding possesses extensive experience and a proven track record in organizing high-profile corporate events, which enables the Group to streamline event execution and ensure consistent quality. Leveraging Belight Holding's familiarity with the Group's branding, corporate culture, and operational requirements facilitates better alignment of event objectives with strategic goals. During the Track Record Period, Belight Holding provided property management services for the Company's headquarters campus (which commenced operation in 2018) and the second phase of Betta Dream Works (which commenced operation in 2025), ensuring the proper maintenance and daily operation of office facilities. In addition, it provided hotel and conferences services to support the routine promotion of the Company's products, including academic promotion activities and meetings for products such as icotinib (Conmana®/凯美纳®) and ensartinib (Ensacove®/贝美纳®). With the launch of new products, we expect the frequency and scale of related promotional activities and conferences to

increase. While Belight Holding's services are valuable to our Group, we maintain relationships with multiple independent service providers and intend to maintain such diversified sourcing approach going forward.

Pricing Policy

The service fees payable under the Comprehensive Services Framework Agreement will be determined based on the following pricing policies:

(i) property management services: the property management service fee shall be the multiple of the area of the relevant property (in sq.m.) and the property management fee per sq.m of each of the relevant property. The property management fee per sq.m. for each property project shall be determined based on reasonable costs of Belight Holding, mainly comprising labor costs with reference to the size of the relevant property projects and other costs such as utility expenses, subcontracting costs, maintenance expenses, administrative cost, and fee for ancillary services;

(ii) event planning services: the price shall be determined through negotiations between Belight Holding and our Group based on the transaction prices in surrounding active markets and the service costs of Belight Holding (including but not limited to labor costs and consumable costs), with reference to (a) the level of fees charged by Belight Holding for other projects in the same region of similar scale, (b) the staff costs, and (c) the cost of corporate meal arrangements and event-based food and beverage offerings; and

(iii) hotel services: the price for hotel services is determined with reference to prevailing market rates, seasonal fluctuations, location, and operational costs. For standard room rates, our Group will benchmark against comparable hotels in the same geographic area and adjusts pricing based on occupancy levels, booking channels, and promotional campaigns.

The Group will regularly review the pricing terms to ensure that the fees paid to Belight Holding are on normal commercial terms and no more favorable than those offered to independent third parties.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate transaction amounts under the Comprehensive Services Framework Agreement were approximately RMB3.6 million, RMB8.4 million, RMB17.8 million and RMB8.2 million, respectively. Details of the historical amounts of each services provided under the Comprehensive Services Framework Agreement are set as follows:

	Year ending December 31,			Six months ending June 30,
	2023	**2024**	**2025**	**2026**
	(RMB)	*(RMB)*	*(RMB)*	*(RMB)*
Property management services	2,907,000	5,829,000	15,291,300	7,649,000
Event planning services	609,300	2,267,300	1,582,400	515,300
Hotel services	80,200	278,300	903,800	34,300
Total	**3,596,500**	**8,374,600**	**17,777,500**	**8,198,600**

The increase in transaction amounts from 2023 to 2024 was mainly due to the property management services provided by Belight Group for the Company's second phase of Betta Dream Works starting from December 2024. The second phase of Betta Dream Works commenced operations in early 2025, resulting in a continued increase in transaction amounts during the same year.

Pursuant to the Comprehensive Services Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for the year ending December 31, 2026 are expected not to exceed as follows:

	Year ending December 31, 2026
	(RMB)
Property management services	17,000,000
Event planning services	5,000,000
Hotel services	2,000,000
Total	**24,000,000**

In determining the annual caps, our Directors have considered:

(i) in terms of property management services, the estimated increase in fees payable to Belight Holding for property management services is primarily attributable to the provision of additional services for the second phase of Betta Dream Works, which covers an additional gross floor area of over 290,000 square meters. These services include the repair, maintenance and management of the common areas of the Phase II buildings of Dream Factory, the operation, repair, maintenance and management of shared facilities and equipment, as well as public area environmental sanitation, security, fire safety and other related services;

(ii) in terms of event planning services and hotel services, the estimated increase in services fees has taken into account (i) the projected volume and scale of corporate events, investor briefings and promotional activities for 2026, with reference to the expected commercialization and promotion plan for our Group's recently approved products (such as tibremciclib (approved by NMPA in June 2025), trastuzumab injection (approved by NMPA in February 2023), recombinant human albumin injection (rice) (approved by NMPA in July 2025), and pertuzumab injection (approved by NMPA in February 2026)); (ii) the fact that a significant portion of provincial-level events will be located in Hangzhou, making it more efficient for the Group to cooperate with Belight Holding as it is also based in Hangzhou; and (iii) the site area of more than 666,666.67 square meters with two on-site hotels provided by Belight Holding, which can support large-scale and diverse events as well as accommodation demands; and

(iii) the historical transaction amounts between our Group and Belight Holding during the Track Record Period, which demonstrated an upward trend.

3. Provision of Marketing Promotion Services from the Group to Hangzhou Astrocyte

Description of the Transaction

On February 6, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a marketing promotion services agreement with Hangzhou Astrocyte (the "**Marketing Promotion Services Framework Agreement**"), pursuant to which our Group agreed to provide Hangzhou Astrocyte with academic and market promotion services, including the organization of seminars, market research, and strategic consulting to support the commercialization of their products (the "**Marketing Promotion Services**"). The term of the Marketing Promotion Services Framework Agreement commences on the date of the agreement and will end on December 31, 2026. The Marketing Promotion Services Framework Agreement may be renewed upon mutual consent, subject to compliance with Chapter 14A of the Listing Rules and other applicable laws and regulations.

Under the Marketing Promotion Services Framework Agreement, Hangzhou Astrocyte will enter into specific service orders with our Group to set out detailed terms and conditions for each engagement. The consideration receivable by our Group will be settled in accordance with the payment terms specified in the relevant service orders and quarterly settlement statements.

Reasons for the Transaction

Hangzhou Astrocyte is a precision healthcare company providing comprehensive genetic and genomic testing services, including oncology clinical diagnostics, pathogen metagenomics, health risk assessment and advanced scientific support. The Group is responsible for the promotion of Hangzhou Astrocyte's oncology-related genetic testing products. Leveraging our industry expertise and network, our Group enhances the visibility and clinical adoption of their products. The arrangement is expected to strengthen their brand positioning and accelerate market penetration. It will also contribute to the Group's income stream and support the Group's financial performance.

Pricing Policy

The service fees payable under the Marketing Promotion Services Framework Agreement will be determined based on a commission rate, calculated as a percentage of the proceeds from the sales of the promoted products. The commission rate was determined based on arm's length negotiations with reference to market rates charged for comparable services. Our Group will regularly review the pricing terms to ensure that the fees paid by Hangzhou Astrocyte are on normal commercial terms and no more favorable than those offered by independent third parties.

Historical Amounts and Basis of Annual Caps

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026 the aggregate transaction amounts under the Marketing Promotion Services Framework Agreement were approximately RMB23.5 million, RMB15.1 million, RMB15.0 million and RMB6.8 million, respectively. The service fee charged by our Group under the Marketing Promotion Services Framework Agreement is on an outcome-based basis. The genetic testing industry in the PRC is highly-competitive and subject to downward pricing pressure during the Track Record Period. As a result, for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the number of testing projects that was facilitated by the services provided by the Group was 13,256, 8,170, 10,004 and 4,067, driving corresponding fluctuations in the transaction amounts.

For the year ending December 31, 2026, the proposed annual caps are RMB30.0 million. In determining the annual caps, our Directors have considered:

(i) the historical amounts of the transactions between our Group and Hangzhou Astrocyte during the Track Record Period, which demonstrated a fluctuating trend;

(ii) forecasted demand for academic and marketing promotion services based on Hangzhou Astrocyte's marketing and sales plans; and

(iii) in 2026, Hangzhou Astrocyte has launched additional two breast cancer testing products, leveraging the Group's breast cancer products including trastuzumab injection, pertuzumab injection and tibremciclib, Hangzhou Astrocyte is expected to reach a broader patient and complete more effective product promotion, and to achieve further expansion of product sales and geographic coverage.

Listing Rules Implications

As the highest applicable percentage ratio for the transactions under each of the Precision Medical Cooperation Framework Agreement, the Event Planning Services Framework Agreement, and the Marketing Promotion Services Framework Agreement is expected to exceed 5% but remain below 25% on an annual basis. Accordingly, such transactions will, upon [**REDACTED**], constitute non-exempt continuing connected transactions subject to the reporting, annual review, announcement, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Fully-exempt Continuing Connected Transaction

Property Leasing to the Group

On January 9, 2025, our Company entered into a property leasing agreement (the "**Property Leasing Agreement**") with Dr. DING, pursuant to which Dr. DING agreed to lease, and the Group agreed to rent, certain real property for use as employee accommodation. The Property Leasing Agreement has a term of four years, commencing from January 10, 2025 to January 9, 2029, with an annual rental of RMB36,000. The rental was determined after arm's length negotiations between the parties, having taken into account the prevailing market rent for comparable property in the vicinity.

The leasing arrangement enables the Group to secure premises for internal use at a rental rate that is no less favorable than the prevailing market rate. Our Directors are of the view that the Property Leasing Agreement was entered into on normal commercial terms or better, and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

As required by Rule 14A.52 of the Listing Rules, the period for continuing connected transactions must not exceed three years, except in cases where the nature of the transaction requires the contract to be of a duration longer than three years. Our Directors are of the view that the Property Leasing Agreement was entered into on normal commercial terms or better and believe it is normal business practice and in the interests of us and our Shareholders as a whole for the term of the Property Leasing Agreement exceeding three years, given the favorable rental terms and the stability it provides. For details, see "Directors' and Sole Sponsor's Confirmation" in this section below.

Additionally, as the highest applicable percentage ratio in respect of the transaction contemplated under the Property Leasing Agreement will be less than 0.1% on an annual basis under Rule 14A.76(1) of the Listing Rules, such transaction will be fully exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATIONS

In respect of the partially-exempt continuing connected transactions described above, we have applied for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the announcement requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

In respect of the non-exempt continuing connected transactions described above, we have applied for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules.

DIRECTORS' AND SOLE SPONSOR'S CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that the partially-exempt and non-exempt continuing connected transactions set out above have been and will be entered into in the ordinary and usual course of business on normal commercial terms or better which are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and the proposed monetary annual caps in respect of the partially-exempt continuing connected transactions and the non-exempt continuing connected transaction are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Further, our Directors are of the view that it is in the interests of us and our Shareholders as a whole for the term of the Property Leasing Agreement to be longer than three years given (i) the benefit of securing favorable rental terms over a longer period; (ii) the certainty and uninterrupted use of the premises and (iii) the avoidance of unnecessary time, cost, and administrative burden associated with relocating and sourcing alternative accommodation. Based on the aforementioned, the Sole Sponsor agrees with the Directors' view and concurs that it is in the interests of the Company and its Shareholders as a whole for the term of the Property Leasing Agreement to be longer than three years.

Based on the documentation, information and data provided by the Company and participation in the due diligence with the Company, the Sole Sponsor is of the view that: (i) the aforesaid continuing connected transactions for which waivers have been sought have been and will be entered into in the ordinary and usual course of business of the Company on normal commercial terms or better, that are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole; (ii) the proposed annual caps of the foregoing continuing connected transactions under the Procurement Framework Agreement, the Precision Medical Cooperation Framework Agreement, the Comprehensive Services Framework Agreement and the Marketing Promotion Services Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (iii) it is normal business practice for the Property Leasing Agreement to be of a term longer than three years.

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB423,331,685 comprising 423,331,685 A Shares with a nominal value RMB1.00 each, all of which are listed on the ChiNext Market of the Shenzhen Stock Exchange.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the A Share Incentive Schemes, the share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital after the [REDACTED]
A Shares in issue	[423,331,685]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	[**REDACTED**]%

Immediately following completion of the [**REDACTED**] and assuming that the [**REDACTED**] is exercised in full and no additional Shares are issued pursuant to the A Share Incentive Schemes, the share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital after the [REDACTED]
A Shares in issue	[423,331,685]	[**REDACTED**]%
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	[**REDACTED**]%

OUR SHARES

Upon completion of the [**REDACTED**], the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shenzhen — Hong Kong Stock Connect or Shanghai — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [**REDACTED**] for by or [**REDACTED**] between [**REDACTED**] of the PRC.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be [**REDACTED**] for and [**REDACTED**] by investors in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our H Shares and our A Shares are regarded as one class of Shares under our Articles of Association 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 our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Our H Shareholders will receive share dividends in the form of H Shares, and our A Shareholders will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] AND [REDACTED] ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the [**REDACTED**] of our A Shares and H Shares may be different after the [**REDACTED**]. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual [**REDACTED**] in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for [**REDACTED**] and [**REDACTED**] on the Hong Kong Stock Exchange.

[**REDACTED**]

A SHARE INCENTIVE SCHEMES

We have adopted the A Share Incentive Schemes to attract and retain talent and promote our Group's long-term development. For details, please refer to the paragraph headed "Statutory and General Information — 4. A Share Incentive Schemes" set out in Appendix V to this document.

SHAREHOLDERS' GENERAL MEETING

See "Appendix IV — Summary of Articles of Association" for details of circumstances under which our general Shareholders' meetings are required.

So far as is known to our Directors, immediately following the completion of the [**REDACTED**] (assuming (i) there has not been any change in the shareholding of holders of A Shares between the Latest Practicable Date and the [**REDACTED**], and (ii) the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to our A Share Incentive Schemes, each of following persons will have an interest and/or short position (as applicable) in the Shares or underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the Shares, once the Shares are [**REDACTED**] on the Hong Kong Stock Exchange:

Name of Shareholder	Nature of interest	Class of Shares	Number of Shares held or interested	Approximate shareholding percentage in the relevant class of Shares	Approximate shareholding percentage in the total issued share capital upon the completion of the [REDACTED][7]
				(%)	*(%)*
Dr. DING[1][2]	Interest held by controlled corporation	A Shares	89,988,563	21.26	[**REDACTED**]
	Beneficial owner[8]	A Shares	1,410,988	0.33	[**REDACTED**]
Mr. WANG Xuechao (王學超)[3]	Interest held by controlled corporation	A Shares	83,121,061	19.64	[**REDACTED**]
Mr. DING Shizhe (丁師哲)[4][5]	Interest held by controlled corporation	A Shares	80,064,000	18.91	[**REDACTED**]
	Beneficial owner[8]	A Shares	51,760	0.012	[**REDACTED**]
Kaiming Investment[1][4]	Beneficial owner	A Shares	80,064,000	18.91	[**REDACTED**]
Jihe Venture Capital[3]	Beneficial owner	A Shares	54,324,000	12.83	[**REDACTED**]
Ms. CHEN Xiangli (陳香莉)[6]	Interest held by controlled corporation	A Shares	28,301,161	6.69	[**REDACTED**]
Hangzhou Teruixichuang[3][6]	Beneficial owner	A Shares	28,301,161	6.69	[**REDACTED**]

Notes:

(1) As of the Latest Practicable Date, Dr. DING directly held 1,024,238 A Shares, and was a general partner of Kaiming Investment (which held 80,064,000 A shares) and Beicheng Investment (which held 9,924,563 A Shares). Therefore, Dr. DING was deemed to be interested in the Shares held by Kaiming Investment and Beicheng Investment.

To the best knowledge of our Directors, as of the Latest Practicable Date, 49,408,500 A Shares (representing approximately 11.67% of the total issued share capital of our Company as of the Latest Practicable Date) held by Kaiming Investment had been pledged to several PRC financial institutions. The latest expiry date of these pledges is September 26, 2027. To the best knowledge of our Directors having made all reasonable enquiries, there has not been any adverse credit records against Kaiming Investment or Dr. Ding in respect of any breach of repayment obligations under his indebtedness. Kaiming Investment has confirmed that, if there is a risk of default or other circumstances that may give rise to the enforcement of the pledged A Shares, Kaiming Investment shall take all necessary actions, such as provision of additional collaterals and repayment of loans, to avoid such enforcement. For further details, see Note (1) to (3) to the diagram under the paragraph "History — Shareholding Structure Prior to the [**REDACTED**]."

(2) Including 386,750 outstanding restricted Shares granted to Dr. DING under the 2023 Restricted Share Incentive Scheme, entitling him to receive 386,750 A Shares respectively subject to vesting.

(3) As of the Latest Practicable Date, to the knowledge of our Directors, (i) Mr. WANG Xuechao controlled (directly and indirectly) 95% equity interest in Jihe Venture Capital, and (ii) as confirmed by Hangzhou Teruixichuang, AVIC Trust Co., Ltd. (中航信託股份有限公司), the limited partner of Hangzhou Teruixichuang, was acting as (i) the trustee of Mr. WANG Xuechao's family trust (in which Mr. WANG Xuechao acted as the settlor and beneficiary) with approximately 93.78% capital contribution, and (ii) the trustee of the other two family trusts (being (i) the family trust of Ms. JIN Hong (金虹) with approximately 1.12% capital contribution and (ii) the family trust of Ms. SHEN Qifen (沈其芬) with approximately 5.00% capital contribution, both of which were independent third parties). Ms. CHEN Xiangli, the general partner of Hangzhou Teruixichuang, Ms. Jin and Ms. Shen have confirmed that Mr. Wang was the de facto controller of Hangzhou Teruixichuang. Therefore, Mr. WANG Xuechao was deemed to be interested in the Shares held by Jihe Venture Capital and Hangzhou Teruixichuang.

(4) As of the Latest Practicable Date, Mr. DING Shizhe directly held 10,960 A Shares, and was a limited partner with 66.67% capital contribution in Kaiming Investment. Therefore, Mr. DING Shizhe was deemed to be interested in the Shares held by Kaiming Investment.

(5) Including 40,800 outstanding restricted Shares granted to Mr. DING Shizhe under the 2023 Restricted Share Incentive Scheme, entitling him to receive 40,800 A Shares respectively subject to vesting.

(6) As of the Latest Practicable Date, to the best knowledge of our Directors, Ms. CHEN Xiangli was the general partner of Hangzhou Teruixichuang. Therefore, Ms. CHEN Xiangli was deemed to be interested in the Shares held by Hangzhou Teruixichuang.

(7) Assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to our A Share Incentive Schemes.

(8) Including the number of outstanding restricted A Shares granted to the relevant Directors pursuant to the A Share Incentive Schemes (subject to the relevant vesting conditions of the restricted Shares.)

Save as disclosed above and in "Statutory and General Information — 5. Further Information about our Directors and Substantial Shareholders" in Appendix V, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to our A Share Incentive Schemes), have any interest and/or short position in our Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

BOARD OF DIRECTORS

Upon [**REDACTED**], our Board will comprise 12 Directors, including six executive Directors, two non-executive Directors and four independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive re-appointments. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

The table below sets out certain information of our Directors.

Name	Age	Position	Time of appointment as Director	Time of joining our Group	Responsibilities
Executive Directors					
Dr. DING Lieming (丁列明)	62	Chairman of the Board, executive Director, General Manager and Chief Executive Officer	August 2013	January 2003	Overall strategic planning, decision-making, business direction, operational management
Mr. WAN Jiang (萬江)	57	Executive Director, Senior Vice President and President of Global Sales	March 2017	April 2011	In charge of overseeing the Group's global commercialization strategy and operations
Prof. LI MAO	69	Executive Director, President of R&D and Chief Medical Officer	May 2025	February 2025	In charge of the Research Institute and Medical Department
Mr. DING Shizhe (丁師哲)	35	Executive Director and Assistant to the Chairman	October 2024	August 2015	In charge of the Group's program in-licensing, business development, and technology transfer initiatives
Mr. FAN Jianxun (范建勛)	55	Executive Director, Vice President and Chief Financial Officer	October 2021	August 2016	In charge of the Finance Department and Investment Department
Ms. TONG Jia (童佳)	48	Executive Director and President of Administration	January 2021	November 2003	In charge of the Chairman's Office, Human Resources Department, Securities Department, Internal Control Department, Project Application Department, Corporate Relations Office, Administration Department, and Engineering Department
Non-executive Directors					
Prof. TIAN XU	63	Non-executive Director	October 2022	October 2022	Overseeing the operational management, financial management and board affairs of our Group
Dr. Yongjun LIU	66	Non-executive Director	December 2025	December 2025	Overseeing the operational management, financial management and board affairs of our Group
Independent Non-executive Directors					
Ms. WONG Yan Ki, Angel (黃欣琪)	54	Independent Non-executive Director	January 2021	January 2021	Supervising and providing independent judgment to our Board
Ms. XIAO Jiajia (肖佳佳)	42	Independent Non-executive Director	October 2022	October 2022	Supervising and providing independent judgment to our Board
Prof. Jianwei XUAN	63	Independent Non-executive Director	December 2025	December 2025	Supervising and providing independent judgment to our Board
Prof. YE Jianliang (葉建亮)	49	Independent Non-executive Director	December 2025	December 2025	Supervising and providing independent judgment to our Board

Note:

(1) Dr. WANG Jiabing (王家炳) ("**Dr. WANG**"), a former director, senior vice president and chief scientist of our Group, served our Company from February 2016 to September 2024. He voluntarily resigned to focus on his personal arrangements. During his tenure, Dr. WANG was primarily responsible for overseeing the operations of the Research Institute and was involved at an overall and supervisory level in the Group's R&D activities. Dr. WANG has confirmed to the Board that he did not have any disagreement with the Board and that there was no matter relating to his resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange. The Directors are of the view that Dr. WANG's departure does not have any material adverse impact on the Group, given that (i) the Group's overall R&D strategy and direction continue to be overseen by Dr. DING; (ii) the R&D team structure has remained substantially unchanged following Dr. WANG's departure and has continued to operate under Dr. DING's supervision; (iii) Dr. WANG's responsibilities have been assumed by other Directors and senior management; and (iv) his departure does not affect the Group's ownership of or access to its intellectual property.

Executive Directors

Dr. DING Lieming (丁列明), aged 62, has been executive Director, Chairman of the Board, general manager and chief executive officer of our Company since August 2013. Dr. DING is responsible for overall strategic planning, decision-making, business direction and operational management.

Dr. DING currently holds several directorship and senior positions in the subsidiaries of our Company. Since November 2010, he has served as a director at Beijing Beimeituo Innovative Drug Research and Development Limited (北京貝美拓新藥研發有限公司). He became a director at Betta Investment (Hong Kong) Limited in October 2014 and at Zhejiang Betta Pharmaceutical Sales Co., Ltd. (浙江貝達醫藥銷售有限公司) in April 2016. Additionally, Dr. DING has been serving as chairman of the board at Xcovery Holdings since September 2016, at Xcovery Betta Pharmaceuticals, Inc. since January 2017 and at Equinox Sciences, LLC since May 2017. He has been the Chairman of the Board of Directors of Challenge MediTech Company Ltd. (卡南吉醫藥科技(上海)有限公司) since June 2017.

Dr. DING is a national leading talent (國家領軍人才), an expert of the overall group of the National "Major New Drug Creation" Program (國家重大新藥創製專項總體組), Zhejiang Provincial Distinguished Expert (浙江省特級專家) and is a licensed physician in pathology in the United States. He has served as a deputy to the 12th and 13th National People's Congress, and a member of the 14th National Committee of the Chinese People's Political Consultative Conference. He is a standing committee member of the All-China Federation of Returned Overseas Chinese ("Returned Overseas Chinese Federation") (中華全國歸國華僑聯合會"中國僑聯"), specially appointed deputy director of the Biological and Pharmaceutical Special Committee of the Returned Overseas Chinese Federation Expert Panel (中國僑聯專家委員會生物與醫藥專委會), vice chairman of the Zhejiang Federation of Returned Overseas Chinese (浙江省歸國華僑聯合會), director of the Economic Work Committee of the Chinese Peasants and Workers Democratic Party Central Committee and concurrently director of its Economic and Financial Branch (中國農工民主黨中央經濟工作委員會主任兼經濟金融分會主任), deputy chairman of the Zhejiang Committee of the Chinese Peasants and Workers Democratic Party (中國農工民主黨浙江省委會), vice president of the China Pharmaceutical Innovation and Research Development Association (中國醫藥創新促進會) and president of the Zhejiang Pharmaceutical Industry Association (浙江省醫藥行業協會).

In 2003, Dr. DING founded Betta Pharmaceuticals and successfully spearheaded the development of groundbreaking therapies including China's first small-molecule lung cancer targeted therapy Conmana®, the nation's first ALK targeted drug Ensacove®, the pioneering renal cancer treatment Vorolanib, etc. Through these achievements, he established a domestically leading platform for innovative drug research, development and commercialization. And has fostered Betta innovation ecosystem to incubate multiple disruptive breakthrough projects. He has led or participated in 13 projects under the National "Major New Drug Creation" Science and Technology Major Project (國家"重大新藥創製"科技重大專項項目), filed 307 patent applications, and published 61 academic papers. Due to his outstanding contributions, he has received numerous honors, including the First Prize of the National Science and Technology Progress Award (國家科學技術進步獎) (as the lead author), the China Patent Gold Award (中國專利金獎), the China Industrial Grand Award (中國工業大獎), the National Award for Innovation and Advancement (全國創新爭先獎狀), the National Outstanding Professional and Technical Talent Award (全國傑出專業技術人才), the National Outstanding Science and Technology Worker Award (全國優秀科技工作者), the "Top Ten" of the Chinese Overseas Community (中國僑界"十傑"), and the Zhejiang Major Contribution Award in Science and Technology (浙江省科技重大貢獻獎).

Dr. DING obtained his bachelor's degree and master's degree in medicine from Zhejiang Medical University (浙江醫科大學) (currently known as Zhejiang University School of Medicine (浙江大學醫學院)) in the PRC in August 1984 and July 1989, respectively. Dr. DING was a senior researcher at the Oncology Center of the University of Arkansas for Medical Sciences from 1992 to 1996. From 1996 to 2002, Dr. DING passed the examination and certification of the Educational Commission for Foreign Medical Graduates (ECFMG) and completed the full course of study and training as a pathology resident at the Department of Pathology, University of Arkansas for Medical Sciences in the United States.

Mr. WAN Jiang (萬江), aged 57, has been an executive Director of our Company since March 2017. Mr. Wan joined our Group in April 2011 and has been a vice president of our Company since 2013, senior vice president of our Company since February 2016 and president of global sales of our Company since February 2026. Mr. Wan has been serving as a director of Anew Pharmaceuticals since May 2017, a manager of Betta Pharmaceutical S&T since December 2021, and a director of Beta-Anjin Pharmaceutical Co., Ltd. (貝達安進製藥有限公司) since January 2022. Mr. Wan is in charge of overseeing the Group's global commercialization strategy and operations.

Mr. Wan has 30 years of experience in drug promotion channel building and drug accessibility enhancement and possesses significant professional influence in the application of oncology therapeutics within the Chinese market. Prior to joining our Group, Mr. Wan had worked at the department of orthopedics at Beijing Tongren Hospital (北京同仁醫院) beginning in 1992 and has served in senior management positions at renowned medical institutions and pharmaceutical companies including Bristol-Myers Squibb (BMS) in the United States, Rhone-Poulenc Rorer in France (subsequently merged into Sanofi-Aventis, now Sanofi), Eli Lilly in the United States, AstraZeneca in the United Kingdom and Merck Sharp & Dohme in the United States from 1995 to 2011.

Mr. Wan obtained his bachelor's degree in clinical medicine from Capital Medical University (首都醫科大學) in the PRC in July 1992 and obtained a master's degree of Business Administration for Senior Executives from the Hong Kong University of Science and Technology (香港科技大學) in Hong Kong in June 2007.

Prof. LI MAO, aged 69, has been an executive Director of our Company since May 2025. Prof. Mao was appointed as president of R&D, chief medical officer of our Company in February 2025 and is in charge of the Research Institute and Medical Department. Previously, he served as senior vice president and chief medical officer of our Company and the general manager of Challenge MediTech Company Ltd. (卡南吉醫藥科技(上海)有限公司) from April 2018 to March 2021.

Prof. Mao is a tenured professor at The University of Texas MD Anderson Cancer Center (美國德克薩斯大學安德森癌症中心) and a Changjiang Scholar Distinguished Visiting Professor at the School of Medicine of Shanghai Jiao Tong University (上海交通大學醫學院). Prior to joining our Group, he formerly served as chairman of the department of oncology and diagnostic sciences at the University of Maryland in the United States and as vice president of the Lung Cancer Center at Johnson & Johnson. He possesses over 35 years of clinical practice experience in the field of oncology, along with extensive experience in enterprise-level pharmaceutical product research and clinical development management. He has published over 200 SCI papers in top-tier international academic journals, with his work cited more than 30,000 times in total.

Prof. Mao obtained his bachelor's degree in clinical medicine from Nanjing Medical University (南京醫學院) (currently known as Nanjing Medical University (南京醫科大學)) in December 1982. He received a postdoctoral degree from the Johns Hopkins University School of Medicine in the United Sates in June 1995.

Mr. DING Shizhe (丁師哲), aged 35, was appointed as an executive Director in October 2024 and was elected as an employee representative Director in December 2025. Mr. Ding joined the Company in August 2015, and has held various positions including strategic cooperation specialist, strategic cooperation manager, deputy director and director of our Company. Mr. Ding served as executive deputy general manager of Betta Dreamworks (貝達夢工場) from August 2020 to January 2022. Since January 2022, he has served as assistant to the Chairman of the Board. Mr. Ding has been serving as a Director at Beida Anjin (Zhejiang) Pharmaceutical Co., Ltd. (貝達安進(浙江)製

藥有限公司) since October 2021 and at Challenge MediTech Company Ltd. (卡南吉醫藥科技(上海)有限公司) since November 2024. Mr. Ding is in charge of the Group's program in-licensing, business development, and technology transfer initiatives.

Mr. Ding successfully advanced projects such as MCLA-129 and ensartinib, and established strategic cooperation agreements with InventisBio Co., Ltd. (益方生物科技(上海)股份有限公司) and Agenus Inc., a company listed on the Nasdaq Stock Exchange (stock code: AGEN). He promoted cooperation between the Company and leading enterprises both domestically and internationally, expanded the Company's product pipeline, and accelerated its internationalization process. He has participated in numerous high-quality equity investments or merger and acquisition projects, and led the equity investment in Xcovery Holdings, a U.S.-based company specializing in the research and development of anti-tumor targeted drugs. He possesses extensive experience in business communication, personnel management, and project advancement.

Mr. Ding obtained his bachelor's degree of science in biochemistry, economics, and philosophy from St. Louis University in the United States in May 2015, possessing an interdisciplinary academic background in both biochemistry and philosophy.

Mr. FAN Jianxun (范建勛), aged 55, was appointed as our executive Director in October 2021. Mr. Fan served as the investment director of the Company from August 2016 to July 2018, and served as the chief financial officer of the Company from March 2017 to July 2018. He has been a vice president of our Company since July 2018 and chief financial officer of our Company since March 2020. Mr. Fan is in charge of the company's Finance Department and Investment Department.

Mr. Fan is responsible for overseeing the development of the Betta Innovation Ecosystem. He brings more than 20 years of management experience in the financial industry, with deep, hands-on expertise spanning financial management, corporate finance, and industrial capital management. Since his joining, Mr. Fan has established a finance strategy centered on value creation, built a comprehensive financial management system, while driving the digital transformation of our financial functions. He has also led investments in over 30 domestic and overseas biopharmaceutical innovation projects, including the investment in Healthgen, and spearheaded numerous ecosystem collaborations under various deal structures. Since December 2017, he has served as an executive director and general manager of Betta Dream Factory (Hangzhou) Innovation Technology Co., Ltd. (貝達夢工場(杭州)創新科技有限公司). Since December 2017, he has served as an executive director and general manager of Betta Dream Factory Holdings Limited (貝達夢工場控股有限公司). Since August 2020, he has served as an executive director and general manager of Betta Dream Works (Zhejiang) Pharmaceuticals Holdings Co., Ltd. (貝達夢工場(浙江)醫藥控股有限公司).

He possesses outstanding capabilities in business and financial management, as well as investment and financing, and has strong skills in communication, coordination, and team management. He has led or participated in numerous high-quality equity investment or merger and acquisition projects. Prior to joining our Company, he served as the president of China Construction Bank Corporation, Hangzhou Xiaoshan Branch (中國建設銀行股份有限公司杭州蕭山分行) (中國建設銀行) from 2005 to 2011 and Shanghai Pudong Development Bank (上海浦東發展銀行) from 2014 to 2016.

Mr. Fan obtained his bachelor's degree in law from Nanjing Army Command College (南京陸軍指揮學院) in the PRC in December 2004, master's degree in business administration from the Macau University of Science and Technology (澳門科技大學) in the PRC in August 2006 and another master' degree in accountancy from The Chinese University of Hong Kong (香港中文大學) in the PRC in March 2023. Mr. Fan was honored with the "2025 Brand Figures · Outstanding CFO (2025年度品牌人物·傑出CFO)".

Ms. TONG Jia (童佳), aged 48, was appointed as an executive Director in January 2021. Ms. Tong is in charge of the Chairman's Office, Human Resources Department, Securities Department, Internal Control Department, Project Application Department, Corporate Relations Office, Administration Department, and Engineering Department.

Since joining our Company in 2003, Ms. Tong has held a number of key management positions, she served as the administrative director from August 2013 to February 2016, as the vice president from February 2016 to March 2020, and has been serving as the president of administration since March 2020. She also concurrently held the position of secretary of the Board of Directors of the Company from August 2013 to September 2020. Besides, Ms. Tong has served as supervisor of Zhejiang Betta Diagnostic Technology Limited (浙江貝達診斷技術有限公司) since December 2016 and as supervisor of Challenge MediTech Company Ltd. (卡南吉醫藥科技(上海)有限公司) since June 2017. Ms. Tong fully participated in and witnessed the company's development journey, established the company's operation system and mechanisms, and played a leadership role in advancing major projects such as the company's [**REDACTED**] application, applications for national-level awards, product launches, development of talent teams and construction of manufacturing bases, accumulating rich experience in corporate operation and management. Ms. Tong has also made remarkable achievements in brand building in the capital market, she was awarded the "Golden Secretary to the Board" by Sina Finance (新浪財經上市公司"金牌董秘") in July 2017 and the "Golden Bull Best Secretary to the Board award in 2017" (2017年度金牛最佳董秘) by China Security Journal (中國證券報) in November 2018. Ms. Tong served as an standing committee member of the 8th Session of the Secretary-General Committee of Zhejiang Listed Companies Association (浙江上市公司協會第八屆董秘專委會常務委員) from 2019 to 2023, and has earned wide recognition for her professional performance.

Ms. Tong obtained her executive master's degree of business administration from Zhejiang University (浙江大學) in the PRC in September 2014.

Non-executive Directors

Prof. TIAN XU, aged 63, was appointed as a non-executive Director of our Company in October 2022. Prof. Xu is responsible for overseeing the operational management, financial management and board affairs of our Group.

Prof. Xu is currently a professor at Westlake University (西湖大學) and an adjunct professor at the department of genetics at Yale University. From October 1993 to March 2018, held various positions at Yale University in the fields of genetics and neurobiology, including assistant professor, associate professor, tenured professor, C.N.H. Long Professor of Genetics, deputy chair of the genetics department, and advisor to the president. From July 1997 to March 2018, he served as a researcher at the Howard Hughes Medical Institute and concurrently as an adjunct professor, Changjiang Chair Professor (長江講座教授), director of the Developmental Biology Research Institute (發育生物學研究所), and director of the National Development and Disease International Cooperation Research Center (國家發育與疾病國際合作研究中心) at Fudan University.

Prof. Xu obtained his bachelor's degree of science in biology from Fudan University (復旦大學) in the PRC in July 1982, his Ph.D. of science in biology from Yale University in the United States in June 1990 and a post-doctoral degree from the University of California, Berkeley in the United States in September 1993.

Dr. Yongjun LIU, aged 66, was appointed as a non-executive Director of our Company in December 2025. Dr. Liu is responsible for overseeing the operational management, financial management and board affairs of our Group.

Prior to joining our Group, Dr. Liu served as senior vice president and chief scientific officer of MedImmune, a subsidiary of AstraZeneca (NASDAQ: AZN) from January 2014 to April 2016. He then served as global head of research at Sanofi (NASDAQ: SNY, EPA: SAN) from April 2016 to September 2020, and as president of Innovent Biologics, Inc. (a company listed on the Hong Kong Stock Exchange, stock code: 1801) from October 2020 to August 2024. Dr. Liu has been serving as the chairman of Parr Biotechnology (Hebei) Co., Ltd. (華普生物技術(河北)股份有限公司) since December 2024, the chairman of Suzhou Xiaolu Biotechnology Co., Ltd. (蘇州小路生物科技有限公司) since January 2025, and the chairman of Hefei Tuosheng Pharmaceutical Technology Co., Ltd. (合肥拓勝醫藥科技有限公司) since July 2025.

Dr. Liu served as chief scientist at Schering-Plough and the DNAX Research Institute from September 1991 to September 2001. He also served as the chair of the Department of Immunology and founding director of the Center for Cancer Immunology Research at The University of Texas MD Anderson Cancer Center, as well as the chief scientific officer and president of Baylor Research

Institute from October 2011 to December 2013. Dr. Liu has published over 260 scientific papers in leading academic journals such as Nature and Science, with total citations exceeding 100,000. He discovered key immunological targets including TSLP, OX40 and CD40, and led the development of multiple first-generation and second-generation innovative therapies for systemic lupus erythematosus, asthma and atopic dermatitis.

Dr. Liu obtained a bachelor's degree in medicine from Bethune Medical University (白求恩醫科大學, now known as Bethune School of Medicine of Jilin University (吉林大學白求恩醫學部)) in the PRC in August 1984 and obtained his Ph.D. degree in immunology from the University of Birmingham in the United Kingdom in July 1990.

Independent Non-executive Directors

Ms. WONG Yan Ki, Angel (黃欣琪), aged 54, was appointed as an independent non-executive Director of our Company in January 2021. Ms. Wong is responsible for supervising and providing independent judgment to our Board.

Ms. Wong has served as a director of various public companies listed in different regions. From August 2009 to January 2011, she acted as a non-executive director of Esmart Holdings Limited (currently known as Duty Free International Limited), a company listed on The Stock Exchange of Singapore Dealing and Automated Quotation System (stock code: Duty Free), during which she acted as the chairman of the board from February 2010 to January 2011. Ms. Wong served as an independent non-executive director of (i) China Best Group Holding Limited (國華集團控股有限公司, currently known as Hong Kong Robotics Group Holding Limited (港仔機器人集團控股有限公司)), a company listed on the Hong Kong Stock Exchange (stock code: 0370), from June 2011 to September 2014; (ii) Oriental Unicorn Agricultural Group Limited (東麒農業集團有限公司) (currently known as China Demter Financial Investments Limited (國農金融投資有限公司)), a company listed on the GEM of the Hong Kong Stock Exchange (stock code: 8120), from October 2011 to May 2013; (iii) China Public Procurement Limited (中國公共採購有限公司) (currently known as Cherish Sunshine International Limited (輝耀國際有限公司)), a company listed on the Hong Kong Stock Exchange (stock code: 1094), from December 2015 to July 2018, (iv) Miko International Holdings Limited (米格國際控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 1247), July 2017 to July 2018; (v) Yuhua Energy Holdings Limited (裕華能源控股有限公司) (currently known as Jintai Energy Holdings Limited (金泰能源控股有限公司)), a company listed on the Hong Kong Stock Exchange (stock code: 2728), from November 2016 to December 2018 and (vi) Hengxing Gold Holding Company Limited (恆興黃金控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2303), and delisted by way of privatization in February 2021, from March 2013 to February 2021, respectively. From August 2014 to September 2015, she served as an independent non-executive director of China Shengda Packaging Group Inc. (中國勝達包裝集團有限公司), a company listed on the Nasdaq Stock Exchange (stock code: CPGI). Ms. Wong has been an independent director of BIT Mining Limited (formerly known as 500.com Limited), a company listed on the New York Stock Exchange (stock code: BTCM) from November 2015 to April 2023. Ms. Wong has been an independent non-executive director of Many Idea Cloud Holdings Limited (多想雲控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 6698), from October 2022 to June 2025, at Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (國鴻氫能科技(嘉興)股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 9663) since December 2023, at Henan Jinyuan Hydrogenated Chemicals Co., Ltd. (河南金源氫化化工股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 2502), since October 2023 and at ALPHAMAB ONCOLOGY (康寧傑瑞生物製藥), a company listed on the Hong Kong Stock Exchange (stock code: 9966), since June 2025.

Ms. Wong obtained a bachelor of economics in international accounting, from Xiamen University (廈門大學) in July 1994, a post-graduate certificate in professional accounting from the City University of Hong Kong in November 2000 and an executive master degree of business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in October 2009. Ms. Wong obtained the certificate of follow-up training courses for independent directors of listed companies from the Shenzhen Stock Exchange in the PRC in May 2022 and September 2024. Ms. Wong obtained the Training Certificate for Independent Directors from the Shanghai Stock Exchange in the PRC in May 2012. Ms. Wong has been admitted as a member or fellow member of several associations. Ms. Wong has been successively admitted as fellow member

of the Institute of Financial Accountants in the United Kingdom since October 2003, fellow member of the Society of Registered Financial Planners in Hong Kong since November 2003, member of the Hong Kong Institute of Directors since November 2014, fellow member of the Institute of Public Accountants (FIPA) (澳洲公共會計師協會資深會員) since April 2015, founding member of the Hong Kong Independent Non-executive Director Association (香港獨立非執行董事協會) since January 2016, fellow member of CPA Australia (澳洲會計師公會) since May 2017, member of the Guangdong Association of Management Accountants since December 2017, member of the Association of Chinese Internal Auditors in Hong Kong (香港華人內部審計師公會) since 2022 and member of CPA Australia since June 2024, respectively.

Ms. XIAO Jiajia (肖佳佳), aged 42, was appointed as an independent non-executive Director of our Company in October 2022. Ms. Xiao is responsible for supervising and providing independent judgment to our Board.

Ms. Xiao served as a partner at Beijing GuanTaoZhongMao (Hangzhou) Law Firm (北京觀韜中茂(杭州)律師事務所), and since March 2024, she has been a partner at Beijing JingTian & GongCheng (Hangzhou) Law Firm (北京競天公誠(杭州)律師事務所). Ms. Xiao has previously served as the lead counsel at Zhejiang Kaimai Law Firm (浙江凱麥律師事務所). She has been serving as an independent director at YinDu Catering Equipment Co., Ltd. (銀都餐飲設備股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603277) since May 2024 and at Zhejiang Jinlian Technology Co., Ltd. (浙江金連接科技股份有限公司) since October 2022.

Ms. Xiao obtained her bachelor's degree in civil and commercial law from Zhejiang University of Finance and Economics (浙江財經大學) in the PRC in September 2004 and master's degree in law from the University of Sheffield in the UK in November 2005.

Prof. Jianwei XUAN, aged 63, was appointed as an independent non-executive Director of our Company in December 2025. Prof. Xuan is responsible for supervising and providing independent judgment to our Board.

Prof. Xuan has over 40 years of experience in health economics, market access and pharmaceutical policy. Prof. Xuan worked at the Pharmaceutical and Medical Device Administration Division of the Shanghai Municipal Health Bureau (上海市衛生局藥政醫療器械管理處) from July 1984 to February 1990. He then worked at GlaxoSmithKline (NYSE: GSK) from December 1994 to December 2003, with his last position as global head and director of the oncology business department. Prof. Xuan subsequently served as senior director of market access and health economics for the Asia-Pacific region and China at Pfizer (NYSE: PFE) from December 2003 to February 2014.

Prof. Xuan has been serving as the director and professor of the Institute of Pharmaceutical Economics at the School of Pharmaceutical Sciences of Sun Yat-sen University since December 2014, and as an adjunct professor at Fudan University since July 2013. He has also been serving as an independent non-executive director of Chemclin Diagnostics Co., Ltd. (科美診斷技術股份有限公司) (a company listed on the STAR Market of the Shanghai Stock Exchange, stock code: 688468) since September 2025.

Prof. Xuan obtained a bachelor's degree in pharmaceutical sciences from Shanghai First Medical College (上海第一醫學院) in the PRC in July 1984. He obtained a master's degree in pharmaceutical marketing management and a doctorate degree from the University of North Carolina in the United States in May 1992 and December 1994, respectively.

Prof. YE Jianliang (葉建亮), aged 49, was appointed as an independent non-executive Director of our Company in December 2025. Prof. Ye is responsible for supervising and providing independent judgment to our Board.

Prof. Ye has been serving as a professor and doctoral supervisor at the Department of Economics of the School of Economics at Zhejiang University (浙江大學經濟學院經濟學系) since December 2020, as a member of the Party Committee since June 2022, and as head of the Department of Economics since March 2024, respectively. Prof. Ye has concurrently been serving as the executive deputy director of the Yangtze River Delta Integration Development Research Center of Zhejiang University (浙江大學長三角一體化發展研究中心) since May 2019, and as a specially appointed researcher of the National High-end Think Tank — Regional Coordinated

Development Research Center of Zhejiang University (國家高端智庫—浙江大學區域協調發展研究中心) since September 2020. Prof. Ye has long been engaged in research in industrial economics, regional economics and institutional economics, and has led a number of major research projects funded by the National Social Science Fund of China and the Ministry of Education, with several policy research outcomes adopted by relevant government authorities. Prof. Ye has also been serving as an external director of certain municipal state-owned enterprises under the Hangzhou State-owned Assets Supervision and Administration Commission since December 2022.

Prof. Ye obtained a bachelor's degree in economics and a doctorate degree in political economy from Zhejiang University (浙江大學) in the PRC in June 1999 and June 2004, respectively. He was a visiting scholar at Queen's University in Canada from August 2014 to August 2015.

SENIOR MANAGEMENT

Upon the [**REDACTED**], our senior management will comprise five members. The table below sets out certain information of our senior management.

Name	Age	Position	Time of appointment as senior management	Time of joining our Group	Responsibilities
Dr. DING Lieming (丁列明)	62	Chairman of the Board, General Manager and Chief Executive Officer	August 2013	January 2003	Overall strategic planning, decision-making, business direction, operational management
Mr. WAN Jiang (萬江)	57	Senior Vice President and President of Global Sales	August 2013	April 2011	In charge of overseeing the Group's global commercialization strategy and operations
Prof. LI MAO	69	President of R&D and Chief Medical Officer	February 2025	February 2025	In charge of the Research Institute and Medical Department
Mr. FAN Jianxun (范建勛)	55	Vice President and Chief Financial Officer	July 2018	August 2016	In charge of the Finance Department and Investment Department
Ms. TONG Jia (童佳)	48	President of Administration	August 2013	November 2003	In charge of the Chairman's Office, Human Resources Department, Securities Department, Internal Control Department, Project Application Department, Corporate Relations Office, Administration Department, and Engineering Department

For the biographical details of Dr. DING Lieming, Mr. WAN Jiang, Prof. LI MAO, Mr. FAN Jianxun and Ms. TONG Jia, see "— Board of Directors" in this section.

INTERESTS OF OUR DIRECTORS AND SENIOR MANAGEMENT

Save as otherwise disclosed in this document, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date:

(i) none of our Directors and senior management has held any other directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;

(ii) Mr. DING Shizhe is the son of Dr. DING Lieming. Save for that, none of our Directors and senior management was related to other Directors and senior management;

(iii) save as disclosed in "Appendix V — Statutory and General Information — 3. Further Information about Our Directors and Substantial Shareholders — A. Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying

Shares and debentures of our Company and our associated corporations," none of our Directors and chief executive held any interest in the shares and underlying shares of our Company and our associated corporations which should be disclosed pursuant to Part XV of the SFO; and

(iv) there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

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, either directly or indirectly, with our business which would require 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 industry. However, as our non-executive Directors are not members of our executive management team and not involved in the daily operation of our Group, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from such other companies in which our non-executive Directors may hold directorships from time to time.

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 September 23, 2025 and August 24, 2026, and (ii) understands his or her obligations as a director of a [**REDACTED**].

Each of our independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) he/she had no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company as of the Latest Practicable Date, and (iii) that there have been no other factors that might affect his/her independence at the time of his/her appointment.

EMOLUMENT OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also employees of our Company, emolument in the form of salaries, allowances, bonuses and benefits in kind. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairman of Board committees).

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate amount of emolument (excluding share-based payments) paid by our Company to our Directors were RMB12.0 million, RMB9.5 million, RMB10.2 million and RMB6.4 million, respectively. It is estimated that under the arrangements currently in force, the aggregate emolument (excluding any possible payment of discretionary bonus and share-based payments) payable to our Directors for the year ending December 31, 2026, will be RMB12.9 million. For details of the remuneration of our Directors, see Note 8 to the Accountants' Report set out in Appendix I to this document.

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate amount of emolument (excluding share-based payments) paid by our Company to the five highest paid individuals were RMB14.0 million, RMB12.6 million, RMB12.6 million and RMB6.3 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 a compensation for loss of office in connection with the management of the affairs of our Company or any subsidiary during the Track Record Period.

During the Track Record Period, none of our Directors waived or agreed to waive any emolument. 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 during the Track Record Period.

COMPANY SECRETARY

Mr. TSANG Chun Ho (曾俊豪) was appointed as a joint company secretary of our Company in September 2025 with effect from the [**REDACTED**].

Mr. Tsang is an assistant manager of Company Secretarial Services of Tricor Services Limited (a member of Vistra Group). He is responsible for providing professional corporate services to listed companies in Hong Kong and has over 11 years of experience in corporate secretarial work. Mr. Tsang is a associate member of The Hong Kong Chartered Governance Institute and the Chartered Governance Institute of the United Kingdom. In 2021, he obtained a Master's Degree in Corporate Governance from the Hong Kong Polytechnic University.

CORPORATE GOVERNANCE

We have established five Board committees, namely the Strategy Committee, Audit Committee, the Nomination Committee, the Sustainability Committee and the Remuneration and Appraisal Committee. Our Board committees operate in accordance with the terms of reference established by our Board.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of Ms. WONG Yan Ki, Angel, Ms. XIAO Jiajia, Prof. YE Jianliang and Dr. Yongjun LIU, with Ms. WONG Yan Ki, Angel serving as the chairperson.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of Ms. XIAO Jiajia, Prof. Jianwei XUAN and Dr. DING with Ms. XIAO Jiajia serving as the chairperson.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee consists of Prof. Jianwei XUAN, Prof. TIAN XU, Ms. WONG Yan Ki, Angel and Prof. YE Jianliang, with Prof. Jianwei XUAN serving as the chairperson.

Strategy Committee

We have established the Strategy Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Strategy Committee consists of Dr. DING Lieming, Mr. WAN Jiang, Prof. LI MAO, Mr. DING Shizhe, Mr. FAN Jianxun and Ms. TONG Jia, with Dr. DING Lieming serving as the chairperson.

Sustainability Committee

We have established the Sustainability Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Strategy Committee consists of Prof. YE Jianliang, Prof. Jianwei XUAN, Mr. FAN Jianxun and Ms. TONG Jia, with Prof. YE Jianliang serving as the chairperson.

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code after the [**REDACTED**] save for the matter disclosed below.

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have separate chairman of our Board and CEO, and Dr. DING currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and CEO in the same person has the benefit of ensuring consistent leadership within our Group and enabling more effective and efficient overall strategic planning and execution of strategic initiatives for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively.

Diversity Policy

We are committed to promoting diversity within our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. We have adopted a diversity policy which sets out the objective and approach for achieving and maintaining the diversity of our Board and our workforce (including senior management). In accordance with the diversity policy, we seek to achieve Board diversity by taking into account a number of factors, including but not limited to gender, age, ethnicity, culture and educational background, professional experience, skills, knowledge and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on our Board and also the specific needs of our Company without focusing on a single diversity aspect. We are also committed to promoting diversity within our workforce (including senior management) to enhance the effectiveness of our corporate governance as a whole.

As at the date of this document, our Board consists of nine male members and three female members and has a relatively wide range of ages ranging from 34 years old to 68 years old. Our Company has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain high standard of operation.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable laws and regulations. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances, including: (i) before the publication of any regulatory announcement, circular or financial report; (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfer of treasury shares and share repurchases; (iii) where we propose to use the [**REDACTED**] from the [**REDACTED**] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and (iv) where the Hong Kong Stock Exchange makes an inquiry to our Company under Rule 13.10 of the Listing Rules.

The term of appointment of our Compliance Advisor will commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that the aggregate net [**REDACTED**] from the [**REDACTED**] will be approximately HK$[**REDACTED**] million, after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the [**REDACTED**] stated in this document.

Assuming an [**REDACTED**] at the mid-point of the [**REDACTED**] and that the [**REDACTED**] is not exercised, we currently intend to apply these net [**REDACTED**] for the following purposes:

(a) Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the research and development activities for our drug candidates, of which:

  (i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the research and development activities for our key drug candidates to support their advancement toward commercialization, of which:

    - approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the research and development activities for our drug candidates targeting RAS/KRAS pathway. We received an IND approval for BPI-572270 (pan-RAS molecular glue inhibitor) in January 2026 and initiated a Phase I clinical trial in advanced solid tumor patients with RAS mutations in the same month. The trial is progressing as of the Latest Practicable Date, and readout of safety and efficacy data is expected in 2027. In addition, we expect to submit an IND application to the NMPA for BPI-585771 (multi-KRAS mutant PROTAC molecule) in the third quarter of 2026, following which, subject to obtaining IND approval, we plan to evaluate the appropriate timing to initiate Phase I clinical trial;

    - approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the research and development activities for MCLA-129 (EGFR/c-MET bispecific antibody). Specifically, (i) we initiated a Phase I/II clinical trial of MCLA-129 in China in patients with advanced solid tumors in September 2021, and are continuously exploring the potential expansion of its indications, with trial completion expected in the second half of 2027; (ii) we initiated a Phase I clinical trial of MCLA-129 in China in combination with befotertinib for patients with EGFR-mutant advanced NSCLC in September 2023, with completion anticipated in 2027; (iii) we commenced a Phase II clinical trial of MCLA-129 in China for the treatment of advanced NSCLC patients with driver gene mutations and MET amplification and/or MET overexpression in March 2025, with completion anticipated in the first half of 2028; and (iv) we initiated a Phase I/II clinical trial of MCLA-129 in combination with ensartinib for patients with advanced solid tumors with MET amplification/over-expression in February 2026, and plan to complete the Phase I study in the third quarter of 2027; and

    - approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the research and development activities for other pipeline candidates, such as EYP-1901 (vorolanib long-acting ocular formulation), CFT8919 (allosteric BiDAC™ degrader) and BPI-452080 (HIF-2α inhibitor). Specifically, (i) we obtained the IND approval from the NMPA for EYP-1901 in wAMD in July 2024, and will evaluate and implement appropriate clinical development and registration pathway for EYP-1901 in China, subject to EyePoint's global Phase III clinical data; (ii) we initiated a Phase I clinical trial in China to evaluate CFT8919 in patients with locally advanced or metastatic NSCLC in November 2024, and plan to complete the

patient enrollment for dose escalation and backfill stages in 2026; and (iii) we initiated a Phase I/II clinical trial in China to evaluate BPI-452080 in patients with VHL syndrome-related tumors and other solid tumors in June 2022, completed the enrollment and preliminary data analysis for both the dose escalation cohorts and the backfill stages as of the Latest Practicable Date, and plan to communicate with NMPA for registrational study as early as in 2026.

Innovative drug R&D is inherently characterized by substantial uncertainty, lengthy development timelines, intense competition, and a relatively high probability of attrition across discovery, preclinical, and clinical stages. We cannot guarantee that we will be able to successfully develop or commercialize any of these drug candidates, especially because they are still in clinical or preclinical development. For details, see "Risk Factors — Risks Relating to the R&D and Commercialization of Our Drugs and Drug Candidates — Clinical drug development involves a lengthy and expensive process with an uncertain outcome" and "— Results of preclinical studies and early phases of clinical trials may not be predictive of future trial results."

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund our early-stage drug discovery activities. Driven by clinical needs, we will continue to design innovative molecules with differentiated characteristics targeting key pathways and mechanisms. We will also utilize AI to overcome bottlenecks in innovative drug R&D, aiming to establish an AI-driven innovation system that spans the entire drug development cycle. Specifically, in target discovery and validation, we will harness deep-learning and natural-language-processing algorithms to mine vast corpora of scientific literature, genomic databases and clinical records, uncovering disease-relevant novel targets and reassessing the druggability of known ones. During compound screening and design, we plan to utilize AI-powered molecular generation and multi-parameter optimization models to enable *de novo* design of lead compounds with optimal physicochemical and safety profiles, cutting both the costs and timelines associated with high-throughput screening right from the outset. For clinical trial design, machine-learning models trained on historical studies and real-world evidence will refine protocol design, pinpoint responsive patient subgroups, select precise biomarkers and choose more meaningful clinical endpoints, thereby boosting the probability of technical and regulatory success worldwide.

(b) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund potential acquisitions to expand our pipeline and further develop the Betta Innovation Ecosystem. Built around our core platforms, Betta Industry Fund and Betta Dream Works, the Betta Innovation Ecosystem focuses on the frontiers of biopharmaceutical industry, cutting-edge sciences, and unfulfilled clinical needs. By developing this ecosystem, we plan to further expand our platform and achieve mutual success with our partners. Specifically:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund milestone payments associated with our collaboration programs, such as the license and collaboration agreement with C4 Therapeutics for CFT8919, a clinical-stage allosteric BiDAC™ degrader intended for the treatment of NSCLC, and the collaboration and license agreement with Merus for MCLA-129, an EGFR/c-MET bispecific antibody currently in multiple Phase I or Phase II clinical trials. This allocation reflects our commitment to advancing our pipeline and fulfilling contractual obligations related to key drug development milestones. For detailed information, please refer to "Business — Our Business Development." As we may from time to time enter into additional collaboration and licensing arrangements, we may also apply a portion of such [**REDACTED**] to milestone payments that may become payable under such future collaboration programs.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the further expansion of the Betta Innovation Ecosystem, fostering innovation and operational efficiency. We expect to invest in, incubate and empower companies dedicated to frontier areas to achieve complementary advantages and synergistic growth, further enriching and diversifying our product portfolio. In particular, we will seek investment and collaboration opportunities with biotechnology or biopharmaceutical companies around the globe that possess attractive drug assets and strong R&D capabilities, focusing on drug candidates featuring innovative modalities or mechanisms of action, in therapeutic areas with significant market potentials, such as lung cancer, breast cancer, other oncologies, and hematologic diseases. We are mainly interested in companies with promising clinical assets that are synergistic to our current pipeline or proven R&D capabilities in the areas that are complementary to our business in China and the U.S. Through these transactions, we aim to enhance our strong position in lung cancer therapeutics, and further expand into additional promising therapeutic areas on an international scale. As of the Latest Practicable Date, we had not identified any specific targets, adopted a definite timetable or anticipated capital expenditure plans to make any acquisitions, investments or collaborations, and we had not entered into any letter of intent or agreement for any acquisitions, investments or collaborations, to which we will apply these [**REDACTED**]. There are adequate strategic acquisitions, investments or collaborations targets meeting our criteria in the market, according to Frost & Sullivan. We expect to seek such collaboration opportunities in a sustainable and prudent manner after the [**REDACTED**].

(c) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the enhancement of marketing networks and market expansion across key therapeutic areas. In recent years, several of our products/product candidates have obtained marketing approvals from relevant regulatory authorities, or made significant clinical and regulatory progresses. In addition, many of these products have been included in authoritative clinical practice guidelines, which supports physician adoption and market acceptance. Coupled with our established commercialization capabilities and operating experience, we are well-positioned to execute the planned enhancement of our marketing networks and overseas expansion in a prudent manner. Specifically:

(i) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the enhancement of marketing networks and market expansion of our lung cancer pipelines, including the overseas expansion. We will continue to maximize the clinical and commercial value of our lung cancer pipelines by leveraging the differentiated strengths of each asset and synergies across our portfolio. Notably, leveraging ensartinib's FDA approval in December 2024 and inclusion in the NCCN Guidelines, we have launched this product in the United States. In the next three to five years, we plan to strengthen market coverage and enhance product availability in the United States by evaluating and exploring various sales and distribution channels to ensure full product availability. We will facilitate the dissemination of latest scientific information about our product, enhancing market awareness and recognition. We will also explore its inclusion in commercial insurance and pursue collaborations with public payors to broaden patient access. In addition, we will pursue registration and strategic collaborations of ensartinib in other high-potential markets, expanding into Europe, Southeast Asia and beyond. We submitted an NDA to the EMA for ensartinib as a first-line therapy for locally advanced or metastatic ALK+ NSCLC in November 2025. Based on strategic considerations such as market potential and competitive landscape, we will further explore entry into additional markets, to maximize our global reach and commercial impact.

(ii) approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used to fund the establishment of marketing networks and market expansion of our pipeline products in other therapeutic areas, such as our breast cancer pipelines as well as blood products. These [**REDACTED**] will be used to establish and scale sales and distribution capabilities, engage key opinion leaders, and support promotional activities tailored to each indication, thereby accelerating product uptake and expanding access to innovative therapies across multiple high-burden disease areas. Specifically, in the next three to five years, for our newly approved drug products, such as tibremciclib (approved by NMPA in June 2025), trastuzumab injection (approved by NMPA in February 2023), recombinant human albumin injection (rice) (approved by NMPA in July 2025), and pertuzumab injection (approved by NMPA in February 2026), we plan to establish and strengthen our marketing and distribution network, support academic events in the relevant therapeutic areas, and enhance talent acquisition and training for professionals specializing in these therapeutic areas. We plan to dedicate more resources and expand our professional sales and marketing teams to broaden our sales channels and further increase market accessibility, conduct academic seminars with KOLs and clinical experts to strengthen academic influence, and provide training to our sales force to improve our operational efficiency.

(d) Approximately [**REDACTED**]%, or HK$[**REDACTED**] million, will be used for working capital and other general corporate purposes.

The above allocation of the net [**REDACTED**] from the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the [**REDACTED**] stated in this document. If the [**REDACTED**] is set at HK$[**REDACTED**] per H Share, being the high end of the [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will increase by approximately HK$[**REDACTED**] million. If the [**REDACTED**] is set at HK$[**REDACTED**] per H Share, being the low end of the [**REDACTED**], the net [**REDACTED**] from the [**REDACTED**] will decrease by approximately HK$[**REDACTED**] million.

If the [**REDACTED**] is exercised in full, the net [**REDACTED**] that we will receive will be approximately HK$[**REDACTED**] million, assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share (being the mid-point of the [**REDACTED**]). In the event that the [**REDACTED**] is exercised in full, we intend to apply the additional net [**REDACTED**] to the above purposes in the proportions stated above.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, they will be placed in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**].

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

The following is the text of a report set out on pages I-1 to I-2, received from the Company's reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sponsor pursuant to the requirements of 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.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BETTA PHARMACEUTICALS CO., LTD. AND CITIC SECURITIES (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of Betta Pharmaceuticals Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-76, which comprises the consolidated statements of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years then ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 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-3 to I-76 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the "**Document**") in connection with the initial [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors 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 ("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 set out in Note 2.1 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 purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative historical financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2025 and other explanatory information (together the "Stub Period Comparative Historical Financial Information").

The directors of the Company are responsible for the preparation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical 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 inquiries, 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 Comparative Historical Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 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-3 have been made.

Dividends

We refer to Note 32(b) to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

BDO Limited
Certified Public Accountants
[Director's name]
Practising Certificate Number [●]

Hong Kong, [Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of 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 BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue	*4*	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928
Cost of sales		(424,719)	(562,919)	(783,437)	(346,007)	(491,020)
Gross profit		2,031,477	2,329,031	2,825,901	1,385,406	1,484,908
Other revenue	*5(a)*	61,136	37,819	50,022	33,956	34,497
Other gain/(loss), net	*5(b)*	47,200	(46,866)	(71,763)	(75,563)	20,467
Research and development expenses		(640,139)	(501,902)	(510,868)	(254,658)	(216,927)
Selling and distribution expenses		(853,886)	(1,093,820)	(1,298,225)	(593,574)	(682,293)
Administrative and other operating expenses		(265,670)	(272,310)	(483,922)	(262,352)	(208,462)
Profit from operations		380,118	451,952	511,145	233,215	432,190
Finance costs	*6(a)*	(44,057)	(45,490)	(76,138)	(38,894)	(36,473)
Share of the results of investments accounted for using equity method	*18*	(13,987)	(12,302)	(20,644)	(6,505)	(27,401)
Profit before income tax	*6*	322,074	394,160	414,363	187,816	368,316
Income tax credit/(expenses)	*7*	11,541	(7,179)	(128,154)	(57,109)	(75,625)
Profit for the year/period		333,615	386,981	286,209	130,707	292,691
Profit for the year/period		333,615	386,981	286,209	130,707	292,691
Other comprehensive income for the year/period (after tax adjustments)						
Item that will not be reclassified to profit or loss:						
Financial assets at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserve (non-recycling), net of tax	*10*	31,698	38,480	728,869	(144,348)	(254,611)
Item that may be reclassified subsequently to profit or loss:						
Exchange difference on translation of financial statements of entities with functional currencies other than RMB	*10*	29,058	18,435	(19,615)	(3,759)	(21,026)
Other comprehensive income for the year/period		60,756	56,915	709,254	(148,107)	(275,637)
Total comprehensive income the year/period		394,371	443,896	995,463	(17,400)	17,054

The accompanying notes form part of the Historical Financial Information.

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Attributable to:						
Owners of the Company		348,032	402,571	305,329	139,897	302,135
Non-controlling interests		(14,417)	(15,590)	(19,120)	(9,190)	(9,444)
Profit for the year/period		333,615	386,981	286,209	130,707	292,691
Attributable to:						
Owners of the Company		408,788	459,486	1,014,583	(8,210)	26,498
Non-controlling interests		(14,417)	(15,590)	(19,120)	(9,190)	(9,444)
Total comprehensive income for the year/period		394,371	443,896	995,463	(17,400)	17,054
Earnings per share						
Basic earnings per share (RMB)	*11*	0.83	0.96	0.73	0.33	0.72
Diluted earnings per share (RMB)	*11*	0.83	0.96	0.73	0.33	0.71

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*13*	2,716,292	3,159,901	3,109,416	3,033,117
Investment properties	*12*	33,784	31,345	28,907	27,688
Intangible assets	*15*	3,019,914	3,008,527	2,676,728	2,721,363
Goodwill	*16*	413,584	413,584	413,584	383,651
Investments accounted for using equity method	*18*	375,210	360,542	651,159	623,758
Prepayments, deposits and other receivables	*22*	16,518	10,649	117,367	77,057
Financial assets at FVOCI	*19(a)*	1,006,597	1,076,067	1,931,530	1,632,292
Deferred tax assets	*29(b)*	39,129	56,732	59,128	58,925
		7,621,028	8,117,347	8,987,819	8,557,851
Current assets					
Inventories	*20*	327,502	290,085	381,156	351,707
Trade receivables	*21*	286,410	98,466	351,260	624,884
Prepayments, deposits and other receivables	*22*	159,432	237,658	349,431	309,197
Financial assets at fair value through profit or loss ("FVPL")	*19(b)*	540	126,439	65,999	567
Cash and cash equivalents	*23*	751,997	471,683	429,981	455,187
		1,525,881	1,224,331	1,577,827	1,741,542
Current liabilities					
Trade payables	*27*	10,674	24,018	63,639	131,550
Other payables and accruals	*28*	1,178,794	1,038,647	922,319	707,858
Interest-bearing borrowings	*24*	599,020	768,931	871,423	1,177,829
Lease liabilities	*25*	4,603	2,103	2,663	2,206
Financial liabilities at FVPL	*26*	10,000	10,000	10,000	10,000
Taxation payable	*29(a)*	66	4,260	47,236	25,755
		1,803,157	1,847,959	1,917,280	2,055,198
Net current liabilities		(277,276)	(623,628)	(339,453)	(313,656)
Total assets less current liabilities		7,343,752	7,493,719	8,648,366	8,244,195
Non-current liabilities					
Interest-bearing borrowings	*24*	1,816,000	1,620,588	1,583,690	1,287,296
Lease liabilities	*25*	8,183	2,543	2,869	2,032
Deferred income	*30*	144,703	150,990	226,219	217,963
Deferred tax liabilities	*29(b)*	23,392	53,488	167,905	100,263
		1,992,278	1,827,609	1,980,683	1,607,554
NET ASSETS		5,351,474	5,666,110	6,667,683	6,636,641
EQUITY					
Share capital	*32(c)*	418,486	418,486	420,734	420,734
Reserves		4,832,591	5,155,320	6,174,423	6,205,104
Total equity attributable to owners of the Company		5,251,077	5,573,806	6,595,157	6,625,838
Non-controlling interests		100,397	92,304	72,526	10,803
TOTAL EQUITY		5,351,474	5,666,110	6,667,683	6,636,641

The accompanying notes form part of the Historical Financial Information.

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*13*	645,954	535,821	446,348	410,801
Investment properties	*12*	33,784	31,345	28,907	27,688
Intangible assets	*15*	1,503,092	1,452,633	1,355,063	1,532,718
Interests in subsidiaries	*17*	2,666,298	2,666,590	2,679,827	2,703,315
Investments accounted for using equity method	*18*	375,210	360,542	651,159	623,758
Prepayments, deposits and other receivables	*22*	73	9,344	117,367	77,057
Financial assets at FVOCI	*19(a)*	844,900	938,163	1,782,119	1,484,611
		6,069,311	5,994,438	7,060,790	6,859,948
Current assets					
Inventories	*20*	327,502	290,021	299,777	306,234
Trade receivables	*21*	299,667	95,837	331,721	579,315
Prepayments, deposits and other receivables	*22*	1,135,435	1,809,788	2,609,537	2,899,521
Cash and cash equivalents	*23*	511,346	349,330	245,437	173,456
		2,273,950	2,544,976	3,486,472	3,958,526
Current liabilities					
Trade payables	*27*	10,674	23,722	17,937	111,343
Other payables and accruals	*28*	733,454	557,019	576,169	559,220
Interest-bearing borrowings	*24*	582,020	657,931	620,143	874,189
Lease liabilities	*25*	3,910	2,103	1,670	1,198
Financial liabilities at FVPL	*26*	10,000	10,000	10,000	10,000
Taxation payable	*29(a)*	–	3,162	46,056	23,348
		1,340,058	1,253,937	1,271,975	1,579,298
Net current assets		933,892	1,291,039	2,214,497	2,379,228
Total assets less current liabilities		7,003,203	7,285,477	9,275,287	9,239,176
Non-current liabilities					
Interest-bearing borrowings	*24*	776,970	549,058	736,770	550,696
Lease liabilities	*25*	5,647	2,543	898	638
Deferred income	*30*	42,240	35,872	103,782	98,685
Deferred tax liabilities	*29(b)*	8,839	43,161	162,101	96,866
		833,696	630,634	1,003,551	746,885
NET ASSETS		6,169,507	6,654,843	8,271,736	8,492,291
EQUITY					
Share capital	*32(c)*	418,486	418,486	420,734	420,734
Reserves		5,751,021	6,236,357	7,851,002	8,071,557
TOTAL EQUITY		6,169,507	6,654,843	8,271,736	8,492,291

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Company								
	Notes	Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c)	*32(d)(i)*	*32(d)(ii)*	*32(d)(iii)*	*32(d)(iv)*				
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		417,467	2,123,458	209,437	54,273	73,268	1,971,158	4,849,061	108,641	4,957,702
Profit/(loss) for the year		–	–	–	–	–	348,032	348,032	(14,417)	333,615
Other comprehensive income	*10*	–	–	–	29,058	31,698	–	60,756	–	60,756
Total comprehensive income		–	–	–	29,058	31,698	348,032	408,788	(14,417)	394,371
Share issued upon exercise of share option	*32(c)*	1,019	40,774	–	–	–	–	41,793	–	41,793
Dividends declared and paid	*32(b)*	–	–	–	–	–	(29,223)	(29,223)	–	(29,223)
Equity-settled share-based payment	*6(b)*	–	(16,462)	–	–	–	–	(16,462)	(2)	(16,464)
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	42	–	–	–	–	42	–	42
Equity transaction with owners arising from changes in shareholdings		–	(6,175)	–	–	–	3,253	(2,922)	6,175	3,253
Balance at 31 December 2023		418,486	2,141,637	209,437	83,331	104,966	2,293,220	5,251,077	100,397	5,351,474

The accompanying notes form part of the Historical Financial Information.

	Notes	Attributable to owners of the Company							Non-controlling interests	Total equity
		Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total		
		32(c)	*32(d)(i)*	*32(d)(ii)*	*32(d)(iii)*	*32(d)(iv)*				
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2024		418,486	2,141,637	209,437	83,331	104,966	2,293,220	5,251,077	100,397	5,351,474
Profit/(loss) for the year		–	–	–	–	–	402,571	402,571	(15,590)	386,981
Other comprehensive income	*10*	–	–	–	18,435	38,480	–	56,915	–	56,915
Total comprehensive income		–	–	–	18,435	38,480	402,571	459,486	(15,590)	443,896
Dividends declared and paid	*32(b)*	–	–	–	–	–	(71,143)	(71,143)	–	(71,143)
Equity-settled share-based payment	*6(b)*	–	(57,086)	–	–	–	–	(57,086)	(47)	(57,133)
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	1,883	–	–	–	–	1,883	–	1,883
Equity transaction with owners arising from changes in shareholdings	*32(d)*	–	(10,411)	–	–	–	–	(10,411)	7,544	(2,867)
Balance at 31 December 2024		418,486	2,076,023	209,437	101,766	143,446	2,624,648	5,573,806	92,304	5,666,110

The accompanying notes form part of the Historical Financial Information.

		Attributable to owners of the Company								
	Notes	Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c) *RMB'000*	*32(d)(i)* *RMB'000*	*32(d)(ii)* *RMB'000*	*32(d)(iii)* *RMB'000*	*32(d)(iv)* *RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2025		418,486	2,076,023	209,437	101,766	143,446	2,624,648	5,573,806	92,304	5,666,110
Profit/(loss) for the year		–	–	–	–	–	305,329	305,329	(19,120)	286,209
Other comprehensive income	*10*	–	–	–	(19,615)	728,869	–	709,254	–	709,254
Total comprehensive income		–	–	–	(19,615)	728,869	305,329	1,014,583	(19,120)	995,463
Share issued upon exercise of share option	*32(c)*	2,248	89,918	–	–	–	–	92,166	–	92,166
Dividends declared and paid	*32(b)*	–	–	–	–	–	(83,697)	(83,697)	–	(83,697)
Equity-settled share-based payment	*6(b)*	–	41,746	–	–	–	–	41,746	–	41,746
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	(1,932)	–	–	–	–	(1,932)	–	(1,932)
Transfer to PRC statutory reserve		–	–	930	–	–	(930)	–	–	–
Equity transaction with owners arising from changes in shareholdings		–	(41,515)	–	–	–	–	(41,515)	(658)	(42,173)
Balance at 31 December 2025		420,734	2,164,240	210,367	82,151	872,315	2,845,350	6,595,157	72,526	6,667,683

The accompanying notes form part of the Historical Financial Information.

		Attributable to owners of the Company								
		Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
	Notes	*32(c)* *RMB'000*	*32(d)(i)* *RMB'000*	*32(d)(ii)* *RMB'000*	*32(d)(iii)* *RMB'000*	*32(d)(iv)* *RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2026		420,734	2,164,240	210,367	82,151	872,315	2,845,350	6,595,157	72,526	6,667,683
Profit/(loss) for the period		–	–	–	–	–	302,135	302,135	(9,444)	292,691
Other comprehensive income	*10*	–	–	–	(21,026)	(254,611)	–	(275,637)	–	(275,637)
Total comprehensive income		–	–	–	(21,026)	(254,611)	302,135	26,498	(9,444)	17,054
Dividends declared and paid	*32(b)*	–	–	–	–	–	(63,110)	(63,110)	–	(63,110)
Equity-settled share-based payment	*6(b)*	–	4,958	–	–	–	–	4,958	–	4,958
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	10,056	–	–	–	–	10,056	–	10,056
Acquisition of interests in a subsidiaries	*a*	–	52,279	–	–	–	–	52,279	(52,279)	–
Balance at 30 June 2026		420,734	2,231,533	210,367	61,125	617,704	3,084,375	6,625,838	10,803	6,636,641

Note:

a. During the six months ended 30 June 2026, the Group repurchase the non-controlling interest in its subsidiary, Meyrx Inc., for a total consideration of USD6,000,000.

The accompanying notes form part of the Historical Financial Information.

	Notes	Attributable to owners of the Company								
		Share capital	Capital reserve	PRC statutory reserve	Exchange reserve	Fair value reserve (non-recycling)	Retained profits	Total	Non-controlling interests	Total equity
		32(c) *RMB'000* *(Unaudited)*	*32(d)(i)* *RMB'000* *(Unaudited)*	*32(d)(ii)* *RMB'000* *(Unaudited)*	*32(d)(iii)* *RMB'000* *(Unaudited)*	*32(d)(iv)* *RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*	*RMB'000* *(Unaudited)*
Balance at 1 January 2025		418,486	2,076,023	209,437	101,766	143,446	2,624,648	5,573,806	92,304	5,666,110
Profit/(loss) for the period		–	–	–	–	–	139,897	139,897	(9,190)	130,707
Other comprehensive income	*10*	–	–	–	(3,759)	(144,348)	–	(148,107)	–	(148,107)
Total comprehensive income		–	–	–	(3,759)	(144,348)	139,897	(8,210)	(9,190)	(17,400)
Share issued upon exercise of share option	*32(c)*	2,248	89,918	–	–	–	–	92,166	–	92,166
Dividends declared and paid	*32(b)*	–	–	–	–	–	(83,697)	(83,697)	–	(83,697)
Equity-settled share-based payment	*6(b)*	–	20,255	–	–	–	–	20,255	–	20,255
Tax effect arising from equity-settled share-based payment	*29(b)(i)*	–	44	–	–	–	–	44	–	44
Balance at 30 June 2025		420,734	2,186,240	209,437	98,007	(902)	2,680,848	5,594,364	83,114	5,677,478

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Operating activities						
Cash generated from operations	*23(b)*	904,181	904,102	1,008,878	503,562	521,442
Interest received		10,235	6,673	3,784	2,759	604
Tax (paid)/refund	*29(a)*	(187)	397	(101,401)	(61,343)	(109,706)
Net cash generated from operating activities		914,229	911,172	911,261	444,978	412,340
Investing activities						
Payment for the acquisition of property, plant, equipment and intangible assets		(1,096,014)	(827,595)	(616,680)	(391,306)	(385,924)
Proceeds from disposal of property, plant and equipment		22,213	142	75	15	366
Payment for investments accounted for using equity method		(281,653)	(500)	(312,260)	–	–
Payment for acquisition of financial assets at fair value		(150,000)	(205,321)	–	–	(40,000)
Proceeds from disposal of financial assets at fair value		–	31,581	–	–	175,583
Dividend received from an associate		–	–	999	–	–
Net cash used in investing activities		(1,505,454)	(1,001,693)	(927,866)	(391,291)	(249,975)

The accompanying notes form part of the Historical Financial Information.

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Financing activities						
Capital element of lease rental paid		(4,246)	(4,323)	(2,243)	(1,085)	(1,664)
Interest element of lease rental paid		(565)	(314)	(286)	(125)	(128)
Proceeds from new borrowings raised		1,890,000	644,750	917,780	580,000	617,037
Repayment of borrowings		(511,010)	(668,293)	(851,909)	(547,285)	(606,988)
Payment of deposits related to borrowings		–	(11,150)	(3,780)	–	–
Interest paid		(81,060)	(80,911)	(73,358)	(37,959)	(35,021)
[**REDACTED**]		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Cash received under share option scheme		60,788	–	92,166	92,166	–
Settlement of financial liabilities at FVPL		(716,491)	–	–	–	–
Acquisition of non-controlling interests		–	–	–	–	(40,865)
Dividends paid to equity shareholders of the Company		(29,223)	(71,143)	(83,697)	(83,697)	(63,110)
Net cash generated from/(used in) financing activities		608,193	(191,384)	(26,176)	2,015	(135,989)
Net increase/(decrease) in cash and cash equivalents		16,968	(281,905)	(42,781)	55,702	26,376
Cash and cash equivalents at the beginning of the year/period		731,285	751,997	471,683	471,683	429,981
Effect of foreign exchange rate changes on cash and cash equivalents		3,744	1,591	1,079	(196)	(1,170)
Cash and cash equivalents at the end of the year/period		751,997	471,683	429,981	527,189	455,187

The accompanying notes form part of the Historical Financial Information.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Betta Pharmaceuticals Co., Ltd. (貝達藥業股份有限公司, the "Company") was established on 7 January 2003 in the People's Republic of China (the "PRC"), and converted into a joint stock limited liability company under the PRC laws in August 2013. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and listed on the Shenzhen Stock Exchange (stock code: 300558.SZ) on 7 November 2016.

The Company and its subsidiaries (together, "the Group") are principally engaged in the research and development, manufacturing and sales of pharmaceutical products. Particulars of the subsidiaries are disclosed in Note 17.

2.1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards and International Accounting Standards issued by the International Accounting Standards Board (the "IASB") and Interpretations (collectively "IFRS Accounting Standards"). Further details of accounting policies are set out in Note 2.3. In addition, 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 IASB has issued a number of standards and amendments to standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all IFRS Accounting Standards that are effective for accounting period commencing from 1 January 2026, unless otherwise stated.

The consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026 were prepared in accordance with China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC. The consolidated financial statements of the Group for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026 were audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC, in accordance with the China Auditing Standards issued by China Auditing Standards Board.

Accounting policies set out below has been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for financial assets at fair value through other comprehensive income ("FVOCI"), financial assets at fair value through profit or loss ("FVPL") and financial liabilities at fair value through profit and loss ("FVPL"), which are carried at fair value.

The Historical Financial Information has been prepared on the assumption that the Group will continue as a going concern, which assumes that the Group will be able to meet its obligations and continue its operations for the coming twelve months notwithstanding that as at 30 June 2026, the Group had net current liabilities of RMB313,656,000. In light of this, the Group has performed a working capital forecast for the next twelve months from 30 June 2026 ("Cash Flow Forecast") for assessing the appropriateness of the use of the going concern basis for the preparation of these consolidated financial statements. When preparing the Cash Flow Forecast, the directors of the Company have given careful consideration of the future liquidity and performance of the Group. In the opinion of the directors of the Company, the Group will have the necessary liquid funds to finance its working capital and capital expenditure requirements for the next twelve months after 30 June 2026. Accordingly, it is appropriate to prepare the Historical Financial Information on a going concern basis.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 3.

The Historical Financial Information has been prepared based on the consolidated financial statements of the Group. Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2.2 NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[1]
IFRS 18	Presentation and Disclosure in Financial Statements[1]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
IFRS 20	Regulatory Assets and Regulatory Liabilities[2]
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 28	Fair value option for investments in associates and joint ventures[1]

1 Effective for annual periods beginning on or after 1 January 2027

2 Effective for annual periods beginning on or after 1 January 2029

3 Effective for annual periods beginning on or after a date to be determined

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. The new requirements are expected to impact the Group's presentation of the consolidated statements of profit or loss and disclosures of the Group's financial performance. However, it is expected that the initial adoption of IFRS 18 would not significantly affect the Group's financial performance and position.

2.3 ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests is the amount of those interests at initial recognition plus such non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(b) Subsidiaries

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Investments accounted for using equity method

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost in the consolidated statements of financial position.

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method after initially being recognised at cost in the consolidated statements of financial position.

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity

Unrealised gains on transactions between the Group and its equity-accounted investments are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity-accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.2(e).

(d) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the fair value of consideration transferred, the amount recognised for non-controlling interests in the acquire and the acquisition date fair value of the Group's previously held equity interest in the acquiree over the fair value of identifiable assets, liabilities and contingent liabilities acquired. The consideration transferred is measured at the aggregate of fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group.

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets on pro-rata basis over the carrying amount of each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value-in-use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- investment properties;
- intangible assets;
- goodwill;
- investments accounted for using equity method; and
- interests in subsidiaries in the Company's statement of financial position

If the recoverable amount (i.e. the higher of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses (other than goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised in profit or loss immediately.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or CGU, 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 CGU.

(f) Property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease, and other items of plant and equipment, other than construction in progress ("CIP"), are stated at acquisition cost less accumulated depreciation and any identified impairment.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss in the period in which they are incurred.

Depreciation is calculated to write off the cost of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold land classified as right-of-use assets	50 years
Plant and buildings classified as right-of-use assets	Over the terms of the lease
Plant and buildings	10-40 years after plant and buildings completed
Machinery and equipment	5-10 years
Furniture, fixture and office equipment	3 years
Motor vehicles	5 years

The assets' estimated useful lives estimated residual values and depreciation method are reviewed, and adjusted if appropriate, at the end of each financial year.

CIP, which mainly represents properties under construction and machinery and equipment pending installation, is stated at cost less any impairment losses. CIP is reclassified to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of CIP until it is completed and ready for its intended use.

The gain or loss arising on retirement or disposal is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

(g) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for currently undetermined future use and property that is being constructed or developed for future use as investment properties.

Investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss arising from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in Note 2.3(h). Depreciation is calculated to write off the cost of investment properties, less their estimated residual value, using the straight-line method over their estimated useful lives.

Transfers to investment properties shall be made when there is a change in use, evidenced by end of owner-occupation, for a transfer from owner-occupied property to investment property. Since the Group uses the cost model, transfers between investment properties and owner-occupied properties do not change the carrying amount of the property transferred and they do not change the cost of those properties for measurement or disclosure purposes.

Depreciation is calculated to write off the cost of investment properties, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold land	over the period of leases
Plant and buildings	20 years

(h) Leasing

Accounting as a lessee

All leases are required to be capitalised in the consolidated statements of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use assets

The right-of-use assets should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group accounts for leasehold land and buildings that are held for rental or capital appreciation purpose under IAS 40 and are carried at cost less accumulated depreciation and accumulated impairment losses.

Lease liabilities

The lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the lessee's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liabilities by: (i) increasing the carrying amount to reflect interest on the lease liabilities; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate.

When the Group renegotiates the contractual terms of a lease with the lessor, if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease, in all other cases, where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

Sales and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group. For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

Accounting as a lessor

The Group has leased out its investment properties to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

(i) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with definite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally generated goodwill and brand is recognised as an expenses in the period in which it is incurred.

The amortisation expense is recognised in profit or loss. Amortisation is provided on a straight-line basis over their useful lives as follows:

Patents and exclusive licenses	10 years
Software use right	5 years

Both the period and method of amortisation are reviewed annually.

Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses.

Intangible assets with definite useful lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (note 2.3(e)).

(ii) Patents and exclusive licenses

Patents and exclusive licenses acquired separately or as part of a business combination or transferred from development cost are recognised as intangible assets at historical cost and amortised using the straight-line method over their estimated useful lives of 10 years, which are determined according to the authorised useful lives and the management's estimation. The estimation is made considering the duration of the patent right and the technique advancement of the licenses. They are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Software use rights

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 5 years. The useful lives of the software are assessed by the Group after considering the contractual term, the current functionality equipped by the software, using plan and operation needs of the software.

(iv) Development cost

The expenditure on an internal research and development project is classified into expenditure in the research phase and expenditure in the development phase. Expenditure on research phases is recognised as an expense in the period in which it is incurred. Expenditure on development phase is capitalised and recognised as intangible assets if all the following can be demonstrated:

- The technical feasibility to complete the development project so that it will be available for use or sale;
- the intention to complete the development project to use or sell the product;
- the ability to use or sell the product;
- the manner in which the development project will generate probable future economic benefits for the Group;
- the availability of adequate technical, financial and other resources to complete the development project and use or sell the product; and
- the expenditure attributable to the asset during its development can be reliably measured.

Development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

The Group determines the specific criteria for the classification of expenditures on the research phase and expenditures on the development phase of each drug category which is classified in accordance with Drug Registration Regulation issued by National Medical Products Administration of China, including State Category 1 innovative products, State Category 2 innovative products, State Category 3 generic products and State Category 4 generic products, and drug category classified by Center for Drug Evaluation and Research ("CDER") under U.S. Food and Drug Administration, including New molecular entity innovative products:

As for State Category 1 and State Category 2 innovative products and New molecular entity innovative products classified by CDER, expenditures on the research phase are all the expenditures incurred before the commencement of the last phase clinical trial before commercial production, i.e. phase II or phase III clinical trial for the medicines. Expenditures on the development phase are all the expenditures incurred after the commencement of the last phase clinical trial before commercial production for the medicines.

As for State Category 3 generic products and biosimilar products, expenditures on the research phase are all the expenditures incurred before the commencement of Phase I clinical trial for the medicines. Expenditures on the development phase are all the expenditures incurred after the commencement of Phase I clinical trial for the medicines. Commencement of Phase I clinical trial is determined based on the approval by authorities.

As for State Category 4 generic products, expenditure on the research and development phase are all expensed.

For Phase II clinical trial express supports products recognised by CDER, expenditures on the research phase are all the expenditures incurred before the commencement of Phase II clinical trial. Expenditures on the development phase are all the expenditures incurred after the commencement of clinical trial and before commercial production for the medicines.

(j) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVOCI are measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the

investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group measures loss allowances for trade receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets at amortised cost, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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 credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(ii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at FVPL, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial liabilities may be designated upon initial recognition as at FVPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, other payables and accruals, interest-bearing borrowings and lease liabilities issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with Note 2.3(p).

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(k) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable 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. In the case of work in progress, costs include direct labour and appropriate share of overheads based on normal operating capacity.

Net realisable 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.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Income tax

Income tax comprises current tax and deferred tax are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary differences, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences are not arises from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit and does not rise to equal taxable and deductible temporary differences. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

the same taxable entity; or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(m) Revenue recognition

Revenue from contract with customers

Sales of pharmaceutical products

The Group manufactures and sells pharmaceutical products through distributors and retailer as customers. Revenue from these sales is recognised when their control has been transferred. This occurs upon the collection by the distributors/retailer or a specified carrier at the Group's warehouse, provided that the Group had issued documents to the customers evidencing the shipment and there is objective evidence that the products meet the required specification. At this point of time, both ownership and risks of loss have been transferred to the customers in accordance with the sales contract. The customers have full discretion over the manner or use and price to sell the products within a designated area. The Group no longer has physical possession but has a present right to remaining payment.

Customers are either required to provide upfront payments to the Group to secure an order, or is required to pay when the control of promised goods are transferred, usually payable within 30 to 60 days. Contract liability is recognised when the Group receives consideration in advance of transferring the control of the promised goods. A receivable is recognised when the control of the promised goods has been transferred to the customers but the Group did not received consideration in advance, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

No element of financing is deemed present as the period between when the Group receive consideration and transferring control of the promised goods is generally within one month. The Group does not expect to have any contract containing financing components. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

The Group allows certain customers sales rebate if certain performance target has been met, an early settlement discount if payment is made before the period end agreed in the contract; and a right to return the goods for a full refund if they have quality issue. The Group uses an expected value approach to estimates these rebates, discounts and returns, based on its specified terms of the contracts, accumulated experience with customers, their settlement patterns and historical data on returns for specific products. Revenue is recognised only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognised will not occur subsequently. The Group reviews its estimate at each reporting date and updates the amounts of the asset and liability accordingly.

License fee income

The Group provides license of its patented intellectual property ("IP") or commercialisation license to customers. License fee income is recognised when the customers obtain rights to use the underlying IP or license.

For the license which the Group will not undertake any activities that significantly affect the IP to which the customer has rights, the customers obtain a right to use the IP as it exists at the point in time at which the license is granted. The fixed element of the contract is recognised as revenue when the customers can use the underlying IP. Variable elements are recognised as revenue when the Group can conclude that it is highly probable that there will not be a subsequent reversal of a significant amount of revenue.

(n) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to local retirement schemes pursuant to the relevant labour rules and regulations in the jurisdictions in which the Group's subsidiaries located are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

(ii) Share-based payments

The fair value of equity instruments such as share options granted to employees is recognised as staff costs with a corresponding increase in a capital reserve within equity, in case they were granted by the Company and in non-controlling interests, in case they were granted by the subsidiary. Fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the period of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve and non-controlling interests, as appropriate. On the vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve and non-controlling interests, as appropriate) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the related equity instruments. The equity amount recognised in the capital reserve is retained until either the option is exercised (when it is then included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

(o) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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.

(p) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(q) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to assets are included in non-current liabilities as deferred income and are credited to the consolidated profit or loss on a straight-line basis over the expected useful lives of the related asset.

(r) Translation of foreign currencies

Foreign currency transactions during the Track Record Period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(s) Contract costs

Contract costs include costs to fulfil a contract and costs to obtain a contract.

Costs incurred in fulfilling a contract with a customer, which do not fall within the scope of another IFRS Accounting Standard (for example, Inventories, Property, Plant and Equipment or Intangible Assets), are recognised as a contract fulfillment cost asset only if those costs meet all of the following criteria:

- The costs relate directly to an existing contract or to a specifically identifiable anticipated contract;
- The costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and
- The costs are expected to be recovered.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation uncertainty

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Impairments of non-current assets

If circumstances indicate that the carrying amount of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in accordance with accounting policy for impairment of non-current assets as described in Note 2.3(e). For non-current assets other than goodwill and intangible assets that are not yet available for use, these assets are tested for impairment whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the recoverable amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(ii) Depreciation and amortisation

Items of property, plant and equipment, investment properties and intangible assets are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expense for future periods are adjusted if there are significant changes from previous estimates.

(iii) Income tax and deferred tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised only if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

(iv) Development cost

Development costs are capitalised in accordance with the accounting policy for research and development costs in Note 2.3(i)(iv). In determining the amounts to be capitalised, management makes assumptions regarding the future economic benefits generated from the research and development projects.

(v) Recognition of equity-settled share-based payments

The Group recognises share-based compensation expense for equity-settled employee awards based on the fair value of the Company's share options at the grant date, adjusted for estimated forfeitures. The awards are subject to service conditions (e.g., continued employment over a specified period) and performance conditions (e.g., achievement of Group's revenue targets and individual performance metrics). Significant judgment is required to estimate the number of awards expected to vest, particularly due to subjective factors such as:

- likelihood of meeting revenue targets,
- individual performance evaluations, and
- expected staff turnover rates.

At each reporting date, the Group assesses the probability of meeting performance conditions by reviewing internal forecasts, macroeconomic factors, and grantees' performance. Forfeiture assumptions are also updated using historical staff turnover data, though these trends may change over time.

These estimates are inherently uncertain, particularly for awards with longer vesting periods, and changes in assumptions could materially affect the Group's financial statements. Specifically, higher probability of meeting performance conditions and lower staff turnover would result in additional expenses being recognised as more awards are expected to vest and lower probability of meeting performance conditions and higher staff turnover would result in less expense being recognised as fewer awards are expected to vest.

(vi) Fair value measurement

A number of assets and liabilities included in the Group's Historical Financial Information require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

– Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

– Level 2: observable inputs other than quoted prices included within Level 1; and

– Level 3: unobservable inputs are inputs for which market data are not available.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the following items at fair value:

– Financial assets at FVOCI (note 19(a))

– Financial assets at FVPL (note 19(b))

– Financial liabilities at FVPL (note 26)

For more detailed information in relation to the fair value measurement of the items above, please refer to the respective notes.

4. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are research and development, manufacturing and sales of pharmaceutical products.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15					
Transferred at point in time:					
Sales of pharmaceutical products	2,416,783	2,827,001	3,577,669	1,715,875	1,963,415
License fee income	–	35,634	–	–	–
Others	23,281	14,350	16,120	8,777	6,456
	2,440,064	2,876,985	3,593,789	1,724,652	1,969,871
Revenue from other sources					
Rental income	16,132	14,965	15,549	6,761	6,057
Total revenue	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928

The Group has not recognised any revenue, which is the aggregated amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of each reporting period.

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, revenue from two customers of the Group exceeded 10% of the Group's revenue, in which Customer A contributed 31.6%, 32.2%, 33.5%, 33.1% and 35.5% of total revenue and Customer B contributed 17.2%, 16.7%, 17.1%, 17.7% and 16.8% of total revenue, respectively. Details of concentrations of credit risk arising from the customers are set out in Note 35(a).

(b) Segment reporting

The directors of the Company have been identified as the chief operating decision-maker (the "CODM"). Operating segments are identified on the basis of internal reports that the CODM regularly review in allocating resources to segments and in assessing their performance.

The Group's CODM makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment.

Geographical information

(i) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
PRC	2,455,147	2,856,314	3,588,557	1,731,409	1,968,623
United States	1,049	35,636	20,781	4	7,305
	2,456,196	2,891,950	3,609,338	1,731,413	1,975,928

(ii) Non-current assets

	At 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PRC	5,180,014	5,538,751	5,767,909	5,763,296
United States	1,395,288	1,445,797	1,229,252	1,103,338
	6,575,302	6,984,548	6,997,161	6,866,634

Non-current assets (other than financial assets and deferred tax assets) include property, plant and equipment, investment properties, intangible assets, goodwill, investments accounted for using equity method and prepayments for property, plant and equipment. The non-current assets information above is based on the physical locations of the assets or the locations of the operations.

5. OTHER REVENUE AND OTHER (LOSS)/GAIN, NET

(a) Other revenue

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Government grants (including amortisation of deferred income) *(note)*	46,828	27,953	42,537	29,289	31,221
Dividend income	630	–	–	–	–
Interest income	10,235	6,782	4,294	3,063	1,010
Others	3,443	3,084	3,191	1,604	2,266
	61,136	37,819	50,022	33,956	34,497

Note: Government grants mainly represent (i) government subsidies in various forms of government financial incentives to reward the Group's support and contribution for the development of local economy, which were recognised in profit or loss when received; (ii) government subsidies for the construction of production facilities as well as for encouragement of research and development projects, which were recognised in profit or loss when amortised over the estimated useful lives of the relevant assets.

(b) Other gain/(loss), net

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Foreign exchange gain/(loss), net	6,722	4,137	(12,624)	(2,251)	(17,528)
Compensation *(note)*	56,377	–	–	–	–
Unrealised loss from financial assets at FVPL	(313)	(26,305)	(58,683)	(76,016)	9
Realised (loss)/gain from financial assets at FVPL	–	(2,362)	–	–	72,679
(Loss)/gain on disposal or written off of investment properties and property, plant and equipment, net	(1,078)	(1,181)	370	69	(349)
(Expected credit loss)/reversal of expected credit loss on trade receivables	(5,427)	6,294	200	396	(4,431)
(Expected credit loss)/reversal of expected credit loss on deposits and other receivables	(3,373)	10	345	2,251	(52)
Impairment loss on intangible assets	–	(27,460)	–	–	–
Impairment loss on goodwill	–	–	–	–	(29,933)
Others	(5,708)	1	(1,371)	(12)	72
	47,200	(46,866)	(71,763)	(75,563)	20,467

Note: The amount represents the compensation arising from the settlement agreement with the third party.

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

(a) Finance costs

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest charges on bank borrowings	77,104	78,082	69,553	35,536	33,650
Less: amount capitalised in construction in progress and development costs	(33,612)	(34,087)	–	–	–
Interest expenses on bank borrowings	43,492	43,995	69,553	35,536	33,650
Interest expenses on other borrowings	–	1,181	6,299	3,233	2,695
Interest expenses on lease liabilities	565	314	286	125	128
	44,057	45,490	76,138	38,894	36,473

(b) Staff costs

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Salaries and wages	536,654	559,582	563,360	260,977	272,704
Contributions to defined contribution schemes	105,628	97,294	98,095	46,219	57,100
Equity settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
	625,818	599,743	703,201	327,451	334,762

The employees of the Company and the subsidiaries of the Group established in the PRC participate in a defined contribution scheme managed by the local government authority, whereby these companies are required to contribute to the scheme at certain rates of the employees' basic salaries. Employees of these companies are entitled to benefits, calculated based on a percentage of the average salaries level in the PRC (other than Hong Kong), from the above-mentioned retirement scheme at their normal retirement age.

The subsidiaries in the United States maintain multiple qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the United States. These plans are defined contribution plans covering substantially all its qualifying employees and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees' contributions are primarily based on specified dollar amounts or percentages of employee compensation. The only obligation of the subsidiary in the United States with respect to the retirement benefit plans is to make the specified contributions under the plans.

(c) Other items

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Auditors' remuneration	1,250	1,250	1,250	1,250	1,250
Cost of inventories recognised as expenses *(Note (i))*	256,616	336,622	408,456	194,011	254,801
Depreciation charge:					
– investment properties	1,996	2,439	2,438	1,219	1,219
– other property, plant and equipment	95,140	112,766	184,848	92,506	84,684
– right-of-use assets	6,095	5,278	5,988	2,814	3,162
Amortisation of intangible assets	200,256	251,484	357,489	174,565	191,039
Research and development expenses *(Note (ii))*	640,139	501,902	510,868	254,658	216,927
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(i) Cost of inventories recognised as expenses includes amounts relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) Research and development expenses include amounts relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7. INCOME TAX (CREDIT)/EXPENSE

The amount of income tax (credit)/expense in the consolidated statements of profit or loss and other comprehensive income represents:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current tax					
PRC Corporate Income tax					
Provision for the year/period	(95)	1,315	113,455	55,266	76,897

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Under-provision in respect of previous year	304	2,482	30,922	10,128	11,328
	209	3,797	144,377	65,394	88,225
Deferred tax					
(Reversal of)/origination of temporary differences *(Note 29(b)(i))*	(11,750)	3,382	(16,223)	(8,285)	(12,600)
Total income tax (credit)/expense	(11,541)	7,179	128,154	57,109	75,625

Income tax for the Track Record Period can be reconciled to the profit before income tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit before income tax	322,074	394,160	414,363	187,816	368,316
Tax calculated at applicable rate of 15% in the PRC	48,311	59,124	62,154	28,172	55,247
Tax effect of different tax rates	(28,896)	(12,774)	(41,325)	(20,540)	(19,721)
Tax effect of non-deductible expenses	15,293	6,811	7,110	1,893	6,994
Utilisation of previously unrecognised tax losses	(1,797)	(12,174)	–	–	–
Tax effect of deductible temporary differences not recognised	35,901	23,881	129,097	66,251	51,189
Tax effect of bonus deduction for research and development expenses *(Note (i))*	(80,657)	(60,171)	(59,804)	(28,795)	(29,412)
Under-provision in the previous year	304	2,482	30,922	10,128	11,328
Income tax (credit)/expense	(11,541)	7,179	128,154	57,109	75,625

Notes:

(i) The Company and its subsidiaries established in the PRC ("PRC subsidiaries") are subject to PRC Corporate Income Tax ("CIT") at a statutory rate of 25%. The Company is entitled to the preferential tax rate of 15%. Certain of these subsidiaries are entitled to the preferential tax rate of 20%. Certain research and development costs of the Company and its PRC subsidiaries are qualified for additional deduction, details are as follows:

According to the Announcement on Further Improving the Policy of Pre-tax Deduction of R&D Expenses (關於進一步完善研發費用稅前加計扣除政策的公告) (No. 7 [2023]) of the State Administration of Taxation of the Ministry of Finance), the Company and its PRC subsidiaries will be deducted before tax at 100% of the actual amount incurred when calculating the taxable income from 1 January 2023, and 200% of the cost of the intangible assets will be amortised before tax from 1 January 2023.

(ii) Betta Investment (Hong Kong) Limited ("Betta Investment (HK)") was liable to the Hong Kong Profits Tax at a rate of 8.25% on the first Hong Kong dollars ("HK$") HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million during the Track Record Period. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Track Record Period.

(iii) Xcovery Betta Pharmaceuticals, Inc. ("Xcovery Betta"), Xcovery Holdings, Inc. ("Xcovery"), Equinox Sciences, LLC ("Equinox") and Meryx Inc. ("Meryx") were liable to United States federal income tax at a rate of 21% during the Track Record Period. The Group's subsidiaries in the United States did not have any assessable profits during the Track Record Period.

8. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and Supervisors' emoluments are as follows:

Year ended 31 December 2023

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Ding Lieming	–	1,001	1,900	119	3,020	59	3,079
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	854	1,700	148	2,702	12	2,714
Wang Jiabing	–	865	1,700	48	2,613	12	2,625
Tong Jia	–	1,461	–	119	1,580	23	1,603
Yu Zhihua	–	–	–	–	–	–	–
Fan Jianxun	–	1,461	–	119	1,580	23	1,603
Independent directors							
Jiangnan Cai	120	–	–	–	120	–	120
Wang Wei	120	–	–	–	120	–	120
Huang Xinqi	120	–	–	–	120	–	120
Xiao Jiajia	120	–	–	–	120	–	120
Supervisors							
Zhang Yangnan	–	331	540	105	976	–	976
Wu Fei	–	510	350	119	979	–	979
Wang Rong	–	–	–	–	–	–	–
	480	6,483	6,190	777	13,930	129	14,059

Year ended 31 December 2024

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Ding Lieming	–	1,001	1,650	132	2,783	3,610	6,393
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	854	1,500	148	2,502	722	3,224
Wang Jiabing *(note (a))*	–	540	–	32	572	–	572
Tong Jia	–	661	650	132	1,443	714	2,157
Yu Zhihua	–	–	–	–	–	–	–
Fan Jianxun	–	661	650	132	1,443	714	2,157
Ding Shizhe *(note (b))*	–	128	100	28	256	911	1,167
Independent directors							
Jiangnan Cai	120	–	–	–	120	–	120
Wang Wei	120	–	–	–	120	–	120
Huang Xinqi	120	–	–	–	120	–	120
Xiao Jiajia	120	–	–	–	120	–	120
Supervisors							
Zhang Yangnan	–	331	470	117	918	–	918
Wu Fei	–	510	280	129	919	–	919
Wang Rong	–	–	–	–	–	–	–
	480	4,686	5,300	850	11,316	6,671	17,987

Notes:

(a) Wang Jiabing resigned as director with effective on 12 September 2024.

(b) Ding Shizhe was appointed as director with effective on 10 October 2024.

Year ended 31 December 2025

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors							
Ding Lieming	–	1,001	1,710	134	2,845	2,148	4,993
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	855	1,550	147	2,552	430	2,982
Tong Jia	–	1,215	300	146	1,661	1,281	2,942
Yu Zhihua *(note (a))*	–	–	–	–	–	–	–
Fan Jianxun	–	1,215	300	146	1,661	1,281	2,942
Ding Shizhe	–	513	420	116	1,049	469	1,518
Independent directors							
Jiangnan Cai *(note (b))*	120	–	–	–	120	–	120
Wang Wei *(note (c))*	120	–	–	–	120	–	120
Huang Xinqi	120	–	–	–	120	–	120
Xiao Jiajia	120	–	–	–	120	–	120
Supervisors							
Zhang Yangnan *(note (d))*	–	331	490	117	938	–	938
Wu Fei *(note (e))*	–	493	320	134	947	–	947
Wang Rong *(note (f))*	–	–	–	–	–	–	–
	480	5,623	5,090	940	12,133	5,609	17,742

Notes:

(a) Yu Zhihua was resigned as director with effective on 31 December 2025.

(b) Jiangnan Cai was resigned as independent director with effective on 31 December 2025.

(c) Wang Wei was resigned as independent director with effective on 31 December 2025.

(d) Zhang Yangnan was retired as a supervisor with effective on on 31 December 2025.

(e) Wu Fei was retired as a supervisor with effective on on 31 December 2025.

(f) Wang Rong was retired as a supervisor with effective on on 31 December 2025.

Six months 30 June 2025

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Directors							
Ding Lieming	–	501	825	66	1,392	1,083	2,475
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	427	750	74	1,251	217	1,468
Tong Jia	–	549	234	70	853	665	1,518
Yu Zhihua	–	–	–	–	–	–	–
Fan Jianxun	–	549	234	70	853	665	1,518
Ding Shizhe	–	256	200	58	514	237	751
Independent directors							
Jiangnan Cai	60	–	–	–	60	–	60
Wang Wei	60	–	–	–	60	–	60
Huang Xinqi	60	–	–	–	60	–	60
Xiao Jiajia	60	–	–	–	60	–	60
Supervisors							
Zhang Yangnan	–	165	235	59	459	–	459
Wu Fei	–	237	140	66	443	–	443
Wang Rong	–	–	–	–	–	–	–
	240	2,684	2,618	463	6,005	2,867	8,872

Six months 30 June 2026

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Directors							
Ding Lieming	–	500	855	67	1,422	516	1,938
Tian Xu	–	–	–	–	–	–	–
Wan Jiang	–	427	775	74	1,276	103	1,379
Tong Jia	–	665	150	75	890	263	1,153
Fan Jianxun	–	665	150	75	890	263	1,153
Ding Shizhe	–	256	210	62	528	104	632
Li Mao *(note (a))*	–	501	694	–	1,195	–	1,195
Liu Youngjun *(note (b))*	–	–	–	–	–	–	–
Independent directors							
Huang Xinqi	60	–	–	–	60	–	60
Xiao Jiajia	60	–	–	–	60	–	60
Xuan Jianwei *(note (c))*	60	–	–	–	60	–	60
Ye Jianliang *(note (d))*	60	–	–	–	60	–	60
	240	3,014	2,834	353	6,441	1,249	7,690

Notes:

(a) Li Mao was appointed as director with effective on 31 December 2025.

(b) Liu Youngjun was appointed as director with effective on 31 December 2025.

(c) Xuan Jianwei was appointed as independent director with effective on 31 December 2025.

(d) Ye Jianliang was appointed as independent director with effective on 31 December 2025.

During the Track Record Period, no amounts were paid or payable by the Group to the directors and supervisors 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, 3, 2, 2, 2 and 3 are directors for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026, respectively, whose emoluments are disclosed as above. The aggregate of the emoluments in respect of the remaining individuals with are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,793	3,865	2,981	1,465	933
Discretionary bonuses	2,535	3,062	3,945	2,125	1,279
Retirement scheme contributions	287	359	286	143	143
Share-based payments	365	3,638	3,383	1,746	679
	5,980	10,924	10,595	5,479	3,034

The number of remaining individuals with the highest emoluments during the Track Record Period respectively, are within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
Nil to HK$1,000,000	–	–	–	–	–
HK$1,000,001 to HK$2,000,000	–	–	–	2	2
HK$2,000,001 to HK$2,500,000	1	1	1	–	–
HK$2,500,001 to HK$3,000,000	–	–	–	–	–
HK$3,000,001 to HK$3,500,000	–	–	–	–	–

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
HK$3,500,001 to HK$4,000,000	–	–	1	–	–
HK$4,000,001 to HK$4,500,000	1	1	–	–	–
HK$5,000,001 to HK$5,500,000	–	1	–	–	–
HK$5,500,001 to HK$6,000,000	–	–	1	–	–
	2	3	3	3	2

10. OTHER COMPREHENSIVE INCOME

Tax effects relating to each component of other comprehensive income are as follows:

	Exchange differences on translation of financial statements	Financial assets at FVOCI – net movement in fair value reserve (non-recycling)	Total
	RMB'000	*RMB'000*	*RMB'000*
For the year ended 31 December 2023			
Before-tax amount	29,058	41,845	70,903
Effect of deferred tax *(Note 29(b))*	–	(10,147)	(10,147)
Net-of-tax amount	29,058	31,698	60,756
For the year ended 31 December 2024			
Before-tax amount	18,435	49,470	67,905
Effect of deferred tax *(Note 29(b))*	–	(10,990)	(10,990)
Net-of-tax amount	18,435	38,480	56,915
For the year ended 31 December 2025			
Before-tax amount	(19,615)	855,463	835,848
Effect of deferred tax *(Note 29(b))*	–	(126,594)	(126,594)
Net-of-tax amount	(19,615)	728,869	709,254
For the six months ended 30 June 2025 (Unaudited)			
Before-tax amount	(3,759)	(170,381)	(174,140)
Effect of deferred tax *(Note 29(b))*	–	26,033	26,033
Net-of-tax amount (Unaudited)	(3,759)	(144,348)	(148,107)
For the six months ended 30 June 2026			
Before-tax amount	(21,026)	(299,237)	(320,263)
Effect of deferred tax *(Note 29(b))*	–	44,626	44,626
Net-of-tax amount	(21,026)	(254,611)	(275,637)

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB348,032,000, RMB402,571,000 and RMB305,329,000 for the years ended 31 December 2023, 2024 and 2025 and RMB139,897,000 and RMB302,135,000 for the six months ended 30 June 2025 and 2026 and the weight average number of ordinary shares for the purpose of calculating basic earnings per share is calculated as follows:

Weighted average number of ordinary shares

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	*'000*	*'000*	*'000 (unaudited)*	*'000*
Issued ordinary shares at 1 January	417,467	418,486	418,486	418,486	420,734
Effect of share options exercised	334	–	1,130	562	–
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	417,801	418,486	419,916	419,048	420,734

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profits attributable to owners of the Company of RMB348,032,000, RMB402,571,000 and RMB305,329,000 for the years ended 31 December 2023, 2024 and 2025 and RMB139,897,000 and RMB302,135,000 for the six months ended 30 June 2025 and 2026 and the weight average number of ordinary shares for the purpose of calculating diluted earnings per share is calculated as follows:

(i) Profits attributable to owners of the Company is equal to profits attributable to owners used in basic earnings per share calculation as the share options are equity-settled whose effect are reflected in the denominator below.

(ii) Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	*'000*	*'000*	*'000 (unaudited)*	*'000*
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	417,801	418,486	419,916	419,048	420,734
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	3,073	215	27	1,855	3,399
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	420,874	418,701	419,943	420,903	424,133

12 INVESTMENT PROPERTIES

The Group and the Company

	RMB'000
Cost:	
At 31 December 2023, 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	50,296
Accumulated depreciation:	
At 1 January 2023	13,479
Charge for the year	1,996
Transfers from property, plant and equipment	1,037
At 31 December 2023 and 1 January 2024	16,512
Charge for the year	2,439
At 31 December 2024 and 1 January 2025	18,951
Charge for the year	2,438
At 31 December 2025 and 1 January 2026	21,389
Charge for the period	1,219
At 30 June 2026	22,608
Net book value:	
At 31 December 2023	33,784
At 31 December 2024	31,345
At 31 December 2025	28,907
At 30 June 2026	27,688

Notes:

(i) The fair value of investment properties are valued by independent professionally qualified valuer to be RMB67,784,000, RMB64,200,000 and RMB60,808,000 and RMB56,897,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026.

All the Group's investment properties are located in the PRC. The fair value measurement of the Group's investment properties is categorised into Level 3 of fair value measurement. The fair value was determined by taking into account the net rental incomes of the properties derived from the existing tenancies with due allowance for the reversionary income potential of the tenancies, which are then capitalised into the values at appropriate capitalisation rates.

(ii) The Group leases out investment property under operating leases. The leases typically run for an initial period of 3 to 5 years. Lease payments are usually increased every 3 years to reflect market rentals. Certain leases include variable lease payment terms that are based on the revenue of tenants.

Undiscounted lease payments under non-cancellable operating leases in place at the end of each reporting period will be receivable by the Group and the Company in future periods as follows:

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	8,699	8,491	4,086	4,814
After 1 year but within 2 years	7,607	2,626	1,632	2,771
After 2 year but within 3 years	1,742	442	–	978
	18,048	11,559	5,718	8,563

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2023	180,477	585,594	359,985	13,498	28,769	1,451,408	2,619,731
Additions	6,070	900	2,822	247	–	616,581	626,620
Transfers in/(out) from construction in progress	–	3,784	23,673	425	–	(27,882)	–
Transfers to investment properties	–	(4,135)	–	–	–	–	(4,135)
Disposals or written off	(8,714)	–	(3,582)	(1,347)	(229)	–	(13,872)
Exchange adjustments	102	–	–	3	–	–	105
At 31 December 2023 and 1 January 2024	177,935	586,143	382,898	12,826	28,540	2,040,107	3,228,449
Additions	16,034	–	702	95	–	557,561	574,392
Transfers in/(out) from construction in progress	–	2,365,509	36,000	–	–	(2,401,509)	–
Disposals or written off	(12,258)	–	(11,136)	(115)	(176)	(767)	(24,452)
Exchange adjustments	(3,241)	–	–	3	–	–	(3,238)
At 31 December 2024 and 1 January 2025	178,470	2,951,652	408,464	12,809	28,364	195,392	3,775,151
Additions	3,700	–	333	776	9,350	131,642	145,801
Transfers in/(out) from construction in progress	–	92,607	3,032	–	–	(95,639)	–
Disposals or written off	(1,957)	–	(885)	(41)	(1,017)	(565)	(4,465)
Adjustment	–	(3,126)	–	–	–	–	(3,126)
Exchange adjustments	–	–	–	(5)	–	–	(5)
At 31 December 2025 and 1 January 2026	180,213	3,041,133	410,944	13,539	36,697	230,830	3,913,356
Additions	–	–	104	196	433	10,920	11,653
Transfers in/(out) from construction in progress	–	2,825	29	–	–	(2,854)	–
Disposals or written off	–	–	(1,870)	(94)	(368)	–	(2,332)
Lease modification	462	–	–	–	–	–	462
Exchange adjustments	(95)	–	–	(7)	–	–	(102)
At 30 June 2026	180,580	3,043,958	409,207	13,634	36,762	238,896	3,923,037
Accumulated depreciation and impairment losses:							
At 1 January 2023	21,841	201,339	162,705	11,559	17,058	3,522	418,024
Charge for the year	9,011	38,920	55,045	725	3,793	–	107,494

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Transfer to investment properties	–	(1,037)	–	–	–	–	(1,037)
Written back on disposals or written off	(8,281)	–	(2,579)	(1,271)	(218)	–	(12,349)
Exchange adjustments	22	–	–	3	–	–	25
At 31 December 2023 and 1 January 2024	22,593	239,222	215,171	11,016	20,633	3,522	512,157
Charge for the year	7,183	54,214	56,004	682	3,022	–	121,105
Written back on disposals or written off	(7,234)	–	(10,552)	(106)	(158)	–	(18,050)
Exchange adjustments	34	–	–	4	–	–	38
At 31 December 2024 and 1 January 2025	22,576	293,436	260,623	11,596	23,497	3,522	615,250
Charge for the year	6,232	127,931	52,830	657	3,727	–	191,377
Written back on disposals or written off	(1,332)	–	(348)	(38)	(955)	–	(2,673)
Exchange adjustments	(9)	–	–	(5)	–	–	(14)
At 31 December 2025 and 1 January 2026	27,467	421,367	313,105	12,210	26,269	3,522	803,940
Charge for the period	3,284	65,039	17,865	225	1,560	–	87,973
Written back on disposals or written off	–	–	(1,522)	(89)	(350)	–	(1,961)
Exchange adjustments	(25)	–	–	(7)	–	–	(32)
At 30 June 2026	30,726	486,406	329,448	12,339	27,479	3,522	889,920
Net book value:							
At 31 December 2023	155,342	346,921	167,727	1,810	7,907	2,036,585	2,716,292
At 31 December 2024	155,894	2,658,216	147,841	1,213	4,867	191,870	3,159,901
At 31 December 2025	152,746	2,619,766	97,839	1,329	10,428	227,308	3,109,416
At 30 June 2026	149,854	2,557,552	79,759	1,295	9,283	235,374	3,033,117

The Company

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2023	59,900	585,594	359,126	12,559	28,075	82,462	1,127,716
Additions	5,830	900	2,822	233	–	26,662	36,447
Transfers in/(out) from construction in progress	–	3,784	23,099	425	–	(27,308)	–
Transfers to investment properties	–	(4,135)	–	–	–	–	(4,135)
Disposals or written off	(8,486)	–	(3,582)	(1,347)	(229)	–	(13,644)
At 31 December 2023 and 1 January 2024	57,244	586,143	381,465	11,870	27,846	81,816	1,146,384
Additions	1,413	–	702	54	–	1,786	3,955
Transfers in/(out) from construction in progress	–	16,547	42,564	–	–	(59,111)	–
Disposals or written off	(6,700)	–	(17,700)	(114)	–	(767)	(25,281)
At 31 December 2024 and 1 January 2025	51,957	602,690	407,031	11,810	27,846	23,724	1,125,058
Additions	623	–	332	588	9,349	1,961	12,853
Transfers in/(out) from construction in progress	–	560	3,032	–	–	(3,592)	–
Disposals or written off	(1,957)	–	(885)	(40)	(1,173)	(565)	(4,620)
At 31 December 2025 and 1 January 2026	50,623	603,250	409,510	12,358	36,022	21,528	1,133,291
Additions	–	–	104	178	433	5,020	5,735
Transfers in/(out) from construction in progress	–	–	29	–	–	(29)	–
Disposals or written off	–	–	(1,870)	(94)	(368)	–	(2,332)
Lease modification	462	–	–	–	–	–	462

	Right-of-use assets *(Note 14)*	Plant and buildings	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2026	51,085	603,250	407,773	12,442	36,087	26,519	1,137,156
Accumulated depreciation and impairment losses:							
At 1 January 2023	16,391	201,339	161,378	10,682	16,660	3,522	409,972
Charge for the year	5,356	38,920	54,905	713	3,722	–	103,616
Transfer to investment properties	–	(1,037)	–	–	–	–	(1,037)
Written back on disposals or written off	(8,053)	–	(2,580)	(1,270)	(218)	–	(12,121)
At 31 December 2023 and 1 January 2024	13,694	239,222	213,703	10,125	20,164	3,522	500,430
Charge for the year	4,631	40,150	55,849	664	2,953	–	104,247
Written back on disposals or written off	(4,782)	–	(10,552)	(106)	–	–	(15,440)
At 31 December 2024 and 1 January 2025	13,543	279,372	259,000	10,683	23,117	3,522	589,237
Charge for the year	3,033	40,549	52,696	592	3,658	–	100,528
Written back on disposals or written off	(1,332)	–	(348)	(38)	(1,104)	–	(2,822)
At 31 December 2025 and 1 January 2026	15,244	319,921	311,348	11,237	25,671	3,522	686,943
Charge for the period	1,588	20,277	17,798	185	1,525	–	41,373
Written back on disposals or written off	–	–	(1,522)	(89)	(350)	–	(1,961)
At 30 June 2026	16,832	340,198	327,624	11,333	26,846	3,522	726,355
Net book value:							
At 31 December 2023	43,550	346,921	167,762	1,745	7,682	78,294	645,954
At 31 December 2024	38,414	323,318	148,031	1,127	4,729	20,202	535,821
At 31 December 2025	35,379	283,329	98,162	1,121	10,351	18,006	446,348
At 30 June 2026	34,253	263,052	80,149	1,109	9,241	22,997	410,801

In the prior year, the directors of the Company performed the impairment assessment on certain construction in progress. Full impairment loss on such construction in progress has been recognised. As the relevant research project has not been resumed, no reversal should be made for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026.

During the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026, depreciation expenses of RMB6,259,000, RMB3,061,000, RMB541,000, RMB476,000 and RMB127,000 have been capitalised into the Group's construction in progress and development costs.

As at 31 December 2023, certain construction in progress with carrying amount of RMB1,313,873,000 were pledged to secure Group's interest bearing borrowings of RMB606,500,000.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, certain right of use assets with carrying amount of RMB48,361,000, RMB47,332,000, RMB46,303,000, and RMB45,788,000, respectively were pledged to secure the Group's interest bearing borrowings of RMB606,500,000, RMB700,000,000, RMB650,000,000 and RMB600,000,000, respectively.

As at 31 December 2024 and 2025 and 30 June 2026, certain plant and buildings with carrying amount of RMB1,577,931,000 and RMB1,537,491,000 and RMB1,569,131,000, , respectively were pledged to secure the Group's bank borrowings of RMB700,000,000, RMB650,000,000, and RMB600,000,000 respectively.

As at 31 December 2024 and 2025 and 30 June 2026, machinery and equipment with a total carrying amount of RMB42,702,000, RMB56,972,000 and RMB47,937,000, respectively were pledged for the Group's other borrowings of RMB100,019,000, RMB103,953,000 and RMB83,035,000, respectively.

14. RIGHT-OF-USE ASSETS

The analysis of net book value of right-of-use assets by class of underlying assets is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Leasehold land	142,215	151,062	147,663	145,963
Plant and buildings	13,127	4,832	5,083	3,891
	155,342	155,894	152,746	149,854

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:					
Leasehold land	3,155	3,359	3,399	1,700	1,700
Plant and buildings	5,856	3,824	2,833	1,236	1,584
Less: amount capitalised in construction in progress and development costs	(2,916)	(1,905)	(244)	(122)	(122)
	6,095	5,278	5,988	2,814	3,162
Interest on lease liabilities (Note 6(a))	565	314	286	125	128
Expense relating to short-term leases	1,393	3,994	3,199	1,918	3,100

The analysis of total cash outflow for leases is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating cash flows	1,393	3,994	3,199	1,918	3,100
Within financing cash flows	4,811	4,637	2,529	1,210	1,792
	6,204	8,631	5,728	3,128	4,892

Details of the maturity analysis of lease liabilities are set out in Note 25.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Leasehold land	34,451	33,582	32,713	32,279
Plant and buildings	9,099	4,832	2,666	1,974
	43,550	38,414	35,379	34,253

15 INTANGIBLE ASSETS

The Group

	Development costs	Patents and exclusive licenses	Software use rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023	1,443,856	1,598,595	395	3,042,846
Additions	361,912	321,417	–	683,329
Transfer to patents and exclusive licenses	(601,382)	601,382	–	–
Exchange adjustments	14,234	12,055	5	26,294
At 31 December 2023 and 1 January 2024	1,218,620	2,533,449	400	3,752,469
Additions	215,276	14,318	–	229,594
Transfer to patents and exclusive licenses	(1,082,306)	1,082,306	–	–
Exchange adjustments	31,936	11,477	4	43,417
At 31 December 2024 and 1 January 2025	383,526	3,641,550	404	4,025,480
Additions	62,631	–	–	62,631
Transfer to patents and exclusive licenses	(226,000)	226,000	–	–
Exchange adjustments	–	(48,672)	(6)	(48,678)
At 31 December 2025 and 1 January 2026	220,157	3,818,878	398	4,039,433
Additions	13,840	259,434	–	273,274
Exchange adjustments	–	(56,445)	(8)	(56,453)
At 30 June 2026	233,997	4,021,867	390	4,256,254
Accumulated amortisation and impairment losses:				
At 1 January 2023	–	524,964	395	525,359
Charge for the year	–	202,921	–	202,921
Exchange adjustments	–	4,270	5	4,275
At 31 December 2023 and 1 January 2024	–	732,155	400	732,555
Charge for the year	–	251,484	–	251,484
Impairment loss for the year	–	27,460	–	27,460
Exchange adjustments	–	5,450	4	5,454
At 31 December 2024 and 1 January 2025	–	1,016,549	404	1,016,953
Charge for the year	–	357,489	–	357,489
Exchange adjustments	–	(11,731)	(6)	(11,737)
At 31 December 2025 and 1 January 2026	–	1,362,307	398	1,362,705
Charge for the period	–	191,039	–	191,039
Exchange adjustments	–	(18,845)	(8)	(18,853)
At 30 June 2026	–	1,534,501	390	1,534,891
Net book value:				
At 31 December 2023	1,218,620	1,801,294	–	3,019,914
At 31 December 2024	383,526	2,625,001	–	3,008,527
At 31 December 2025	220,157	2,456,571	–	2,676,728
At 30 June 2026	233,997	2,487,366	–	2,721,363

The Company

	Development costs	Patents and exclusive licenses	Software use rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost:				
At 1 January 2023	497,212	803,096	124	1,300,432
Additions	253,282	275,380	–	528,662
Transfer to patents and exclusive licenses	(481,663)	481,663	–	–

	Development costs	Patents and exclusive licenses	Software use rights	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023 and 1 January 2024	268,831	1,560,139	124	1,829,094
Additions	114,695	14,317	–	129,012
At 31 December 2024 and 1 January 2025	383,526	1,574,456	124	1,958,106
Additions	62,631	–	–	62,631
Transfer to patents and exclusive licenses	(226,000)	226,000	–	–
At 31 December 2025 and 1 January 2025	220,157	1,800,456	124	2,020,737
Additions	13,840	259,434	–	273,274
At 30 June 2026	233,997	2,059,890	124	2,294,011
Accumulated amortisation and impairment loss:				
At 1 January 2023	–	208,813	124	208,937
Charge for the year	–	117,065	–	117,065
At 31 December 2023 and 1 January 2024	–	325,878	124	326,002
Charge for the year	–	152,011	–	152,011
Impairment loss for the year	–	27,460	–	27,460
At 31 December 2024 and 1 January 2025	–	505,349	124	505,473
Charge for the year	–	160,201	–	160,201
At 31 December 2025 and 1 January 2026	–	665,550	124	665,674
Charge for the period	–	95,619	–	95,619
At 30 June 2026	–	761,169	124	761,293
Net book value:				
At 31 December 2023	268,831	1,234,261	–	1,503,092
At 31 December 2024	383,526	1,069,107	–	1,452,633
At 31 December 2025	220,157	1,134,906	–	1,355,063
At 30 June 2026	233,997	1,298,721	–	1,532,718

As at 31 December 2024, the directors of the Company performed impairment assessment on certain patent and exclusive license amounted to RMB59,460,000 as the expected economic benefit from that patent and exclusive license cannot be achieved. The recoverable amount of that patent and exclusive license has been determined from value-in-use calculation. The calculation used cash flow projections based on latest financial budgets approved by the management covering a period of ten years period, which is consistent to the valid period of the underlying patent and exclusive licenses. Pre-tax discount rate of 14% been applied in the value-in-use calculation. The discount rate used is pre-tax that reflect current market assessments of the time value of money and reflect specific risks related to that patent and exclusive license. In accordance with the value-in-use calculation, the recoverable amount is lower than the carrying amount of that patent and exclusive. As a result, an impairment loss of RMB27,460,000 has been recognised for the year ended 31 December 2024.

For the six months ended 30 June 2026, the director of the Company has compared the actual result of that patent and exclusive licenses with the revised budget. It is concluded that no further impairment loss should be provided for the six months ended 30 June 2026.

During the year ended 31 December 2023, amortisation expense of RMB2,665,000 have been capitalised into the Group's development costs. No amortisation capitalisation would be qualified for the capitalisation for the years ended 31 December 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

Development costs are tested for impairment annually by comparing their carrying amount with their recoverable amounts to which the intangible asset is related. As at the end of each reporting period, the development costs represent Ensartinib (Ensacove) 's first line indication, Ensartinib (Ensacove)'s adjuvant therapy, BPI-D0316's adjuvant therapy, and BPI-16350.

The recoverable amount was determined by income approach by using the discount cash flow method. Key assumptions used are sales growth rate during forecasted periods and pre-tax discount rate. The estimated revenue is based on management's expectations of timing of commercialisation, market penetration rate and estimated market size over the life cycle of related products. The discount rates used are pre-tax and reflect specific risks relating to the relevant products.

Carrying amounts and key assumption used in the discount cash flow at the end of each reporting period, are as follows:

Carrying amount of development costs

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	949,788	–	–	–
Ensartinib (Ensacove)'s adjuvant therapy	57,187	85,366	108,632	118,047
BPI-D0316's adjuvant therapy	57,534	99,326	111,525	115,950
BPI-16350	154,111	198,834	–	–
	1,218,620	383,526	220,157	233,997

Discount rate applied

	As at 31 December			As at 30 June
	2023	2024	2025	2026
Ensartinib (Ensacove)'s first line indication	13.5%	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	14%	13%	13%	13%
BPI-D0316's adjuvant therapy	14%	13%	13%	13%
BPI-16350	14%	13%	N/A	N/A

Based on the result of above assessment, there was no impairment on the development costs as at the end of each reporting periods.

Headroom

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	51,312	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	120,813	133,635	440,368	469,953
BPI-D0316's adjuvant therapy	63,466	75,674	82,475	99,494
BPI-16350	21,890	257,166	N/A	N/A

Based on the result of assessment, there was no impairment loss on the development cost during the Track Record Period.

Sensitivity analysis is performed based on the change of a key assumption. One of the key significant unobservable inputs to determine the fair value of each development cost is the discount rate. As if the discount rate is higher by 5%, the headroom between the recoverable amount and the carrying amount of each development cost is as follows:

Headroom

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Ensartinib (Ensacove)'s first line indication	22,912	N/A	N/A	N/A
Ensartinib (Ensacove)'s adjuvant therapy	113,813	126,635	425,368	453,953
BPI-D0316's adjuvant therapy	56,466	68,674	74,475	94,494
BPI-16350	15,890	246,166	N/A	N/A

Given that there was a headroom in the assessment, the management believes that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause any individual carrying amount to exceed their respective recoverable amount.

16 GOODWILL

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Anew Pharmaceutical CGU	413,584	413,584	413,584	413,584
Less: accumulated impairment losses	–	–	–	(29,933)
	413,584	413,584	413,584	383,651

For the purpose of impairment testing, the goodwill has been allocated to a CGU, representing Anew Pharmaceutical CGU which were acquired by the Group in the prior year.

For the years ended 31 December 2023, 2024 and 2025, the recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a eight-year period from the drug is commercialised. Management considers that using a forecast period of over five years for financial budgets in the goodwill impairment test is appropriate because the useful lives of relevant items of drug licenses are estimated as eight years after commercialisation, and it generally takes longer for a pharmaceutical company to reach the perpetual growth mode, compared to companies in other industries, especially when its product is still under clinical trial and the market of such product is at an early stage of development with substantial growth potential. Cash flow forecast beyond the eight-year period is extrapolated using nil growth rate. Key assumptions used for the value in use calculations are the discount rate. The discount rate was a pre-tax measure based on the risk-free rate in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the CGU. The cash flows for the Anew Pharmaceutical CGU are discounted using pre-tax discount rate of 17.76%, 18.64% and 18.79% as at 31 December 2023, 2024 and 2025.

As the recoverable amount is higher than the net carrying amount, no impairment loss would be considered during the year ended 31 December 2023, 2024 and 2025.

Sensitivity analysis is performed based on the change of a key assumption. One of the key significant unobservable input to determine the recoverable amount of CGU is the discount rate. As if the discount rate is higher by 5%, the headroom between the recoverable amount and the carrying amount of CGU is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Headroom	45,973	94,272	71,538

Given that there was a headroom in the assessment, the management believes that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of CGU.

As at 30 June 2026, the directors of the Company reviewed the recoverable amount of Anew Pharmaceutical CGU as the result of certain research and development project had not met the expectation. This had adverse impact on the estimation of the recoverable amount. The recoverable amount of the CGU is the higher of its fair value less costs of disposal and its value-in-use. For the six months ended 30 June 2026, the recoverable amount of the CGU is determined by the directors with reference to the valuation report issued by an independent professional valuer based on fair value less cost of disposal, which is higher than its value-in-use. Such fair value is assessed by using price to development cost ratio and price to earnings ratio of the comparable companies in the market. As a result, the recoverable amount is assessed as RMB568,700,000.

As the recoverable amount is lower than the net carrying amount, impairment loss on goodwill of RMB29,933,000 was provided. It is Level 3 non-recurring fair value measurement. The key significant unobservable input to determine is the discount for lack of marketability. The higher discount would result in the lower in the fair value measurement of the fair value, and vice versa.

17 INVESTMENT IN SUBSIDIARIES

(a) Particulars of subsidiaries

During the Track Record Period and as at the date of this report, the Company has direct or indirect interests in the following subsidiaries:

Company name	Place and date of incorporation/ establishment	Type of legal entity	Particulars of issued capital/paid-up capital	Effective interest held by the Group				Principal activities	Name of auditor
				As at 31 December			As at 30 June		
				2023	2024	2025	2026		
Beijing Beimeituo Innovative Drug Research and Development Limited (北京貝美拓新藥研發有限公司) *(Notes (b) and (c))*	The People's Republic of China ("PRC"), 16 November 2010	Limited liability company	Chinese Yuan ("RMB") 3,000,000/ RMB3,000,000	80%	100%	100%	100%	Pharmaceutical research, development and sales	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Amgen-Betta Pharmaceuticals (Zhejiang) Co., Ltd. (貝達安進(浙江)製藥有限公司) *(Notes (b) and (c))*	PRC, 17 September 2013	Limited liability company	United States Dollar ("USD") 3,000,000/ USD3,000,000	51%	51%	51%	51%	Pharmaceutical research and development	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Betta Investment (Hong Kong) Limited (貝達投資香港有限公司)	Hong Kong, 14 October 2014	Limited liability company	USD281,085,286	100%	100%	100%	100%	Investment holding	2023-2025: TC-Professional CPA Limited
Zhejiang Betta Diagnostic Technology Limited (浙江貝達診斷技術有限公司) *(Notes (a) and (b))*	PRC, 20 January 2017	Limited liability company	RMB10,000,000/ RMB7,000,000	100%	100%	100%	100%	Research and diagnostic technology and biological detection technology	Not applicable
Anew Pharmaceuticals Co., Ltd. (卡南吉醫藥科技 (上海)有限公司) *(Notes (a) and (b))*	PRC, 1 September 2006	Limited liability company	RMB6,912,665	100%	100%	100%	100%	Pharmaceutical research development	Not applicable
Zhejiang Betta Pharmaceutical Sales Limited (浙江貝達醫藥銷售有限公司) *(Notes (a) and (b))*	PRC, 29 April 2016	Limited liability company	RMB10,000,000	100%	100%	100%	100%	Pharmaceutical wholesales and sales	Not applicable
Betta Dream Works (Hangzhou) Innovation Technology Limited (貝達夢工場(杭州)創新科技有限公司) *(Notes (a) and (b))*	PRC, 1 December 2017	Limited liability company	2023 to 2025: RMB10,000,000/ RMB1,000,000 2026: RMB10,000,000/ RMB10,000,000	100%	100%	100%	100%	House Leasing	Not applicable
Betta Dream Works Holdings Limited (貝達夢工場控股有限公司) *(Notes (a) and (b))*	PRC, 1 December 2017	Limited liability company	2023 to 2025: RMB50,000,000/ RMB35,000,000 2026: RMB50,000,000/ RMB50,000,000	100%	100%	100%	100%	Investment holding	Not applicable

Company name	Place and date of incorporation/ establishment	Type of legal entity	Particulars of issued capital/paid-up capital	Effective interest held by the Group				Principal activities	Name of auditor
				As at 31 December			As at 30 June		
				2023	2024	2025	2026		
Betta Dream Works (Zhejiang) Pharmaceutical Holdings Limited (貝達夢工場(浙江)醫藥控股有限公司) *(Notes (a), (b) and (c))*	PRC, 18 August 2020	Limited liability company	RMB50,000,000	100%	100%	100%	100%	Pharmaceutical production	2023: Not applicable; 2024-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Xcovery *(Notes (c))*	The United States, 22 September 2009	Limited liability company	USD65,739,412.6	98.44%	98.44%	98.44%	98.44%	Pharmaceutical research and development	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Xcovery Betta *(Note (a))*	The United States, 5 January 2017	Limited liability company	USD3,461,889.32	100%	100%	100%	100%	Pharmaceutical research and development	Not applicable
Equinox *(Note (a))*	The United States, 27 April 2017	Limited liability company	USD15,100,000	98.44%	98.44%	98.44%	98.44%	Pharmaceutical research and development	Not applicable
Meryx *(Note (a))*	The United States, 13 May 2013	Limited liability company	USD918.56	59.06%	59.06%	59.06%	98.44%	Pharmaceutical research and development	Not applicable
Betta Pharmaceuticals (Shengzhou) Limited (貝達藥業(嵊州)有限公司) *(Notes (b) and (c))*	PRC, 26 October 2020	Limited liability company	RMB100,000,000	100%	100%	100%	100%	Pharmaceutical production, wholesale and retail	2023-2025: BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所)
Betta Biopharmaceutical Technology (Zhejiang) Co., Ltd. (貝達生物醫藥科技(浙江)有限公司) *(Notes (a) and (b))*	PRC, 28 December 2021	Limited liability company	RMB50,000,000	100%	100%	100%	100%	Pharmaceutical research and development	Not applicable
Hangzhou Jingyao Biotechnology Co., Ltd. (杭州景曜生物科技有限責任公司) *(Notes (b))*	PRC, 17 October 2025	Limited liability company	RMB1,000,000/nil	–	–	100%	100%	Pharmaceutical research and development	Not applicable

Notes:

(a) "Not applicable" means no audited financial statements were prepared for this entity during the Track Record Period.

(b) The official names of these entities are in Chinese. The English names are for identification purposes only.

(c) The financial statements of these entities for the respective year were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC.

(b) As the total equity of the Company exceeded the total equity of the Group during the Track Record Period, the management of the Company with the assistance of independent professional valuer have performed the impairment assessments on investments in subsidiaries. The recoverable amount of investments in subsidiaries is determined from fair value less cost of disposal, which is higher than its value-in-use, in which fair value is primarily derived by income approach. A discount rate of 5.2% - 9.7% per annum, 5.2% - 9.5% per annum, 7.2% - 10.0% per annum and 7.0%-9.9% have been used for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2026 respectively. The discount rate used is pre-tax and reflect specific risks relating to the underlying investments. Based on the result of assessment, there was no impairment loss on the investments in subsidiaries during the Track Record Period. The management believe that any reasonably possible changes in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable of investments in subsidiaries.

(c) Material non-controlling interests (the "NCI")

The following table lists out the information relating to Meryx, which has NCI. The summarised financial information presented below represents the amounts before any inter- company elimination.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NCI percentage	40.94%	40.94%	40.94%	N/A
Current assets	2,929	1,828	778	N/A
Non-current assets	275,223	244,414	204,846	N/A
Current liabilities	(11,161)	(11,667)	(11,782)	N/A
Non-current liabilities	–	–	–	N/A
Net assets	266,991	234,575	193,842	N/A
Carrying amount of NCI	109,306	96,035	79,359	N/A

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	–	–	–
Loss for the year/period	(32,126)	(35,964)	(36,055)	(17,642)	(17,527)
Total comprehensive income	(32,126)	(35,964)	(36,055)	(17,642)	(17,527)
Total comprehensive income allocated to NCI	(13,153)	(14,724)	(14,761)	(7,223)	(7,176)
Cash flows generated from/(used in) operating activities	772	(1,050)	(1,256)	(310)	(422)
Cash flows (used in)/generated from financing activities	(9)	17	240	60	–

18 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January	107,767	375,210	360,542	651,159
Addition	281,430	500	312,260	–
Share of total comprehensive income of associates	(13,987)	(12,302)	(20,644)	(27,401)
Dividend received	–	–	(999)	–
Others	–	(2,866)	–	–
At 31 December/30 June	375,210	360,542	651,159	623,758

The particulars of the principal joint venture and associates of the Group during the Track Record Period, which are unlisted, are set out as follows:

Name of Company *(Note)*	Form of investments	Place of incorporation and business	Particulars of issued/paid-up capital	Proportion of ownership interest attributed to the Group				Principal activity
				As at 31 December			As at 30 June	
				2023	2024	2025	2026	
Hangzhou Weinuomibo Biotechnology Co., Ltd.* (杭州微諾邁博生物科技有限公司)	Joint venture	PRC	2024 to 2026: RMB6,000,000/ RMB500,000	–	50%	50%	50%	Research and development of medical technology
Fucheng Biopharmaceutical (Zhejiang) Co., Ltd.* (賦成生物製藥(浙江)有限公司) ("Fucheng Biopharmaceutical")	Associate	PRC	2023: RMB65,259,963.20 2024 to 2026: 67,009,963.20	21.86%	21.29%	21.29%	21.29%	Research and development of medical technology
Hangzhou Beicheng Venture Capital Partnership (Limited Partnership)*# (杭州貝橙創業投資合夥企業(有限合夥)) ("Beicheng")	Associate	PRC	2023 and 2024: RMB2,000,000,000/ RMB249,750,000 2025 and 2026: RMB2,000,000,000/ RMB499,500,000	49.95%	49.95%	49.95%	49.95%	Investing in research and development of medical technology project
Hangzhou Zhixing Pharmaceutical Co., Ltd.*(杭州知興製藥有限公司) ("Zhixing")	Associate	PRC	2025 and 2026: RMB10,000,000/ RMB2,000,000	–	–	20%	20%	Research and development of medical technology

* The official names of these entities are in Chinese. The English names are for identification purposes only.

\# In December 2022, the Group signed a cooperation agreement with other shareholders of Beicheng, in which the Group agreed to contribute RMB999,000,000 as capital on or before 31 December 2030. As at 30 June 2026, the Group contributed RMB499,500,000.

The summarised financial information of the Group's material associates extracted from its management accounts adjusted to align with the Group's accounting policies is as follows:

Fucheng Biopharmaceutical

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	61,969	64,560	53,005	98,566
Non-current assets	778,454	753,626	739,857	712,549
Current liabilities	(241,888)	(269,114)	(245,064)	(270,232)
Non-current liabilities	(91,380)	(85,094)	(133,979)	(139,487)
Net assets	507,155	463,978	413,819	401,396
Reconciled to the Group's interest in Fucheng Biopharmaceutical:				
Group's effective interest	21.86%	21.29%	21.29%	21.29%
Group's share of net assets of Fucheng Biopharmaceutical	110,864	98,781	88,102	85,457
Carrying amount in the consolidated financial statements	110,864	98,781	88,102	85,457

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	34,278	45,337	56,949	31,730	28,583
Loss for the year/period	(63,589)	(45,765)	(52,731)	(22,351)	(13,712)
Total comprehensive income	(63,589)	(45,765)	(52,731)	(22,351)	(13,712)

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reconciled to the Group's share of result:					
Group's effective interest	21.86%	21.29%	21.29%	21.29%	21.29%
Share of loss for the year/period	(11,903)	(12,083)	(10,678)	(4,484)	(2,919)
Share of total comprehensive income	(11,903)	(12,083)	(10,678)	(4,484)	(2,919)

Beicheng

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	411,891	282,009	480,685	420,002
Non-current assets	84,054	209,054	489,882	512,349
Net assets	495,945	491,063	970,567	932,351
Reconciled to the Group's interest in Beicheng:				
Group's effective interest	49.95%	49.95%	49.95%	49.95%
Group's share of net assets in Beicheng	247,725	245,286	484,798	465,709
Carrying amount in the consolidated financial statements	247,725	245,286	484,798	465,709

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	–	–	–	–	–
Loss for the year/period	(4,055)	(4,882)	(18,497)	(3,349)	(38,215)
Total comprehensive income	(4,055)	(4,882)	(18,497)	(3,349)	(38,215)
Reconciled to the Group's share of result:					
Group's effective interest	49.95%	49.95%	49.95%	49.95%	49.95%
Share of loss for the year/period	(2,025)	(2,439)	(9,239)	(1,673)	(19,088)
Share of total comprehensive income	(2,025)	(2,439)	(9,239)	(1,673)	(19,088)

19 FINANCIAL ASSETS AT FAIR VALUE

(a) Financial assets at FVOCI

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities				
Agenus Inc.	28,595	4,802	5,381	5,081
Beijing Biostar Pharmaceuticals Co., Ltd.	–	202,826	49,106	36,695
Healthgen Biotechnology Co.,Ltd.	–	–	1,382,918	1,020,530
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	–	–	92,810	159,730
	28,595	207,628	1,530,215	1,222,036

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity securities				
Hangzhou DAC Biotech Co., Ltd.	56,551	56,551	56,550	56,580
Healthgen Biotechnology Co.,Ltd.	385,000	385,000	–	–
Zhejiang CentryMed Pharmaceutical Co., Ltd.	133,102	133,102	144,030	142,600
Beijing Mabworks Biotech Co. Ltd.	150,000	150,000	176,980	187,340
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	75,313	87,843	–	–
Beijing Biostar Pharmaceuticals Co., Ltd.	142,622	–	–	–
Others	35,414	55,943	23,755	23,736
	978,002	868,439	401,315	410,256
	1,006,597	1,076,067	1,931,530	1,632,292

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities				
Beijing Biostar Pharmaceuticals Co., Ltd.	–	202,826	49,106	36,695
Healthgen Biotechnology Co.,Ltd.	–	–	1,382,918	1,020,530
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	–	–	92,810	159,730
	–	202,826	1,524,834	1,216,955
Unlisted equity securities				
Hangzhou DAC Biotech Co., Ltd.	56,551	56,551	56,550	56,580
Healthgen Biotechnology Co.,Ltd.	385,000	385,000	–	–
Beijing Mabworks Biotech Co. Ltd.	150,000	150,000	176,980	187,340
Hanx Biopharmaceuticals (Wuhan) Co., Ltd.	75,313	87,843	–	–
Beijing Biostar Pharmaceuticals Co., Ltd.	142,622	–	–	–
Others	35,414	55,943	23,755	23,736
	844,900	735,337	257,285	267,656
	844,900	938,163	1,782,119	1,484,611

The listed equity securities at FVOCI (non-recycling) represent investments in listed equity securities issued by a company incorporated in the United States listed in the United States, two PRC companies listed in Hong Kong and a PRC companies listed in PRC. The unlisted equity securities at FVOCI (non-recycling) represent investments in unlisted equity interest in private entities incorporated in the PRC and an unlisted company incorporated in the United States. These investments are mainly engaged in research and development of innovative pharmaceutical products. The Group designated these investments at FVOCI (non-recycling), as the investments are held for strategic purposes. No dividends were received from these investments during the Track Record Period.

(b) Financial assets at FVPL

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed equity securities	540	126,439	65,999	567

The analysis on the fair value measurement of the above financial assets is disclosed in Note 35(f).

20 INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	27,119	27,553	44,946	44,085
Semi-finished goods	145,254	90,010	116,657	99,296
Work in progress	1,426	35,414	8,459	22,407
Finished goods	153,703	137,108	211,094	185,919
	327,502	290,085	381,156	351,707

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	27,119	27,489	38,372	39,628
Semi-finished goods	145,254	90,010	116,657	99,296
Work in progress	1,426	35,414	8,459	15,950
Finished goods	153,703	137,108	136,289	151,360
	327,502	290,021	299,777	306,234

21 TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	293,274	99,036	351,630	629,685
Less: loss allowance	(6,864)	(570)	(370)	(4,801)
	286,410	98,466	351,260	624,884

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	288,870	96,296	329,681	574,894
Amounts due from subsidiaries *(Note 34)*	17,441	–	2,049	8,702
Less: loss allowance	(6,644)	(459)	(9)	(4,281)
	299,667	95,837	331,721	579,315

All trade receivables are expected to be recovered within 30 to 60 days.

Aging analysis

As of the end of the reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	156,001	87,782	346,950	538,731
Over 3 months but within 12 months	130,401	10,585	2,400	83,018
Over a year	8	99	1,910	3,135
	286,410	98,466	351,260	624,884

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	168,077	87,148	331,721	498,157
Over 3 months but within 12 months	131,582	8,682	–	81,158
Over a year	8	7	–	–
	299,667	95,837	331,721	579,315

Trade receivables are due within 30 to 60 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 35(a).

22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Prepayments for raw materials and expenses	16,437	45,315	17,425	16,141
Value added tax recoverable	140,187	188,746	228,652	231,626
Prepayment for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Contract fulfillment cost	–	–	–	11,646
Other deposits and receivables	8,443	9,222	84,909	25,391
	165,067	243,283	354,711	314,515
Less: loss allowance	(5,635)	(5,625)	(5,280)	(5,318)
	159,432	237,658	349,431	309,197
Non-current				
Prepayments for property, plant and equipment	16,518	10,649	117,367	77,057

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Prepayments for raw materials and expenses	14,307	43,270	12,580	7,070
Prepayment for [**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Amounts due from subsidiaries *(Note 34)*	1,118,954	1,765,081	2,530,660	2,849,562
Contract fulfillment cost	–	–	–	11,646
Other deposits and receivables	2,737	1,928	43,002	2,013
	1,135,998	1,810,279	2,609,967	2,900,002
Less: loss allowance	(563)	(491)	(430)	(481)
	1,135,435	1,809,788	2,609,537	2,899,521
Non-current				
Prepayments for property, plant and equipment	73	9,344	117,367	77,057

Except for prepayment for property, plant and equipment, all other current balances of the prepayments and other deposits and receivables are expected to be recovered or recognised as expenses within one year.

Amounts due from subsidiaries were unsecured, interest-free and repayable on demand.

Included in prepayments, deposits and other receivables, amounts of RMB500,000, RMB1,488,000 and RMB3,963,000 are due from related parties of the Group as at 31 December 2024 and 2025 and 30 June 2026, respectively.

23 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	2	2	2	2
Cash at bank	751,995	471,681	429,979	455,185
	751,997	471,683	429,981	455,187

The Company

	As at 31 December			As at30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash on hand	2	2	2	2
Cash at bank	511,344	349,328	245,435	173,454
	511,346	349,330	245,437	173,456

At the end of each reporting period, cash and bank balances of the Group comprised of bank balances and cash held. Bank balances carried interest at prevailing market rates ranging from 0.05% to 1.90%, 0.05% to 4.31%, 0.05% to 0.45% and 0.05% to 0.45% per annum as at December 31, 2023, 2024 and 2025 and 30 June 2026, respectively.

(b) Reconciliation of profit before income tax to cash generated from operations

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit before income tax	322,074	394,160	414,363	187,816	368,316
Adjustments for:					
Depreciation for investment properties	1,996	2,439	2,438	1,219	1,219
Depreciation for property, plant and equipment	101,235	118,044	190,836	95,320	87,846
Amortisation of intangible assets	200,256	251,484	357,489	174,565	191,039
Interest expense	44,057	45,490	76,138	38,894	36,473
Share of the results of investments accounted for using equity method	13,987	12,302	20,644	6,505	27,401
Loss/(gain) on disposal of or written off of investment property and property, plant and equipment, net	1,078	1,181	(370)	(69)	349
Net unrealised loss/(gain) on financial assets at FVPL	313	26,305	58,683	76,016	(9)
Net unrealised loss on financial liabilities at FVPL	10,898	–	–	–	–
Net realised loss/(gain) on financial assets at FVPL	–	2,362	–	–	(72,679)
Equity settled share-based payment expenses	(16,464)	(57,133)	41,746	20,255	4,958
Expected credit loss/(reversal of expected credit loss) on trade receivables	5,427	(6,294)	(200)	(396)	4,431
Expected credit loss/(reversal of expected credit loss on deposits and other receivables	3,373	(10)	(345)	(2,251)	52
Impairment losses on intangible assets	–	27,460	–	–	–
Impairment losses on goodwill	–	–	–	–	29,933
Dividend income	(630)	–	–	–	–
Interest income	(10,235)	(6,782)	(4,294)	(3,063)	(1,010)
Foreign exchange (gain)/loss, net	(6,722)	(4,137)	12,624	2,251	17,528

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Operating profit before changes in working capital	670,643	806,871	1,169,752	597,062	695,847
Decrease/(increase) in inventories	44,671	37,417	(91,594)	(35,870)	28,493
Decrease/(increase) in trade receivables	158,788	194,238	(252,594)	(74,536)	(278,055)
Decrease/(increase) in prepayments, deposits and other receivables	6,052	(61,090)	(132,372)	(31,469)	121,222
(Decrease)/increase in trade payables	(25,177)	13,344	39,621	10,053	67,911
Increase/(decrease) in other payables and accruals	17,266	(92,965)	200,836	(7,625)	(105,720)
Increase/(decrease) in deferred income	31,938	6,287	75,229	45,947	(8,256)
Cash generated from operations	904,181	904,102	1,008,878	503,562	521,442

(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 consolidated statements of cash flows as cash flows from financing activities.

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2023	1,036,030	11,459	1,047,489
Changes from financing cash flows:			
Proceeds from new borrowings raised	1,890,000	–	1,890,000
Repayment of borrowings	(511,010)	–	(511,010)
Capital element of lease rentals paid	–	(4,246)	(4,246)
Interest element of lease rentals paid	–	(565)	(565)
Interest paid	(81,060)	–	(81,060)
Total changes from financing cash flows	1,297,930	(4,811)	1,293,119
Other changes:			
Effects on new leases and lease modification during the year	–	5,573	5,573
Finance costs *(Note 6(a))*	43,492	565	44,057
Other changes arising from interest capitalisation and accrued interests	37,568	–	37,568
Total other changes	81,060	6,138	87,189
At 31 December 2023	2,415,020	12,786	2,427,806

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2024	2,415,020	12,786	2,427,806
Changes from financing cash flows:			
Proceeds from new borrowings raised	644,750	–	644,750
Repayment of borrowings	(668,293)	–	(668,293)
Capital element of lease rentals paid	–	(4,323)	(4,323)
Interest element of lease rentals paid	–	(314)	(314)
Interest paid	(80,911)	–	(80,911)
Total changes from financing cash flows	(104,454)	(4,637)	(109,091)
Other changes:			
Finance costs *(Note 6(a))*	45,176	314	45,490
Effects on new leases and lease modification during the year	–	(3,817)	(3,817)
Other changes arising from interest capitalisation and accrued interests	33,777	–	33,777
Total other changes	78,953	(3,503)	75,450
At 31 December 2024	2,389,519	4,646	2,394,165

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2025	2,389,519	4,646	2,394,165
Changes from financing cash flows:			
Proceeds from new borrowings raised	917,780	–	917,780
Repayment of borrowings	(851,909)	–	(851,909)
Capital element of lease rentals paid	–	(2,243)	(2,243)
Interest element of lease rentals paid	–	(286)	(286)
Interest paid	(73,358)	–	(73,358)
Total changes from financing cash flows	(7,487)	(2,529)	(10,016)
Other changes:			
Effect on new leases and lease modification during the year	–	3,129	3,129
Finance costs *(Note 6(a))*	75,852	286	76,138
Other changes arising from accrued interests	(2,771)	–	(2,771)
Total other changes	73,081	3,415	76,496
At 31 December 2025 and 1 January 2026	2,455,113	5,532	2,460,645
Changes from financing cash flows:			
Proceeds from new borrowings raised	617,037	–	617,037
Repayment of borrowings	(606,988)	–	(606,988)
Capital element of lease rentals paid	–	(1,664)	(1,664)
Interest element of lease rentals paid	–	(128)	(128)
Interest paid	(35,021)	–	(35,021)
Total changes from financing cash flows	(24,972)	(1,792)	(26,764)
Other changes:			
Effect on new leases and lease modification during the period	–	462	462
Finance costs *(Note 6(a))*	36,345	128	36,473
Other changes arising from accrued interests	(1,361)	(92)	(1,453)
Total other changes	34,984	498	35,482
At 30 June 2026	2,465,125	4,238	2,469,363

	Interest-bearing borrowings	Lease liabilities	Total
	RMB'000 (Note 24)	*RMB'000 (Note 25)*	*RMB'000*
At 1 January 2025	2,389,519	4,646	2,394,165
Changes from financing cash flows:			
Proceeds from new borrowings raised	580,000	–	580,000
Repayment of borrowings	(547,285)	–	(547,285)
Capital element of lease rentals paid	–	(1,085)	(1,085)
Interest element of lease rentals paid	–	(125)	(125)
Interest paid	(37,959)	–	(37,959)
Total changes from financing cash flows	(5,244)	(1,210)	(6,454)
Other changes:			
Effect on new leases and lease modification during the period	–	3,181	3,181
Finance costs *(Note 6(a))*	38,769	125	38,894
Other changes arising from accrued interests	(810)	–	(810)
Total other changes	37,959	3,306	41,265
At 30 June 2025	2,422,234	6,742	2,428,976

24 INTEREST-BEARING BORROWINGS

The maturity profile for the interest-bearing borrowings of the Group and the Company at the end of each reporting period is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unsecured short-term bank borrowings	300,000	100,000	5,000	2,500
Unsecured current portion of long-term bank borrowings	299,020	588,000	672,440	929,990
Secured current portion of long-term bank borrowings	–	50,000	150,000	200,000
Secured current portion of long-term other borrowings	–	30,931	43,983	45,339
Within 1 year or on demand	599,020	768,931	871,423	1,177,829
Unsecured long-term bank borrowings:				
– After 1 year but within 2 years	538,010	651,500	732,460	459,080
– After 2 years but within 5 years	671,490	250,000	256,260	390,520
– More than 5 years	–	–	35,000	–
Secured long-term bank borrowings:				
– After 1 year but within 2 years	50,000	150,000	300,000	400,000
– After 2 years but within 5 years	556,500	500,000	200,000	–
Secured long-term other borrowings:				
– After 1 year but within 2 years	–	32,988	47,507	31,010
– After 2 years but within 5 years	–	36,100	12,463	6,686
	1,816,000	1,620,588	1,583,690	1,287,296
	2,415,020	2,389,519	2,455,113	2,465,125

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unsecured short-term bank borrowings	300,000	100,000	5,000	2,500
Unsecured current portion of long-term bank borrowings	282,020	527,000	571,160	826,350
Secured current portion of long-term other borrowings	–	30,931	43,983	45,339
Within 1 year or on demand	582,020	657,931	620,143	874,189
Unsecured long-term bank borrowings:				
– After 1 year but within 2 years	477,010	479,970	627,100	350,000
– After 2 years but within 5 years	299,960	–	49,700	163,000
Secured long-term other borrowings:				
– After 1 year but within 2 years	–	32,988	47,507	31,010
– After 2 years but within 5 years	–	36,100	12,463	6,686
	776,970	549,058	736,770	550,696
	1,358,990	1,206,989	1,356,913	1,424,885

Certain of the Group's interest-bearing borrowings are secured by the Group's property, plant and equipment. Please refer to note 13 for the details.

At the end of each reporting period, the weighted average interest rate of the Group's interest bearing borrowings were 3.48%, 3.48%, 2.81% and 2.72% per annum as at December 31, 2023, 2024 and 2025 and 30 June 2026, respectively.

25 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group and the Company's lease liabilities at the end of each reporting periods:

The Group

	At 31 December						As at 30 June	
	2023		2024		2025		2026	
	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	4,603	5,238	2,103	2,273	2,663	2,888	2,206	2,370
After 1 year but within 2 years	3,494	3,862	1,551	2,401	1,839	1,951	1,743	1,809
After 2 years but within 5 years	4,689	4,903	992	1,646	1,030	1,053	289	291
After 5 years	–	–	–	150	–	–	–	–
	12,786	14,003	4,646	6,470	5,532	5,892	4,238	4,470
Less: total future interest expenses		(1,217)		(1,824)		(360)		(232)
Present value of lease liabilities		12,786		4,646		5,532		4,238

The Company

	As at 31 December						As at 30 June	
	2023		2024		2025		2026	
	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments	Present value of the future lease payments	Total future lease payments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	3,910	4,327	2,103	2,273	1,670	1,744	1,198	1,245
After 1 year but within 2 years	2,332	2,603	1,551	2,401	750	773	638	650
After 2 years but within 5 years	3,315	3,591	992	1,646	148	150	–	–
After 5 years	–	–	–	150	–	–	–	–
	9,557	10,521	4,646	6,470	2,568	2,667	1,836	1,895
Less: total future interest expenses		(964)		(1,824)		(99)		(59)
Present value of lease liabilities		9,557		4,646		2,568		1,836

26 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Development project entitlement payable *(Note (a))*	10,000	10,000	10,000	10,000

Notes:

(a) In the prior year, the Company entered into several agreements with its former chief chemistry officer (the "CCO") in respect of the entitlements to potential development and commercialisation results on two pharmaceutical R&D projects. The Company is obliged to honor such entitlements irrespective of whether the CCO remains in office.

Pursuant to the agreements, the CCO is entitled to an amount determined with reference to a proportion (capped at 10%) of the respective fair value of the projects. The liability of the Company in this regard is estimated to be RMB10 million at initial recognition. The subsequent fair value estimate of the liability is mainly based on the expectations of discounted future cash flows of the projects applied by the percentage of entitlements granted to the CCO.

During the Track Record Period, these projects have remained stable at an early stage of commencing with or carrying out the Phase I clinical trials. The Company has not made any significant progress of the underlying developments, and therefore it does not trigger a material change to the fair value of the projects or the percentage of entitlements. Consequently, the directors of the Company consider that there is no fair value change during the Track Record Period.

27 TRADE PAYABLES

As of the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	10,674	24,018	63,597	111,157
3 to 12 months	–	–	42	20,393
	10,674	24,018	63,639	131,550

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	10,674	23,722	17,937	111,343

28 OTHER PAYABLES AND ACCRUALS

The Group

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	*(i)*	316,589	199,530	289,251	290,289
Contract liabilities	*(ii)*	4,035	1,601	1,578	373
Deposits and security deposits		3,828	3,284	3,329	3,367
Payables for property, plant and equipment		675,629	637,315	331,966	215,381
Payables for staff costs		149,451	151,708	163,402	115,606
Interests payable		2,500	1,928	1,752	1,522
Other tax payables		15,038	28,531	66,656	63,816
[**REDACTED**] payable		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other payables		11,724	14,750	58,512	11,268
		1,178,794	1,038,647	922,319	707,858

The Company

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued expenses	*(i)*	295,105	156,831	224,114	215,127
Contract liabilities	*(ii)*	4,035	1,601	1,561	270
Deposit and security deposits		897	1,456	381	581
Payables for property, plant and equipment		225,374	187,304	102,900	105,337
Payables for staff costs		140,681	137,358	153,759	109,954
Interests payable		1,254	949	867	800
Other tax payables		11,966	23,949	43,214	49,390
[**REDACTED**] payable		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Amounts due to subsidiaries *(Note 34)*		43,509	34,000	34,000	63,000
Other payables		10,633	13,571	9,500	8,525
		733,454	557,019	576,169	559,220

All of the other payables and accruals are expected to be settled within one year or repayable on demand.

Included in other payable and accruals, amounts of RMB24,136,000, RMB360,000 and RMB6,150,000 are due from related parties of the Group as at 31 December 2023 and 2025 and 30 June 2026, respectively.

Notes:

(i) Accrued expenses represent rebates to customers, marketing and promotion expenses and other expenses.

(ii) Contract liabilities represent customers' advances received for goods that have not yet been transferred to the customers.

29 INCOME TAX IN THE STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the statements of financial position represents:

The Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At the beginning of the year/period	44	66	4,260	4,260	47,236
Income tax expense for the year/period *(note 7)*	209	3,797	144,377	65,394	88,225
Tax (paid)/refund	(187)	397	(101,401)	(61,343)	(109,706)
At the end of the year/period	66	4,260	47,236	8,311	25,755

The Company

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At the beginning of the year/period	–	–	3,162	3,162	46,056
Income tax expense for the year/period	–	3,162	129,883	65,246	83,899
Tax paid	–	–	(86,989)	(61,197)	(106,607)
At the end of the year/period	–	3,162	46,056	7,211	23,348

(b) Deferred tax assets and liabilities recognised represents:

(i) Movements of each component of deferred tax assets and liabilities

The deferred tax assets/(liabilities) recognised in the Group's and the Company's statement of financial position and the movements throughout the Track Record Period are as follows:

The Group

	Deferred income (Government grants)	Long-term equity investment	Intragroup unrealised profit	Equity settled share-based payment expenses	Tax losses	Financial assets at FVTOCI	Depreciation of property, plant and equipment	Fair value adjustment arising from business combination	Other temporary differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	22,293	23,840	–	4,850	30,757	(22,372)	(19,588)	(19,578)	(5,809)	14,393
Recognised in profit or loss	(2,006)	1,285	–	(512)	(4,686)	–	830	5,493	11,346	11,750
Recognised in other comprehensive income	–	–	–	–	–	(10,147)	–	–	–	(10,147)
Recognised in capital reserve	–	–	–	42	–	–	–	–	–	42
Exchange adjustment	–	–	–	–	–	–	–	(301)	–	(301)
At 31 December 2023 and 1 January 2024	20,287	25,125	–	4,380	26,071	(32,519)	(18,758)	(14,386)	5,537	15,737
Recognised in profit or loss	(1,249)	–	17,926	4,469	(26,071)	–	1,120	4,233	(3,810)	(3,382)
Recognised in other comprehensive income	–	–	–	–	–	(10,990)	–	–	–	(10,990)
Recognised in capital reserve	–	–	–	1,883	–	–	–	–	–	1,883
Exchange adjustment	–	–	–	–	–	–	–	(4)	–	(4)
At 31 December 2024 and 1 January 2025	19,038	25,125	17,926	10,732	–	(43,509)	(17,638)	(10,157)	1,727	3,244
Recognised in profit or loss	4,556	–	(427)	(3,983)	–	–	6,419	3,957	5,701	16,223
Recognised in other comprehensive income	–	–	–	–	–	(126,594)	–	–	–	(126,594)
Recognised in capital reserve	–	–	–	(1,932)	–	–	–	–	–	(1,932)
Exchange adjustment	–	–	–	–	–	–	–	282	–	282

	Deferred income (Government grants)	Long-term equity investment	Intragroup unrealised profit	Equity settled share-based payment expenses	Tax losses	Financial assets at FVTOCI	Depreciation of property, plant and equipment	Fair value adjustment arising from business combination	Other temporary differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025 and 1 January 2026	23,594	25,125	17,499	4,817	–	(170,103)	(11,219)	(5,918)	7,428	(108,777)
Recognised in profit or loss	(1,555)	–	(214)	7,011	–	–	1,995	2,052	3,311	12,600
Recognised in other comprehensive income	–	–	–	–	–	44,626	–	–	–	44,626
Recognised in capital reserve	–	–	–	10,056	–	–	–	–	–	10,056
Exchange adjustment	–	–	–	–	–	–	–	157	–	157
At 30 June 2026	22,039	25,125	17,285	21,884	–	(125,477)	(9,224)	(3,709)	10,739	(41,338)

The Company

	Deferred income (Government grants)	Equity settled share-based payment expenses	Tax losses	Financial assets at FVTOCI	Depreciation of property, plant and equipment	Other temporary differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	8,847	4,850	30,757	(22,372)	(19,588)	(5,458)	(2,964)
Recognised in profit or loss	(2,511)	(512)	(4,686)	–	830	11,109	4,230
Recognised in other comprehensive income	–	–	–	(10,147)	–	–	(10,147)
Recognised in capital reserve	–	42	–	–	–	–	42
At 31 December 2023 and 1 January 2024	6,336	4,380	26,071	(32,519)	(18,758)	5,651	(8,839)
Recognised in profit or loss	(955)	4,469	(26,071)	–	1,120	(3,778)	(25,215)
Recognised in other comprehensive income	–	–	–	(10,990)	–	–	(10,990)
Recognised in capital reserve	–	1,883	–	–	–	–	1,883
At 31 December 2024 and 1 January 2025	5,381	10,732	–	(43,509)	(17,638)	1,873	(43,161)
Recognised in profit or loss	4,526	(3,983)	–	–	6,419	2,624	9,586
Recognised in other comprehensive income	–	–	–	(126,594)	–	–	(126,594)
Recognised in capital reserve	–	(1,932)	–	–	–	–	(1,932)
At 31 December 2025 and 1 January 2026	9,907	4,817	–	(170,103)	(11,219)	4,497	(162,101)
Recognised in profit or loss	(765)	7,011	–	–	1,995	2,312	10,553
Recognised in other comprehensive income	–	–	–	44,626	–	–	44,626
Recognised in capital reserve	–	10,056	–	–	–	–	10,056
At 30 June 2026	9,142	21,884	–	(125,477)	(9,224)	6,809	(96,866)

(ii) Reconciliations to the Group's and the Company's statements of financial position

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	39,129	56,732	59,128	58,925
Net deferred tax liabilities recognised in the consolidated statements of financial position	(23,392)	(53,488)	(167,905)	(100,263)
	15,737	3,244	(108,777)	(41,338)

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax liabilities recognised in the statements of financial position of the Company	(8,839)	(43,161)	(162,101)	(96,866)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2.3(l), the Group did not recognise deferred tax assets in respect of cumulative tax losses of RMB931,369,000, RMB1,054,720,000, RMB1,488,418,000 and RMB1,569,904,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Those tax loss will expire within 5 years starting from each of reporting date. It was not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entities.

30 DEFERRED INCOME

As at 31 December 2023, 2024 and 2025 and 30 June 2026, deferred income of the Group and deferred income of the Company represented unamortised government grants for encouragement of technology research and development and production.

31 EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company currently has two Class II Restricted Share Schemes — 2021 Class II Restricted Share Scheme and 2023 Class II Restricted Share Scheme, both of them include option features and are therefore in effect, share option scheme. The details of those share option schemes are as follows:

2021 Class II Restricted Share Scheme

On 22 September 2021, a share incentive scheme ("2021 Class II Restricted Share Scheme") was approved at the Company's second extraordinary general meeting of 2021 with 15,550,000 Class II Restricted Shares, in which 12,747,900 is the first batch and 2,802,100 is the reserve batch, to be granted to the eligible directors and employees (the "Participants").

On 27 September 2021, the board of directors approved 2021 Class II Restricted Share Scheme and adjusted the number of Class II Restricted Shares to 15,530,000, in which 12,727,900 is the first batch and 2,802,100 is the reserve batch, to be granted to the "Participants.

The first batch of 2021 Class II Restricted Shares shall be vested in five exercise periods within 5 years after the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2021 Class II Restricted Share is RMB41.09. The vesting schedule for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date	10%
Second exercise period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	25%
Third exercise period	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	25%
Fourth exercise period	From the first trading day after 48 months from the grant date to the last trading day within 60 months from the grant date	20%
Fifth exercise period	From the first trading day after 60 months from the grant date to the last trading day within 72 months from the grant date	20%

On 27 September 2021, the first batch of 2021 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	3,200,000
Other eligible employee	9,527,900
	12,727,900

The reserve batch of 2021 Class II Restricted Shares shall be vested in four exercise periods within 4 years after twelve months from the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2021 Class II Restricted Share is RMB41.09. The vesting schedule for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date	25%

Exercise period	Vesting period	Percentage of exercisable
Second exercise period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	25%
Third exercise period	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	25%
Fourth exercise period	From the first trading day after 48 months from the grant date to the last trading day within 60 months from the grant date	25%

On 19 September 2022, the reserve batch of 2021 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	20,000
Other eligible employee	2,782,100
	2,802,100

Vesting of the share options in relation to 2021 Class II Restricted Share Scheme is conditional upon the operating performance of the Group and the service conditions of the Participants. There was no market conditions associated with the share options.

2023 Class II Restricted Share Scheme

On 5 December 2023, a share incentive scheme ("2023 Class II Restricted Share Scheme") was approved at the Company's first extraordinary general meeting of 2023 with 13,325,490 Class II Restricted Shares, in which 11,105,490 is the first batch and 2,220,000 is the reserve batch, to be granted to the eligible directors and employees (the "Participants").

On 26 December 2023, the board of directors approved 2023 Class II Restricted Share Scheme and adjusted the number of Class II Restricted Shares to 13,299,490, in which 11,079,490 is the first batch and 2,220,000 is the reserve batch, to be granted to the "Participants.

The first batch of 2023 Class II Restricted Shares shall be vested in three exercise periods within 3 years after the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2023 Class II Restricted Share is RMB41.17. The vesting schedule for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date	33%
Second exercise period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	33%
Third exercise period	From the first trading day after 36 months from the grant date to the last trading day within 48 months from the grant date	34%

On 26 December 2023, the first batch of 2023 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	2,117,500
Other eligible employee	8,961,990
	11,079,490

On 4 December 2024, the board of directors approved the reserve batch of 2023 Class II Restricted Share Scheme and adjusted the number of the reserve batch of 2023 Class II Restricted Shares to 1,689,800, to be granted to the "Participants.

The reserve batch of 2023 Class II Restricted Shares shall be vested in four exercise periods within 4 years after twelve months from the grant date, and whether the performance appraisal target is achieved by the Participants. The grant price of each 2023 Class II Restricted Share is RMB41.00. The vesting schedule for each phase is shown in the following table:

Exercise period	Vesting period	Percentage of exercisable
First exercise period	From the first trading day after 12 months from the grant date to the last trading day within 24 months from the grant date	50%
Second exercise period	From the first trading day after 24 months from the grant date to the last trading day within 36 months from the grant date	50%

On 4 December 2024, the reserve batch of 2023 Class II Restricted Shares were granted to the following participants as shown in the following table:

The Participants	Number of Class II Restricted Shares
Directors	300,000
Other eligible employee	1,389,800
	1,689,800

Vesting of the share options in relation to 2023 Class II Restricted Share Scheme is conditional upon the operating performance of the Group and the service conditions of the Participants. There was no market conditions associated with the share options.

On 7 July 2026, the exercise prices of 2023 Class II Restricted Share was changed from RMB41.00 to RMB40.65.

(a) The number and weighted average exercise prices of share options are as follows:

	At 31 December						Six months ended 30 June	
	2023		2024		2025		2026	
	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*		
Outstanding at the beginning of the year/period	41.16	11,098	41.19	16,748	41.24	10,992	41.37	7,270
Exercised during the year/period	41.09	(1,019)	–	–	41.00	(2,248)	–	–
Forfeited during the year/period	41.09	(4,410)	41.07	(7,446)	41.00	(1,474)	41.00	(392)
Granted during the year/period	41.17	11,079	41.00	1,690	–	–	–	–
Outstanding at the end of the year/period	41.19	16,748	41.24	10,992	41.37	7,270	41.39	6,878

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the average remaining contractual life of the options granted under the share option scheme of the Company was 2.81 years, 1.84 years, 0.95 years and 0.45 years.

(b) Fair value of share options granted

The grant-date fair value of the share options granted is measured based on Black-Scholes-Merton model.

	2021 Class II Restricted Shares – First Batch	2021 Class II Restricted Shares – Reserve Batch	2023 Class II Restricted Shares – First Batch	2023 Class II Restricted Shares – Reserve Batch
Fair value at measurement date	RMB33.09-RMB58.95	RMB4.86-RMB10.99	RMB3.91-RMB15.33	RMB8.01-RMB18.15
Market price of Company's share	RMB94.4	RMB42	RMB51.61	RMB55.46
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes- Merton model)	25.28%-31.74%	25.61%-28.97%	16.55%-22.41%	29.85%-38.97%
Expected dividends	0%	0.57%	0.14%-0.35%	0.29%-0.45%
Risk-free interest rate	1.5%-2.75%	1.5%-2.75%	1.5%-2.75%	1.5%-2.1%
Option life (expressed as weighted average life used in the modeling under Black-Scholes-Merton model)	1 year to 5 years	1 year to 4 years	1 year to 3 years	1 year to 2 years

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

32 CAPITAL, RESERVES AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company's each component of equity between the beginning and the end of each reporting period are set out below:

The Company

	Notes	Share capital	Capital reserve	PRC statutory reserve	Fair value reserve (non-recycling)	Retained profits	Total
		32(c) RMB'000	*32(d)(i) RMB'000*	*32(d)(ii) RMB'000*	*32(d)(iv) RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2023		417,467	2,162,121	209,437	126,866	2,705,982	5,621,873
Profit for the year		–	–	–	–	490,752	490,752
Other comprehensive income		–	–	–	57,503	–	57,503
Total comprehensive income		–	–	–	57,503	490,752	548,255
Share issued upon exercise of share option	*32(c)*	1,019	40,774	–	–	–	41,793
Dividends declared and paid	*32(b)*	–	–	–	–	(29,223)	(29,223)
Equity-settled shares-based transaction		–	(16,486)	–	–	–	(16,486)
Tax effect arising from equity-settled share-based payment		–	42	–	–	–	42
Others		–	–	–	–	3,253	3,253
Balance at 31 December 2023 and 1 January 2024		418,486	2,186,451	209,437	184,369	3,170,764	6,169,507
Profit for the year		–	–	–	–	552,321	552,321
Other comprehensive income		–	–	–	62,274	–	62,274
Total comprehensive income		–	–	–	62,274	552,321	614,595
Dividends declared and paid	*32(b)*	–	–	–	–	(71,143)	(71,143)
Equity-settled shares-based transaction		–	(57,133)	–	–	–	(57,133)
Tax effect arising from equity-settled share-based payment		–	1,883	–	–	–	1,883
Others		–	(2,866)	–	–	–	(2,866)
Balance at 31 December 2024		418,486	2,128,335	209,437	246,643	3,651,942	6,654,843

	Notes	Share capital	Capital reserve	PRC statutory reserve	Fair value reserve (non-recycling)	Retained profits	Total
		32(c) RMB'000	*32(d)(i) RMB'000*	*32(d)(ii) RMB'000*	*32(d)(iv) RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2025		418,486	2,128,335	209,437	246,643	3,651,942	6,654,843
Profit for the year		–	–	–	–	851,248	851,248
Other comprehensive income		–	–	–	717,362	–	717,362
Total comprehensive income		–	–	–	717,362	851,248	1,568,610
Transfer to PRC statutory reserve		–	–	930	–	(930)	–
Share issued upon exercise of share option	*32(c)*	2,248	89,918	–	–	–	92,166
Dividends declared and paid	*32(b)*	–	–	–	–	(83,697)	(83,697)
Equity-settled shares-based transaction		–	41,746	–	–	–	41,746
Tax effect arising from equity-settled share-based payment		–	(1,932)	–	–	–	(1,932)
Balance at 31 December 2025 and 1 January 2026		420,734	2,258,067	210,367	964,005	4,418,563	8,271,736
Profit for the period		–	–	–	–	521,533	521,533
Other comprehensive income		–	–	–	(252,882)	–	(252,882)
Total comprehensive income		–	–	–	(252,882)	521,533	268,651
Dividends declared and paid	*32(b)*	–	–	–	–	(63,110)	(63,110)
Equity-settled shares-based transaction		–	4,958	–	–	–	4,958
Tax effect arising from equitysettled share-based payment		–	10,056	–	–	–	10,056
Balance at 30 June 2026		420,734	2,273,081	210,367	711,123	4,876,986	8,492,291

(b) Dividends

Dividends declared and paid to the equity shareholders of the Company during the Track Record Period are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Final dividends in respect of the previous years, declared and paid during the year/period (RMB'000)	29,223	71,143	83,697	83,697	63,110
Dividend per ten ordinary shares (RMB)	0.7	1.7	1.99	1.99	1.50

(c) Share capital

	Notes	Number of shares	
		'000	*RMB'000*
Ordinary shares, registered, issued and fully paid:			
At 1 January 2023		417,467	417,467
Shares issued upon exercise of share option	*(a)*	1,019	1,019
At 31 December 2023, 1 January 2024, 31 December 2024 and 1 January 2025		418,486	418,486
Shares issued upon exercise of share option	*(b)*	2,248	2,248
At 31 December 2025, 1 January 2026 and 30 June 2026		420,734	420,734

Notes:

(a) During the year ended 31 December 2023, share options were exercised to subscribe for 1,018,840 ordinary shares of the Company at a consideration of RMB41,793,000. An amount of RMB1,019,000 was credited to share capital and an excess amount of RMB40,774,000 was credited to capital reserve.

(b) During the year ended 31 December 2025, share options were exercised to subscribe for 2,247,958 ordinary shares of the Company at a consideration of RMB92,166,000. An amount of RMB2,248,000 was credited to share capital and an excess amount of RMB89,918,000 was credited to capital reserve.

(d) Nature and purpose of reserves and nature of other movements

(i) Capital reserve

Capital reserve primarily comprises the following:

– capital premium of share issued;

– the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2.3(n)(ii).

(ii) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

In accordance with the PRC Company Law, the Company and its subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory reserves until the reserves reach 50% of their respective registered capital. For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(iii) 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 2.3(r).

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 2.3(j)(i)).

(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 security assets 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.

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including interest-bearing borrowings and lease liabilities) less cash and cash equivalents. Total equity is calculated as equity as shown in the consolidated statements of financial position.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	2,415,020	2,389,519	2,455,113	2,465,125
Lease liabilities	12,786	4,646	5,532	4,238
Less: Cash and cash equivalents	(751,997)	(471,683)	(429,981)	(455,187)
Net debt	1,675,809	1,922,482	2,030,664	2,014,176
Total equity	5,351,474	5,666,110	6,667,683	6,636,641
Net debt to equity ratio	0.31	0.34	0.30	0.30

33 CAPITAL COMMITMENTS

Save as disclosed elsewhere, capital commitments outstanding at the end of each reporting period not provided for in the consolidated financial statements were as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted for:				
Acquisition of machinery and equipment	8,149	1,650	–	–
Construction of plant and buildings	652,055	257,191	211,468	112,069
Acquisition of patents and exclusive licenses	205,000	180,000	100,000	100,000
	865,204	438,841	311,468	212,069

34 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 certain of the highest paid employees as disclosed in Note 8, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Short-term employee benefits	19,848	18,311	19,055	11,091	8,420
Retirement scheme contributions	1,184	1,330	1,348	668	536
Equity-settled share-based payment expenses	547	9,417	9,219	4,727	1,930
	21,579	29,058	29,622	16,486	10,886

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Names and relationships of the related parties that had other material transactions with the Group during the Track Record Period:

Name of related party	Relationship
Dr. Ding Lieming	Director of the Group
Hangzhou Astrocyte Technology Co., Ltd.	Controlled by Dr. Ding Lieming
Zheiang Beilaite Agricultural Development Co, Ltd.	Controlled by Dr. Ding Lieming
Zheiang Beilaite Cultural Planning Co, Ltd.	Controlled by Dr. Ding Lieming
Zhejiang Beilait Property Management Co., Ltd.	Controlled by Dr. Ding Lieming
Hangzhou Beilait Forest Hotel Management Co., Ltd	Controlled by Dr. Ding Lieming
Hangzhou Beilait Wanghu Catering Management Co., Ltd.	Controlled by Dr. Ding Lieming
Zhejiang Beilait Tourism Development Co., Ltd.	Controlled by Dr. Ding Lieming
Hangzhou Lucai Catering Management Co., Ltd.	Controlled by Dr. Ding Lieming
Hangzhou Beixin Property Management Co., Ltd.	Controlled by Dr. Ding Lieming
Wuhan Healthgen Biotechnology Corp.	Key Management Personnel as Director
Fucheng Biopharmaceutical	Associate of the Company
Beijing Mabworks Biotech Company Ltd.	Key Management Personnel as Director
Hangzhou Gensciences Biopharmaceutical Co.,Ltd	Key Management Personnel as Director

(c) Other significant related party transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group had the following transactions with related parties:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Receiving of services					
Hangzhou Astrocyte Technology Co., Ltd.	7,066	29,185	5,853	2,644	15,644
Zhejiang Beilaite Agriculture Development Company Limited	10,559	10,368	5,645	3,349	7,578
Zhejiang Beilaite Culture Plan Company Limited	21	–	300	300	99
Zhejiang Beilait Property Management Co., Ltd.	457	1,026	10,810	5,180	5,199
Hangzhou Beilait Forest Hotel Management Co., Ltd.	80	278	904	869	34
Hangzhou Beilait Wanghu Catering Management Co., Ltd.	266	1,901	881	8	331
Zhejiang Beilait Tourism Development Co., Ltd.	135	124	53	21	41
Hangzhou Lucai Catering Management Co., Ltd.	187	243	348	96	44
Hangzhou Beixin Property Management Co., Ltd.	2,450	4,803	4,482	2,041	2,450
Fucheng Biopharmaceutical	337	10,292	6,281	3,153	–
Wuhan Healthgen Biotechnology Corp.	–	–	26,111	–	–
Rendering of services					
Hangzhou Astrocyte Technology Co., Ltd.	23,516	15,138	15,002	7,349	6,843
Fucheng Biopharmaceutical	–	–	1,808	1,808	–
Lease of properties					
Dr. Ding Lieming	36	36	36	36	36
Fucheng Biopharmaceutical	847	960	–	–	–

(d) Significant related party balances

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had following balances with related parties:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in prepayments, deposits and other receivables:				
Amount due from related companies				
Zhejiang Beilait Property Management Co., Ltd.	–	–	263	3,943
Hangzhou Beixin Property Management Co., Ltd.	–	–	1,225	–
Wuhan Healthgen Biotechnology Corp.	–	500	–	20
	–	500	1,448	3,963
Included in other payable and accruals:				
Amount due to related companies				
Hangzhou Astrocyte Technology Co., Ltd.	75	–	360	4,997
Zhejiang Beilaite Agriculture Development Company Limited	76	–	–	1,152
Zhejiang Beilait Tourism Development Co., Ltd.	54	–	–	–
Hangzhou Beilait Forest Hotel Management Co., Ltd.	12	–	–	–
Hangzhou Beilait Wanghu Catering Management Co., Ltd.	31	–	–	–
Fucheng Biopharmaceutical	303	–	–	–
Beijing Mabworks Biotech Company Ltd.	23,585	–	–	–
	24,136	–	360	6,149

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in prepayments, deposits and other receivables:				
Amounts due from subsidiaries				
Beijing Beimeituo Innovative Drug Research and Development Limited	34,083	37,677	37,756	38,161
Betta Investment (Hong Kong) Limited	271,550	484,066	580,358	671,341
Zhejiang Betta Diagnostic Technology Limited	1,104	1,104	1,104	1,104
Betta Dream Works (Zhejiang) Pharmaceutical Holdings Limited	588,608	930,069	1,222,235	1,381,701
Betta Dream Works (Hangzhou) Innovation Technology Limited	137	265	–	48
Betta Biopharmaceutical Technology (Zhejiang) Co., Ltd.	510	510	510	510
Anew Pharmaceuticals Co., Ltd.	132,962	142,962	152,962	157,962
Betta Pharmaceutical (Shengzhou) Co., Ltd.	90,000	168,428	487,428	581,428
Zhejiang Betta Pharmaceutical Sales Limited	–	–	48,000	8,000
Hangzhou Jingyao Biotechnology Co., Ltd.	–	–	307	9,307
	1,118,954	1,765,081	2,530,660	2,849,562
Amounts due from related companies				
Zhejiang Beilait Property Management Co., Ltd.	–	–	263	–
Hangzhou Beixin Property Management Co., Ltd.	–	–	1,225	–
Wuhan Healthgen Biotechnology Corp.	–	500	–	–
	–	500	1,488	–

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in trade receivables:				
Amounts due from subsidiaries				
Betta Dream Works (Hangzhou) Innovation Technology Limited	17,441	–	734	–
Zhejiang Betta Pharmaceutical Sales Limited	–	–	1,315	8,702
	17,441	–	2,049	8,702
Included in other payable and accruals:				
Amounts due to subsidiaries				
Betta Dream Factory Holdings Limited	34,000	34,000	34,000	49,000
Betta Dream Works (Hangzhou) Innovation Technology Limited	9,500	–	–	14,000
Meryx Inc.	9	–	–	–
	43,509	34,000	34,000	63,000
Amount due to a related company				
Hangzhou Astrocyte Technology Co., Ltd.	75	–	360	4,997
Zhejiang Beilaite Agriculture Development Company Limited	–	–	–	1,152
	75	–	360	6,149

35 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit risk, liquidity risk, interest rate risk, currency risks and equity price risk arise in the normal course of the Group's business. The Group's exposure to these risks and 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 receivables and deposits and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are reputable financial institutions with high credit standing, for which the Group considers having low credit risk. The management of the Group makes periodic assessments on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information under ECL model of IFRS 9.

The Group does not provide any guarantees which would expose the Group to credit risk.

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 31 December 2023, 2024, 2025 and 30 June 2026, 46.2%, 48.4%, 43.0% and 44.0%, respectively, of trade receivables were due from the Group's largest customer and 83.6%, 84.8%, 81.9% and 81.8%, respectively, of trade receivables were due from the Group's five largest customers.

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. Evaluation is performed on ongoing basis and the credit terms could be adjusted when necessary. 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. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at the end of each reporting period:

	As at 31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	2.3%*	288,860	6,643
More than 3 months but less than 1 year past due	5%	4,414	221
		293,274	6,864

	As at 31 December 2024		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.5%*	96,287	457
Less than 3 months past due	0%*	634	–
More than 3 months but less than 1 year past due	5%	2,003	100
More than 1 year but less than 2 years	11.7%	112	13
		99,036	570

	As at 31 December 2025		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.0%*	347,250	24
More than 3 months but less than 1 year past due	5%	2,236	112
More than 1 year but less than 2 years	10%	2,042	204
More than 2 years but less than 3 years	29.4%	102	30
		351,630	370

	As at 30 June 2026		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	0.7%*	623,584	4,281
Less than 3 months past due	0%*	604	–
More than 3 months but less than 1 year past due	5%	1,940	97
More than 1 year but less than 2 years	10%	3,222	322
More than 2 years but less than 3 years	30%	335	101
		629,685	4,801

* The expected credit loss of trade receivable not past due is not material.

Expected loss rates are based on actual loss experience over the past years. 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.

Movement in the loss allowance in respect of trade receivables during the Track Record Period is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At the beginning of the year/period	1,437	6,864	570	570	370
Impairment loss recognised/ (reversal of impairment loss) *(Note 5(b))*	5,427	(6,294)	(200)	(396)	4,431
At the end of the year/period	6,864	570	370	174	4,801

Deposits and other receivables

For deposits and other receivables, impairment loss is recognised based on 12-month ECL since the Group assesses that there has not been a significant increase in credit risk since initial recognition. In determining the ECL, the directors of the Company have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers operate and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss given default.

The credit risk on cash and bank balances is limited because the majority of the counterparties are banks with good reputation. No impairment had been provided under 12-month expected credit loss assessment.

Movement in the loss allowance in respect of other receivables during the Track Record Period is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
At the beginning of the year/period	2,262	5,635	5,625	5,625	5,280
Impairment loss recognised/ (reversal of impairment loss) *(Note 5(b))*	3,373	(10)	(345)	(2,251)	52
Exchange difference	–	–	–	–	(14)
At the end of the year/period	5,635	5,625	5,280	3,374	5,318

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. 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 periods 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 31 December 2023					
	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 at 31 December 2023
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	606,221	617,638	1,373,671	–	2,597,530	2,415,020
Lease liabilities	5,238	3,862	4,903	–	14,003	12,786
Trade payables	10,674	–	–	–	10,674	10,674
Other payables and accruals *(note)*	1,010,270	–	–	–	1,010,270	1,010,270
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,642,403	621,500	1,378,574	–	3,642,477	3,458,750

	As at 31 December 2024					
	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 at 31 December 2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	786,571	876,023	870,186	–	2,532,780	2,389,519
Lease liabilities	2,273	2,401	1,646	150	6,470	4,646
Trade payables	24,018	–	–	–	24,018	24,018
Other payables and accruals *(note)*	856,807	–	–	–	856,807	856,807
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,679,669	878,424	871,832	150	3,430,075	3,284,990

	As at 31 December 2025					
	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 at 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	900,746	1,258,955	506,905	39,975	2,706,581	2,455,113
Lease liabilities	2,888	1,951	1,053	–	5,892	5,532
Trade payables	63,639	–	–	–	63,639	63,639
Other payables and accruals *(note)*	690,683	–	–	–	690,683	690,683
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,667,956	1,260,906	507,958	39,975	3,476,795	3,224,967

	As at 30 June 2026					
	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 as at 30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing borrowings	1,201,456	929,663	428,010	–	2,559,129	2,465,125
Lease liabilities	2,370	1,809	291	–	4,470	4,238
Trade payables	131,550	–	–	–	131,550	131,550
Other payables and accruals (note)	528,063	–	–	–	528,063	528,063
Financial liabilities at FVPL	10,000	–	–	–	10,000	10,000
	1,873,439	931,472	428,301	–	3,233,212	3,138,976

Note: Excluding non-financial liabilities of contract liabilities, payables for staff costs and other tax payables.

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk due to fluctuations in the prevailing market interest rate on interest-bearing borrowings and cash at bank. During the Track Record Period, the Group's cash flow interest rate risk mainly concentrates on the fluctuation of Central bank benchmark interest rate arising from the Group's interest bearing borrowings.

The Group currently does not use any derivative contract to hedge its exposure to interest rate risk. However, the management of the Group, will consider hedging significant interest rate exposure should the need arise.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing borrowings for the Track Record Period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting periods existed for the whole year. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

For the six months ended 30 June 2026, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit would (decrease)/increase by RMB21,016,000.

For the year ended 31 December 2025, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit would (decrease)/increase by RMB16,932,000.

For the year ended 31 December 2024, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's loss would (decrease)/increase by RMB15,408,000.

For the year ended 31 December 2023, if interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's profit would (decrease)/increase by RMB10,840,000.

(d) Currency risk

The Group is exposed to currency risk primarily through purchase which give rise to payables and cash balances that is denominated in a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD.

(i) Exposure to currency risk

The following table details the Group's exposure as at 31 December 2023, 2024 and 2025 and 30 June 2026, to currency risk arising from the recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of exposure are shown in RMB translated using the spot rate of the end of each reporting period. Differences resulting from the translation of the financial statements of the Group's subsidiaries with functional currency other than RMB into the Group's presentation currency are excluded.

	As at 31 December			As at 30 June
USD	**2023**	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	25,328	69,779	17,890	151,813

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of each reporting period changed at that date, assuming all other risk variables remained constant.

	As at 31 December						As at 30 June	
	2023		2024		2025		2026	
	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits
	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*
USD . .	5%	1,076	5%	2,966	5%	760	5%	6,452
USD . .	(5%)	(1,076)	(5%)	(2,966)	(5%)	(760)	(5%)	(6,452)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group subsidiaries' profit after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of each reporting period for presentation purpose.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk as at 31 December 2023, 2024 and 2025 and 30 June 2026. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the respective previous year.

(e) Equity price risk

Equity price risk related to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of change in market price (other than changes in interest rate and foreign exchange rate). The Group is exposed to equity price changes arising from equity investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. (see Note 19).

Decisions to buy or sell listed investments classified as financial assets at fair value through profit or loss are based on daily monitoring of the performance of individual securities and other industry indicators, as well as the Group's liquidity needs.

Listed investments classified as financial assets at fair value through other comprehensive income that are held for non-trading purposes have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

The scale of such investments is controlled under a reasonable cap, and investment strategies are designed collectively by the Group based on the corporate governance of the targeted companies.

At 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that an increase/(decrease) of 5% in the relevant stock price (for listed investments), with all other variables held constant, would have increased/decreased the Group's profit or loss and retained profits/fair value reserve of consolidated equity as follows:

	As at 31 December						As at 30 June	
	2023		2024		2025		2026	2026
	Effect on profit and retained profits	Effect on fair value reserve	Effect on profit and retained profits	Effect on fair value reserve	Effect on profit and retained profits	Effect on fair value reserve	Effect on profit and retained profits	Effect on fair value reserve
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Listed investments in financial assets at FVPL:								
Increase in stock prices of the listed investments by 5%	27	–	6,322	–	3,300	–	28	–
Decrease in stock prices of the listed investments by 5%	(27)	–	(6,322)	–	(3,300)	–	(28)	–
Listed investments in financial assets at FVOCI:								
Increase in stock prices of the listed investments by 5%	–	1,430	–	10,381	–	76,511	–	61,102
Decrease in stock prices of the listed investments by 5%	–	(1,430)	–	(10,381)	–	(76,511)	–	(61,102)

At 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that an increase/(decrease) of 5% in the relevant equity price (for unlisted investments), with all other variables held constant, would have increased/decreased the Group's fair value reserve of consolidated equity as follows:

	As at 31 December						As at 30 June	
	2023		2024		2025		2025	2026
	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve	Increase/ (decrease) in the relevant equity price	Effect on fair value reserve
	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%	*RMB'000*
Unlisted investments in financial assets at FVOCI	5%	48,900	5%	43,422	5%	20,066	5%	20,513
Unlisted investment in financial assets at FVOCI	(5%)	(48,900)	(5%)	(43,422)	(5%)	(20,066)	(5%)	(20,513)

The sensitivity analysis indicates the instantaneous change in the fair value reserve that would arise assuming that the changes in the respective quoted share prices had occurred at the statement of financial position date and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant share price, that none of the Group's non-trading equity investments would be considered impaired as a result of the short-term fluctuation of the relevant share price, and that all other variables remain constant. The analysis is performed on the same basis for the respective previous year/period.

(f) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of each reporting period on a recurring basis, categorised 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 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows:

	Fair value measurement at 31 December 2023 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	540	–	–	540
Financial assets at FVOCI	28,595	–	978,002	1,006,597
	29,135	–	978,002	1,007,137
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

	Fair value measurement at 31 December 2024 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	126,439	–	–	126,439
Financial assets at FVOCI	207,628	–	868,439	1,076,067
	334,067	–	868,439	1,202,506
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

	Fair value measurement at 31 December 2025 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	65,999	–	–	65,999
Financial assets at FVOCI	1,530,215	–	401,315	1,931,530
	1,596,214	–	401,315	1,997,529
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

	Fair value measurement at 30 June 2026 categorised into			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVPL	567	–	–	567
Financial assets at FVOCI	1,222,036	–	410,256	1,632,292
	1,222,603	–	410,256	1,632,859
Financial liabilities:				
Financial liabilities at FVPL	–	–	10,000	10,000

Except for financial assets at FVOCI amounting to RMB202,826,000 and RMB1,475,728,000 transferred from Level 3 to Level 1 during the years ended 31 December 2024 and 2025 respectively, there were no other transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of financial assets at FVPL are determined by reference to the quoted market prices at the end of each reporting period in active markets.

The fair value of financial assets at FVOCI and financial liabilities at FVPL are determined as follows:

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Financial assets at FVOCI		
– Unlisted equity securities	Market approach	Price to R&D ratio/ the recent share issuance price
Financial liabilities at FVPL		
– Development project entitlement payable	Income approach	Discount rate

Financial assets at FVOCI under Level 3 measurement

The fair value of unlisted equity securities classified as financial assets at FVOCI is determined by the directors of the Company based on the valuation report prepared by the independent valuer with market approach using price to R&D ratio or the recent share issuance price. It is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Opening balance	729,997	978,002	868,439	868,439	401,315
Acquisition during the year/period	158,253	20,000	–	–	–
Disposal during the year/period	(5,000)	–	–	–	–
Fair value change during the year/period	94,752	73,263	1,008,604	(15,442)	8,941
Transfer to level 1	–	(202,826)	(1,475,728)	–	–
Closing balance	978,002	868,439	401,315	852,997	410,256

One of the key significant unobservable inputs to determine the fair value of unlisted equity securities is (i) price to R&D ratio; or (ii) the recent share issuance price. A increase in price to R&D ratio or the recent share issuance price would result in an increase in the fair value of unlisted equity securities classified as financial asset at FVOCI, and vice versa.

The price to R&D ratio applied is 54.8 to 62.7, 62.8 to 68.3, 56.6 to 96.7 and 53.1 to 62.8 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. As at 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in price to R&D ratio by 5% would have increased/decreased the Group's profit for the year by RMB27,656,000, RMB27,731,000, RMB15,300,000 and 13,372,000, respectively.

The recent share issuance price applied is RMB71.6 to RMB117.1, RMB71.6 to RMB180.0, RMB91.2 to RMB211.3 and 162.6 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. As at 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in the recent share issuance price by 5% would have increased/decreased the Group's profit for the year by RMB17,920,000, RMB12,892,000, RMB4,001,000 and 7,130,000, respectively.

Financial liabilities at FVPL under Level 3 measurement

The fair value of development project entitlement payable classified as financial liabilities at FVPL is determined by the directors of the Company based on the valuation report prepared by the independent valuer with income approach using the discounted cash flow method. It is Level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balances are provided as below.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance and closing balance	10,000	10,000	10,000	10,000	10,000

One of the key significant unobservable inputs to determine the fair value of development project entitlement payable is discount rate. An increase in discount rate would result in a decrease in the fair value of development project entitlement payable classified as financial liabilities at FVPL, and vice versa.

The discount rate applied is 15%, 14%, 14% and 14% as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. As at 31 December 2023, 2024 and 2025 and 30 June 2026, it is estimated that with all other variables held constant, an increase/decrease in discount rate by 5% would have increased/decreased the Group's profit for the year by RMB700,000 and, RMB800,000, RMB600,000 and RMB600,000, respectively.

All financial instruments carried amortised cost are at amounts not materially different from their values as at 31 December 2023, 2024 and 2025 and 30 June 2026.

36 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities during the reporting periods.

37 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

During the Track Record Period, the directors consider the Group does not have immediate parent and ultimate controlling party.

38 EVENT AFTER THE TRACK RECORD PERIOD

There were no significant events subsequent to 30 June 2026.

39 SUBSEQUENT FINANCIAL STATEMENT

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 June 2026 of the selected property interest held by Betta Pharmaceuticals Co., Ltd.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road, Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

[●] 2026

The Board of Directors
Betta Pharmaceuticals Co., Ltd.
No. 355 Xingzhong Road
Linping Economic and Technological Development Area
Hangzhou
Zhejiang Province
PRC

Dear Sirs,

In accordance with your instructions to value the selected property interest held by Betta Pharmaceuticals Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 30 June 2026 (the "**valuation date**").

The selected property interest forms part of non-property activities that each property has a carrying amount of 15% or more of the Group's total assets and therefore the valuation of the property interest is required to be included in this document.

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Due to the nature of the buildings and structures of property and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interest has therefore been valued by the cost approach with reference to its depreciated replacement cost.

Depreciated replacement cost is defined as "the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization." It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In arriving at the value of land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards issued by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Grant Contract, Real Estate Title Certificate and other official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal adviser — Zhejiang T&C Law Firm, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out in July 2025 by Ms. Joan Zhu who is a China Qualified Land Valuer and has 15 years' valuation experience in the real estate industry of the PRC. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches as they may affect prospects for rental and capital growth, and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This view is supported by RICS in their recently published guidance note "Sustainability and ESG in commercial property valuation and strategic advice (4th Edition)."

While some of the sustainability and ESG initiatives are considered subjective and intangible, they cannot always be demonstrated with quantifiable evidence. Based on our research and local market knowledge, there is not yet any direct and tangible evidence of ESG being reflected in specific investment behaviours and/or pricing considerations for assets of a similar nature to the subject property, although it is acknowledged that ESG criteria is forming part of an increasing number of investment mandates. However more tangible benefits such as energy efficiency are realisable in operational costs. We have not undertaken full asset and market investigations in this regard. Whilst there is currently no direct and tangible evidence to suggest that the market is making pricing adjustments for ESG, we will continue to monitor market movements and sentiment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached below for your attention.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS R.P.S. (GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 32 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Selected property interest held and occupied by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2026
			RMB
A parcel of land, 15 industrial buildings and various structures located at No. 177 Lvzhou Road, Linping District Hangzhou City Zhejiang Province The PRC	The property is known as Betta Dream Works International Innovation Center, comprising a parcel of land with a site area of approximately 94,934.00 sq.m. and 15 industrial buildings and various structures erected thereon which were completed in 2024. The 15 industrial buildings have a total gross floor area of approximately 275,362.76 sq.m., (including a 1-storey basement car park underneath these buildings) which are for research & development, office, commercial and carparking uses. Details of the property are set out in note 7. The structures mainly include pipelines and roads. The land use rights of the property have been granted for a term expiring on 6 September 2070 for industrial use.	As at the valuation date, portions of the property were leased to the independent third parties for commercial and office uses, while the remaining portions of the property were vacant.	1,702,000,000

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract — No. 3301102020A21028 dated 1 September 2020, the land use rights of the property with a site area of approximately 94,934.00 sq.m. were contracted to be granted to Betta Dream Works (Zhejiang) Pharmaceutical Holdings Limited (貝達夢工場(浙江)醫藥控股有限公司, the "Betta Dream Works", a 100% owned subsidiary of the Company) for a term of 50 years for industrial use commencing from the land delivery date. Plot ratio of the subject land parcel is between 1.5 and 2.0. The land premium was RMB49,900,000.

2. Pursuant to a Real Estate Title Certificate — Zhe (2025) Hang Zhou Shi Bu Dong Chan Quan Di No. 0268521, the land use rights of the property with a site area of approximately 94,934.00 sq.m. have been granted to Betta Dream Works for a term expiring on 6 September 2070 for industrial use. Portions of the property with a total gross floor area of approximately 189,858.48 sq.m are owned by Betta Dream Works.

3. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 330110202137011 in favour of Betta Dream Works, the property with a planned total gross floor area of approximately 275,536.00 sq.m. (including 15 industrial buildings and a 1-storey basement car park underneath these buildings) has been approved for construction.

4. Pursuant to a Construction Work Commencement Permit — No. 330110202102250101 in favour of Betta Dream Works, permission by the relevant local authority is given to commence the construction of the property with a planned total gross floor area of approximately 275,536.00 sq.m. (including 15 industrial buildings and a 1-storey basement car park underneath these buildings).

5. Pursuant to a Construction Work Completion and Inspection Certificate — No. 33011320250226101 in favour of Betta Dream Works, the construction of the property with a total gross floor area of approximately 275,358.22 sq.m. (including 15 industrial buildings and a 1-storey basement car park underneath these buildings) has been completed and passed the inspection acceptance.

6. Pursuant to a Measurement Report — No. 2024-001925, the total gross floor area of the property is approximately 275,362.76 sq.m. (including 15 industrial buildings and a 1-storey basement car park underneath these buildings).

7. According to the information provided by Betta Dream Works, the detailed gross floor area of the property is set out as below:

Property Item	Usage	Floor	Gross Floor Area	No. of car parking space
			(sq.m.)	
Building No. 1	Research & development, office and commercial (for Building Nos. 1 to 15)	1-4F	7,238.23	N/A
Building Nos. 2 & 3		1-12F	40,859.61	N/A
Building Nos. 4 & 12		1-15F	34,571.74	N/A
Building Nos. 5 & 11		1-15F	36,675.35	N/A
Building No. 6		1-5F	4,186.07	N/A
Building No. 7		1-5F	3,759.40	N/A
Building No. 8		1-5F	3,759.40	N/A
Building No. 9		1-5F	4,923.48	N/A
Building No. 10		1-5F	3,759.94	N/A
Building Nos. 13 & 14		1-12F	40,861.71	N/A
Building No. 15		1-4F	9,263.55	N/A
Basement	Car parking space	B1	85,504.28	1,800
Total:			**275,362.76**	**1,800**

8. We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Adviser, which contains, inter alia, the following:

   (a) Pursuant to a Mortgage Contract — Pu Shang Yin Tuan (2022) No. 0001 Gao Di No. 01, and a Real Estate Registration Certificate — Zhe (2025) Hang Zhou Shi Bu Dong Chan Zheng Ming Di No. 0136027 the land use rights and building ownership rights of the property mentioned in note 2 are subject to a mortgage; and

   (b) Betta Dream Works is legally and validly in possession of the property.

9. As the property is the major asset held by the Group, we are of the view that the property is a material property. Details of the material property

a)	General description of location of the property	:	The property is located at No. 177 Lvzhou Road, Linping District, Hangzhou City, Zhejiang Province, the PRC. It is surrounded by various industrial complexes. The property is close to Lvzhou Road, Wangmei Elevated Highway and Linping Avenue, enjoying convenient accessibility and is well served by public transportation, such as bus routes No. 2655M and No. 425.
b)	Details of encumbrances, liens, pledges, mortgages against the property	:	Pursuant to a Mortgage Contract — Pu Shang Yin Tuan (2022) No. 0001 Gao Di No. 01, and a Real Estate Registration Certificate — Zhe (2025) Hang Zhou Shi Bu Dong Chan Zheng Ming Di No. 0136027, the property is subject to a mortgage in favour of Shanghai Pudong Development Bank Co., Ltd. Hangzhou Gongshu Branch and Shanghai Bank Co., Ltd. Hangzhou Branch as security to guarantee the obligation under the mortgage contract for a loan amount of RMB859,940,000 with a term from 31 August 2022 to 13 June 2028.
c)	Environmental Issue	:	As advised by the Company, according to the Document issued in February 2021 by Hangzhou Municipal Ecology and Environment Bureau — Hang Huan Yu Gai Bei No. 2021-20 for the production project of Betta Dream Works, the construction of the property is feasible from the perspective of environmental protection.
d)	Details of investigations, notices, pending litigation, breaches of law or title defects	:	Nil.
e)	Future plans for construction, renovation, improvement or development of the property and estimated associated costs	:	As advised by the Company, the Company has no future plans for construction, renovation, improvement and development of the property.

This appendix contains a summary of the principal provisions of the Articles of Association of the Company which will be effective from the date of [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential [**REDACTED**] with an overview of the Company's Articles of Association and therefore may not contain all the information that is material to potential [**REDACTED**].

ISSUANCE OF SHARES

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

INCREASE, DECREASE AND REPURCHASE OF SHARES

According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the share capital in the following ways upon approval of resolutions at the shareholders' meeting:

(i) Issuing shares to non-specific investors;

(ii) Issuing shares to specific investors;

(iii) Distribution of bonus shares to existing shareholders;

(iv) Converting the reserve funds into share capital;

(v) Other means approved by the laws, administrative regulations or approved by the securities regulatory rules of the place where the Company's shares are listed and relevant securities regulatory authorities.

Our company may issue a certain number of preferred shares in addition to common shares. Preferred shareholders have priority over ordinary shareholders in the distribution of the company's profits and remaining assets, but their rights to participate in the company's decision-making management are restricted. Our company may not issue preferred shares which can be converted to common shares.

Our Company may decrease our registered share capital and shall comply with the procedures stipulated in the PRC Company Law, other relevant regulations and the Articles of Association.

Our Company shall not repurchase its own shares, unless otherwise under any of the following circumstances:

(i) Reducing our Company's registered share capital;

(ii) Merging with other companies which hold our shares;

(iii) Using the shares for an employee stock ownership plan or equity incentive plan;

(iv) Purchasing its shares from shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' meeting upon their request;

(v) Use of shares for conversion of convertible corporate bonds issued by the Company;

(vi) Necessary for the Company to maintain its value and protect the interests of the shareholders.

Where the Company repurchases its shares, it shall be conducted through public and centralized trading or other methods recognized by laws, administrative regulations, and the securities regulatory authorities in the place where the shares of the Company are listed. If the share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted through public centralized trading.

If the Company intends to repurchase its shares for reasons set out in (i) and (ii) above, it shall be approved by a resolution at a shareholders' meeting. If the Company intends to repurchase its shares for reasons set out in (iii), (v) and (vi) above, a board resolution shall be passed by more than two-thirds of the directors attending the board meeting 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 circumstances above, the shares repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

TRANSFER OF SHARES

Shares issued prior to the public offering of A shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

The Directors and senior management of the Company shall declare the Company of their holdings of shares (including any preferred shares) of the Company and the changes therein. During their term of office as determined upon appointment, the shares transferred annually shall not exceed 25% of the total number of shares of the same class held by them in the company; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their departure from the Company.

The transfer of shares shall comply with the securities regulatory rules of the place where the Company's shares are listed if such rules stipulate otherwise.

Any gains from sale of Company's shares by the Directors and senior management members or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, for a securities company which holds 5% or more of the Company's shares as a result of its undertaking of the untaken shares in an offer, or other circumstances stipulated by the securities regulatory authorities of the place where the Company's shares are listed, sale of those Company's shares shall not be subject to the six-month time limit as set out above.

Shares or other securities with the nature of equity held by Directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the provision set forth above, the shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the People's Court of the PRC in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth above, the responsible Directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of shareholders is sufficient evidence to prove that the shareholders hold the Company's Shares. The register of Shareholders of H shares kept in Hong Kong shall be available for inspection by shareholders, but the Company may suspend the registration of Shareholders in accordance with provisions

equivalent to Section 632 of the Companies Ordinance (Chapter 622) of Hong Kong and the securities regulations of the stock exchange where the company's shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of our shareholders are as follows:

(i) To receive dividends and other forms of interest distribution according to the number of shares held;

(ii) To legally require, convene, preside over, participate in or authorize proxies of shareholders to attend the shareholders' meeting and exercise corresponding voting rights (except for the situations that the voting rights shall be abstained for certain matters pursuant to the securities regulatory rules of the place where the Company's shares are listed);

(iii) To supervise business operations of our Company, provide suggestions or submit queries;

(iv) To transfer, grant or pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

(v) To consult and copy the Articles of Association, the register of shareholders, the shareholders' meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports, while qualified shareholders may consult the accounting books and vouchers;

(vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;

(vii) To require our Company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the Company;

(viii) Other rights conferred by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

If the content of the resolution of the Company's shareholders' meeting or board of directors violates laws, administrative regulations, the shareholders have the right to request the court of the PRC to clarify it invalid. If the convening procedures or voting methods of the shareholders' meeting or the board of directors violate laws, administrative regulations or the Articles of Association, or the content of the resolution violates the Articles of Association, the shareholders have the right to request the court of the PRC to revoke the resolution within 60 days from the date on which the resolution is made. However, the resolution shall not be revoked if there are only minor flaws in the convening procedures or voting methods of the shareholders' meeting or the board meeting resulting in no substantial impact on the resolution.

In the event of any loss caused to our Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors (other than members of the Audit Committee) or senior management when performing their duties in our Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the court of the PRC. Where members of the Audit Committee violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to our Company, the shareholders may submit a written request to the Board of Directors to file an action with the court of the PRC.

On the conditions that the Audit Committee or the Board of Directors refuse to prosecute an action after receiving the written request in the former Article, or do not take an action within 30 days, or if urgent situation, without an immediate proceeding the Company interests will be irreparably damaged, the shareholders in the former Article shall have the right to sue to the People's Court in their own name.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the court of the PRC pursuant to the provisions of the preceding paragraphs.

The obligations of shareholders are as follows:

(i) To abide by laws, administrative regulations and the Articles of Association;

(ii) To provide Share capital according to the Shares subscribed and the subscription methods;

(iii) Not to withdraw Shares unless prescribed otherwise in laws and administrative regulations;

(iv) Not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to damage the creditors of the Company;

(v) To perform other duties prescribed in laws, administrative regulations and the Articles of Association.

Any company shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Controlling shareholders and actual controllers of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed to protect the interests of the company. Where controlling shareholders and actual controllers pledge the Company's shares held or actually controlled by them, they shall maintain the control of the Company and the stability of production and operation. Any controlling shareholder or actual controller that transfers company shares held by it shall abide by any restrictive provisions on share transfers set forth in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and any commitment it makes with respect to the restricted share transfers.

Where the controlling shareholders and actual controllers of the Company do not act as directors but actually execute the Company's affairs, the provisions of the Articles of Association on fiduciary and diligence obligations of Directors shall apply.

Where the controlling shareholders and actual controllers of the Company instruct the Directors and senior executives to damage the interests of the Company or shareholders, they shall bear joint and several liability with the Directors and senior executives.

GENERAL PROVISIONS FOR SHAREHOLDERS' MEETINGS

The shareholders' meeting is the organ of authority of the Company, which exercises its powers in accordance with the law:

(i) Electing and replacing directors (other than the employee representatives), and deciding the remuneration matters of the directors;

(ii) To examine and approve reports of the Board of Directors;

(iii) To examine and approve the annual financial budget plan and final account plan of the Company;

(iv) To examine and approve the Company's proposals for profit distribution plans and loss recovery plans;

(v) To decide on any increase or decrease of the Company's registered capital;

(vi) To decide on the issue of corporate bonds by the Company;

(vii) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(viii) To amend the Articles of Association;

(ix) Resolution on appointment and dismissal of an accounting firm by the Company;

(x) To examine and approve the external guarantees stipulated in the Articles of Association that need to be examined and approved by the shareholders' meeting;

(xi) To examine matters relating to the purchases and sales of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(xii) To examine and approve matters relating to changes in the use of proceeds;

(xiii) To examine the equity incentive plans and employee stock ownership plans;

(xiv) Related party transactions between the company and related parties (except providing guarantees) with an amount of more than 30 million yuan and accounting for more than 5% of the absolute value of the company's latest audited net assets;

(xv) Repurchase the shares of the Company by reducing the Company's registered share capital or merging with other companies which hold our shares;

(xvi) To examine other matters as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association of the Company, which shall be decided by the shareholders' meeting.

The following acts of external guarantee of the Company shall be submitted to the shareholders' meeting for approval after the Board of Directors has approved:

(i) Any single guarantee to be provided that the amount has exceeded 10% of the Company's net assets as audited in the latest period;

(ii) Any guarantee to be provided after the total amount of external guarantees provided by the Company and the subsidiaries it controls has exceeded 50% of the Company's net assets or 30% of the Company's total assets as audited in the latest period;

(iii) Any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(iv) Any guarantee to be provided after the total amount of external guarantees during the past twelve months provided by the Company has exceeded 30% of the Company's total assets as audited in the latest period;

(v) Any guarantee to be provided that the amount exceeds 50 million yuan after the total amount of external guarantees during the past twelve months provided by the Company has exceeded 50% of the Company's net assets as audited in the latest period;

(vi) The guarantee to be provided to a shareholder, or to an actual controller or related party thereof;

(vii) Other circumstances that shall be examined and approved by the shareholders' meeting as stipulated by the securities regulatory authorities and stock exchanges of the place where the Company's shares are listed.

The shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be convened once a year and be held within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two months from the date of the occurrence of any of the following circumstances:

(i) The number of directors is less than the number provided for in the PRC Company Law or less than two-thirds of the number prescribed in the Articles of Association;

(ii) The uncovered losses of our Company reach one-third of its total paid-in share capital;

(iii) A request from shareholders who separately or jointly hold 10% or more shares in the Company;

(iv) The Board of Directors considers it necessary;

(v) The Audit Committee proposes that such a meeting shall be held;

(vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

CONVENING OF SHAREHOLDERS' MEETINGS

Upon consent by more than a half of the Independent Directors, the independent Directors shall have the right to propose to the Board to convene an extraordinary shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within 10 days after the receipt of such proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. If the Board does not agree to convene the extraordinary shareholders' meeting, it shall give the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board in writing to convene an extraordinary shareholders' meeting. The Board shall, in accordance with relevant laws, administrative regulations and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary shareholders' meeting within 10 days after the receipt of the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Any changes to be made to the original request in the notice shall be subject to approval of the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to give a response within 10 days after the receipt of the proposal, the Audit Committee may convene and preside over such meeting on its own on the ground that the Board of Directors was unable or failed to perform its duty to convene a shareholders' meeting.

Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary shareholders' meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether or not to convene the extraordinary shareholders' meeting within 10 days after receiving the request. Where the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board of Directors is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Board of Directors does not agree to convene an extraordinary shareholders' meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to hold an extraordinary shareholders' meeting, and shall make a written request to the Audit Committee. Where the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee has not convened and presided over the shareholders' meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETINGS

The content of proposals shall fall within the functions and powers of the shareholders' meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations and the Articles of Association.

The Board of Directors, the Audit Committee or shareholders that hold, individually or collectively, 1% or more of the Shares of the Company shall have the right to propose resolutions in shareholders' meeting.

Shareholders that hold, individually or collectively, 1% or more of the Shares of the Company may submit interim proposals in writing to the convener 10 days before the convening of the shareholders' meeting. The convener shall give a supplemental notice of the shareholders' meeting within 2 days upon receipt of the proposals and announce the contents of the interim proposals. If the shareholders' meeting is postponed due to the issuance of supplementary notice in accordance with the securities regulatory rules of the place where the company's shares are listed, the convening of the shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the place where the company's shares are listed.

Except for the circumstances provided for in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting. The shareholders' meeting shall not vote and make resolutions on proposals that are not specified in the notice of the shareholders' meeting or do not conform to the provisions of the Articles of Association.

The convener of an annual shareholders' meeting shall notify all shareholders by means of an announcement 21 days before the meeting; the convener of an extraordinary shareholders' meeting shall notify all shareholders by means of an announcement 15 days before the meeting.

A notice of a shareholders' meeting shall include the following:

(i) the time, venue and duration of the meeting;

(ii) matters and proposals submitted to the meeting for consideration;

(iii) a prominent written statement that all shareholders are entitled to attend shareholders' meeting and are entitled to appoint in writing a proxy to attend and vote at the meeting and that such proxy need not be a shareholder of the Company;

(iv) the record date of registration of shareholders entitled to attend the shareholders' meeting;

(v) the name and telephone number of the regular contact person for the meeting;

(vi) the time and procedure for voting online or through other means.

Notices or supplementary notices of shareholders' meetings shall adequately and completely disclose the specific contents of all proposals.

After the notice of the shareholders' meeting is issued, the shareholders' meeting shall not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of the shareholders' meeting shall not be canceled. Once there is a postponement or cancelation, the organizer shall make an announcement and explain the reasons at least 2 working days before the original date of the convening. If the securities regulatory rules of the place where the Company's shares are listed have special provisions on the procedures for postponing or canceling the shareholders' meeting, it shall comply with the relevant provisions on the premise of not violating the domestic regulatory requirements.

PROCEEDING OF SHAREHOLDERS' MEETINGS

Shareholders may attend the shareholders' meeting in person, or they may entrust proxies to attend, speak and vote on their behalf. If the shareholders' meeting requires directors or senior management to attend the meeting, such directors and senior management shall be present and answer shareholders' inquiries.

A shareholder's meeting shall be presided over by the Chairman of the Board. Where the Chairman of the Board is unable or fails to perform his/her duties, the meeting shall be presided over by a Director jointly elected by more than half of the Directors. A shareholders' meeting convened by the Audit Committee shall be presided over by the Chairman of the Audit Committee. Where the Chairman of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee. A shareholders' meeting convened by shareholders shall be presided over by a representative elected by convener(s). Where the host of the meeting violates the rules of procedure and makes it impossible to continue the meeting, with the consent of more than half of the shareholders present at the meeting with voting rights, the shareholders' meeting may elect a person to serve as the host of the meeting and continue the meeting.

The Company formulates the rules of procedure of the shareholders' meeting, which stipulate in detail the convening and voting procedures of the shareholders' meeting, including notice, registration, examination of proposals, voting, counting, announcement of voting results, formation of meeting resolutions, meeting minutes and signings and announcements, etc., as well as the authorization principles of the shareholders' meeting to the Board of Directors, and the authorization content should be clear and specific. The rules of procedure of the shareholders' meeting shall be annexed to the Articles of Association, drawn up by the Board of Directors and approved by the shareholders' meeting.

VOTING AT THE SHAREHOLDERS' MEETING

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies). A special resolution at a shareholders' meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by the shareholders' meeting through ordinary resolutions:

(i) Work reports of the Board of Directors;

(ii) Plans of earnings distribution and recovery of losses schemes drafted by the Board of Directors;

(iii) Appointment or dismissal of the members of the Board of Directors, their remunerations and the payment method;

(iv) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the shareholders' meeting:

(i) The increase or reduction of the registered capital of the Company;

(ii) The division, spin-off merger, dissolution and liquidation of the Company;

(iii) Any amendment to the Articles of Association;

(iv) The purchase and sale of material assets or amount of guarantee provided by the Company within one year valued at more than 30% of the audited total assets of the Company of the latest period;

(v) Share incentive plan;

(vi) Other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company, shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of voting shares they represent, and each share shall be entitled to one vote. When voting, shareholders (including shareholders' proxies) with two or more voting rights do not have to vote for, against or abstain from all voting rights, provided that the applicable securities regulatory rules of the place where the stock is listed permit.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

If any shareholder, under applicable laws and regulations and Hong Kong Listing Rules, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board of Directors, independent Directors, shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the 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, the specific voting intent and other information shall be fully disclosed to the solicited party. Consideration or de facto consideration for soliciting shareholders voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

When a connected transaction is considered at a shareholders' meeting, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted the total number of valid voting shares. Announcement of resolutions of the shareholders' meeting shall fully disclose the voting of non-connected shareholders.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person shall not serve as a Director of the Company if such person is disqualified under the PRC company Law or the securities Law.

Where a Director is elected or appointed in violation of the provisions above, the election, or appointment shall be invalid. If a Director falls under the provisions above during his or her tenure, the Company shall dismiss him or her from office.

Directors shall be elected or replaced at the shareholder's meeting and may be dismissed (including executive Directors) by the shareholders' meeting upon ordinary resolution prior to the expiry of the term of their office. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of their terms.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Directors may be concurrently held by senior management members, but the total number of directors concurrently serving as senior management members and directors who are employee representatives shall not exceed a half of the total number of directors of the Company.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following fiduciary duty to the company:

(i) may not embezzle company property or misappropriate company funds;

(ii) may not use his/her own name or other people's names to open accounts to deposit company funds;

(iii) may not take advantage of position to offer bribery or receive other illegal income;

(iv) may not enter into contracts or transactions with the Company, without reporting to the Board or the shareholders' meeting and being approved by the Board or the shareholders' meeting as stipulated in the Articles of Association;

(v) may not take advantage of their positions to seek business opportunities for themselves or others that should have otherwise been available to the Company, unless it has been reported to the Board or the shareholders' meeting and approved by the shareholders' meeting or such business opportunity can not be utilized by the Company according to laws, administrative regulations and the Articles of Association;

(vi) may not, without reporting to the Board or the shareholders' meeting and being approved by the shareholders' meeting, to operate the same kind of business as the Company by himself/herself or for other people;

(vii) may not accept commissions on transactions between other persons and the company as his/her own;

(viii) may not unilaterally disclose company secrets;

(ix) may not make use of related-party relationship to damage company interests; and

(x) other fiduciary duty specified by the laws, administrative regulations, departmental rules and the Articles of Association.

Directors' income derived from violation of the above-mentioned provision shall belong to the Company; and directors shall be liable to compensate any loss incurred to the Company.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following duty of diligence to the Company:

(i) Shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and government economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(ii) Shall treat all shareholders fairly;

(iii) Shall maintain a timely awareness of the operation and management of the Company;

(iv) Shall sign written statements confirming the regular reports of the Company, and ensure that the information is disclosed by the Company being true, accurate and complete;

(v) Shall truthfully provide information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its duties;

(vi) Other duty of diligence stipulated in the laws, administrative regulations, departmental rules and the Articles of Association.

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. Relevant information shall be disclosed by the Board within 2 days. In the event that the resignation of any Director results in the number of members of the Board falling below the statutory minimum requirement, the resignation of Independent Directors causes the proportion of Independent Directors in the Board of Directors or special committees of the Company to be inconsistent with laws and regulations, the securities regulatory rules of the place where the company's shares are listed or the Articles of Association, or there are no accounting professionals among Independent Directors, the resigned Directors shall continue to perform his/her duties in accordance 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 fiduciary duty of a Director to the Company and shareholders shall not be terminated automatically since the resignation report has taken effect or the expiry of its term of office, and shall remain in effect for two years following such expiry, and the obligation to keep the Company's trade secrets confidential shall remain in effect after the end of his or her term of office until the secret becomes public information.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

Related matters of Independent Directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules and securities rules of the place where the Company's shares are listed.

BOARD OF DIRECTORS

The Company has established a Board of directors which shall be accountable to the shareholders' meetings. The Board shall comprise 12 Directors, with 1 Chairman, 4 Independent Directors and 1 employee representative Director. The Board shall exercise the following duties and powers:

(i) to convene shareholders' meetings and report its work to the shareholders' meetings;

(ii) to implement the resolutions of the shareholders' meetings;

(iii) to resolve business operation plans and investment plans of the Company;

(iv) to formulate the profit distribution plans and plans for recovery of losses of the Company;

(v) to formulate plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(vi) to draft plans for significant acquisitions of the Company, the purchase of Shares of the Company, merger, division, dissolution or change of the form of the Company;

(vii) to determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, related transactions donations and gifts, etc. of the Company;

(viii) to determine the internal management structure of the Company;

(ix) to determine the appointment or dismissal of the general manager of the Company, the Board secretary; and based on the nomination of the general manager, to determine the appointment or dismissal of the senior management including Vice President, and chief financial officer of the Company and determine their remuneration, rewards and penalties;

(x) to formulate the basic management system of the Company;

(xi) to formulate proposals for any amendment of the Articles of Association;

(xii) to manage the information disclosure of the Company;

(xiii) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(xiv) to listen to work reports of the general manager of the Company and review his/her work;

(xv) other duties as stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

Matters beyond the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for deliberation.

The members of the special committees are all composed of Directors, of which the Independent Directors of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee shall account for the majority and serve as the Chairman, and the chairman of the Audit Committee shall be accounting professionals, the Nomination Committee shall include at least one Director of different gender. The Board of Directors is responsible for formulating the detailed rules for the implementation of the special committees and regulating the operation of the special committees.

The Chairman of the Board of Directors shall be elected by more than half of all Directors.

Where the Chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by a Director jointly elected by more than half of the Directors.

The Board shall convene at least four meetings per annum by the Chairman, approximately once every quarter, which shall give written notice to all Directors, General Manager and secretary of Board of Directors 14 days prior to the convening of the meeting. Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors or the Audit Committee may propose to convene an extraordinary meeting of the Board. The Chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days from the receipt of the proposal. The notice of convening an extraordinary board meeting by the Board of Directors shall be delivered by special person, mailed, emailed, faxed or telephoned; The notice period is five days. In case of emergency and need to convene an extraordinary meeting of the Board of Directors as soon as possible, notice of the meeting may be issued by telephone or other oral means at any time, but the convener shall make an explanation at the meeting.

The quorum of a Board meeting shall be more than half of all Directors. A resolution of the Board shall be passed by more than half of all Directors. Where the laws, administrative regulations and the Articles of Association provide otherwise in respect of the matter, such rules shall also be applicable. Each Director has equal right of one vote.

Where a Director has any connected relationship with the enterprise involved in the matter to be decided at the Board meeting, he/she shall not exercise his/her voting rights on the resolution, nor shall he/she exercise his/her voting rights on behalf of other Directors. The quorum of such a Board meeting shall be more than half of all the non-connected Directors, and the resolutions made at such a Board meeting shall require adoption by more than half of all the non-connected Directors. If the number of non-connected Directors in presence is less than 3 persons, the matter shall be submitted to the shareholders' meeting for deliberation.

Directors shall attend Board meetings in person. If any Director (include Independent Director) is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. Where voting matters are involved, the appointing Director shall clearly express the opinions of approval, opposition or abstention on each matter in the power of attorney, and the Directors shall not make or accept the authorization without voting

intention, full authorization or authorization with unclear scope. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his behalf, he/she shall be deemed to have waived his/her voting right in such meetings. A director may not be appointed by more than two directors to attend a board meeting.

Independent Directors

The independent directors shall exercise the following special functions and powers:

(i) independently engaging intermediaries to audit, consult or verify specific matters of the Company;

(ii) proposing to the Board of Directors the convening of an extraordinary general meeting;

(iii) proposing to convene a meeting of the Board of Directors;

(iv) to openly solicit shareholders' rights from shareholders in accordance with the law;

(v) expressing independent opinions on matters that may jeopardize the interests of the Company or minority shareholders;

(vi) other powers and functions prescribed by laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The exercise of the powers and functions listed in (i) to (iii) of the preceding paragraphs by an independent director shall be approved by a majority of all independent directors.

Special committees of the Board

The Board of the Company has an audit committee in place to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law.

The Board of the Company has established the Strategy Committee, the Nomination Committee, and the Remuneration and Evaluation Committee, to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for consideration and decision. The Board shall be responsible for formulating the working procedures of the special committees.

SENIOR MANAGEMENT MEMBERS

The Company shall have one General Manager who shall be appointed or dismissed by the Board. The Company may have 4-6 deputy General Managers.

The senior management of the Company refers to the General Manager deputy General Managers, secretary of the Board of Directors and other personnels holding important positions that are appointed and confirmed by the Board of Directors as senior management.

The circumstances of disqualification for Directors, the fiduciary duty and duty of diligence of the Directors prescribed in the Articles of Association shall also apply to senior management.

The General Manager shall serve for a term of 3 years and may serve consecutive terms if re-appointed.

The General Manager of our Company is responsible to the Board of Directors and exercises the following powers:

(i) To be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;

(ii) To organize and implement the Company's annual business plan and investment proposals;

(iii) To draft plans for the establishment of the Company's internal management organization;

(iv) To draft the Company's basic management system;

(v) To draft the Company's specific regulations;

(vi) To propose to the Board of Directors on the appointment or dismissal of other senior management personnel of the Company;

(vii) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(viii) Other functions and powers conferred by the Articles of Association or the Board of Directors.

The senior management of the Company shall perform their duties faithfully and safeguard the best interests of the Company and all shareholders. If the senior management of the Company fails to perform their duties faithfully or violates their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the laws.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and regulations of relevant departments.

The Company's fiscal year is based on the calendar year system, i.e., the fiscal year begins on January 1 and ends on December 31 of each calendar year.

The Company shall report and disclose its annual reports to the securities regulatory authorities and stock exchange of the place where the shares of the Company are listed and the stock exchange within 4 months from the ending date of each fiscal year, report and disclose its interim report to the delegated authority of the securities regulatory authorities and stock exchanges of the place where the shares of the Company are listed within 2 months from the end of the first half of each fiscal year.

The Company shall not establish the statutory account books accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit distribution

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, the Company needs not to make any further allocations to that fund. Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve in accordance with the preceding provision. Subject to a resolution passed at a shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits. Except for those not distributed in proportion as prescribed in the Articles of Association, the remaining after-tax profit, after recovery of losses and appropriation of reserve funds, shall be distributed to shareholders in proportion to their shareholdings. If the Company distributes profits to shareholders in violation of the provisions of the Articles of Association, shareholders must refund to the Company the profits distributed in violation of the provisions. No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used for making up for the loss, expansion of the operation or increase of capital of the Company. For making up losses of the Company by the reserve fund, the optional reserve fund and legal reserve fund shall first be used; where there is still no way to make up losses, the capital reserve may be used pursuant to the provisions. When the statutory reserve fund is capitalized, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

The Company's profit distribution policy maintains continuity and stability, while taking into account the overall interests of all shareholders and the sustainable development of the Company. The Company may distribute profits in the form of cash, shares or a combination of both. The Company shall prioritize the use of cash dividends for profit distribution if meeting the preconditions of the cash dividend.

Internal audit

The Company implements an internal audit system which is equipped with dedicated audit personnel to conduct internal audits for supervision of financial income and expenditure and economic activities of the Company.

The internal audit system of the Company and the duties of audit personnel shall be implemented upon approval by the Board of Directors. The head of audit shall be accountable and report to the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the PRC Securities Law for carrying out the audit for the accounting statements, net asset verification, and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of shareholders' meetings. The Board shall not appoint accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting proofs, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The auditing fee of the accounting firm shall be determined by the shareholders' meeting.

In the event of termination of the appointment or non-renewal of appointment of an accounting firm, the Company shall notify the accounting firm 30 days in advance; when the shareholders' meeting votes on termination of appointment of an accounting firm, the accounting firm shall be allowed to make its representation. An accounting firm proposing to resign shall state its opinions in the shareholders' meeting whether the Company has committed any improper act.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of absorption or establishment of a new company. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the merger and shall publish an announcement on the **www.cninfo.com.cn** (巨潮資訊網), **https://www.hkexnews.hk** (香港聯交所披露易網站) and other statutory disclosure media within 30 days as of the date of such resolution.

A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on **www.cninfo.com.cn**, **https://www.hkexnews.hk** and other statutory disclosure media within 30 days as of the date of such resolution. Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and property list. The Company shall notify its creditors within 10 days as of the date of the resolution for the reduction of its registered capital and shall publish an announcement on **www.cninfo.com.cn**, **https://www.hkexnews.hk** and other statutory disclosure media within 30 days as of the date of such resolution. A creditor may within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice within 45 days of the date of the announcement, to demand the Company to repay its debts or provide guarantees for such debts. The registered capital of the Company after the reduction shall not be less than the statutory minimum amount. If the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in accordance with the proportion of capital contributed or shares held by shareholders, unless otherwise provided by law or the Articles of Association.

In the event of a merger or division of a company, if there is a change in the registration items, the Company shall go through the change registration with the company registration authority in accordance with the law; If the Company is dissolved, it shall go through the deregistration of the procedures company in accordance with the law; If a new company is established, the company establishment registration shall be completed in accordance with the law. If the Company increases or decreases its registered capital, it shall go through the change registration with the company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

The Company shall be dissolved upon the occurrence of the following events:

(i) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;

(ii) a resolution on dissolution is passed by a shareholders' meeting;

(iii) dissolution is required due to the merger or division of the Company;

(iv) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(v) the Company suffers significant hardships in operation and management, and its continued existence would cause significant losses to shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of the Company may plead the court of the PRC to dissolve the Company.

If the Company is in the situation as described in above (i) and has not yet distributed its properties to shareholders, it can continue to exist by amending the Articles of Association. The amendment of the Articles of Association as per the preceding paragraph must be passed by more than two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

Where the Company is dissolved pursuant to the situations as described in above (i), (ii), (iv) and (v), a liquidation committee shall be established within 15 days as of the dissolution circumstance arises, and the liquidation shall be thereby started. The liquidation committee shall be composed of directors or the personnel otherwise elected by the resolution of the shareholders' meeting. If the liquidation committee is not established in the prescribed period, the creditors may apply to the court of the PRC for delegation of relevant personnel to form the liquidation committee and start the liquidation.

The liquidation committee shall notify the creditors within 10 days since its establishment and make public announcement on **www.cninfo.com.cn**, **https://www.hkexnews.hk** and other statutory disclosure media within 60 days. Creditors shall, within 30 days as of the receipt of the notice or, in case where he/she fails to receive such notice, within 45 days as of the date of the announcement, declare their claims to the liquidation committee. Creditors shall provide explanations and evidence for their claims upon their declarations of such claims. The liquidation committee shall record the creditors' claims. The liquidation committee shall not pay off any debts to any creditors during period of claim declaration.

After clearing the assets of the Company and preparing a balance sheet and property list, the liquidation committee shall formulate a liquidation plan for the confirmation of the shareholders' meeting or the court of the PRC. The remaining assets of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of staffs and paying the taxes owed, settling the Company's debts, shall be distributed by the Company in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The properties of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding provisions.

If the liquidation committee, after clearing the assets of the Company and preparing a balance sheet and property list, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the court of the PRC for bankruptcy. After the court of the PRC declares the bankruptcy of the company, the liquidation committee shall hand over the liquidation matters to the court of the PRC.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the court of the PRC for confirmation, and submit the report to the company registration authority to apply for cancellation of the Company registration.

Where the Company is declared bankruptcy in accordance with law, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

Amendments to the Articles of Association

The Company shall amend the Articles of Association in any of the following circumstances:

(i) after amendments are made to the PRC Company Law or other relevant laws, administrative regulations and regulatory rules at the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations;

(ii) if certain changes of the Company occur resulting in the inconsistency with certain terms specified in the Articles of Association;

(iii) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved changes shall be registered in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolution of the shareholders' meetings on amendment to the Articles of Association and the examination and approval opinions from relevant authorities.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

For incorporation and corporate development of our Company, see "History, Development and Corporate Structure — Corporate Development" in this document.

We have established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and have registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on October 14, 2025. Mr. TSANG Chun Ho has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to relevant laws and regulations of the PRC. For the summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association, see "Regulatory Overview" and "Summary of Articles of Association" in Appendix IV in this document, respectively.

B. Changes in Share Capital of Our Company

Save as disclosed in "History, Development and Corporate Structure — Corporate Development" in this document, there has been no alteration in our share capital within two years immediately preceding the date of this document.

[**REDACTED**]

D. Further Information about Our Subsidiaries

For the list of our subsidiaries as of June 30, 2026, see "Appendix I" to this document.

On May 12, 2025, the registered capital of Amgen-Betta (Zhejiang) Pharmaceuticals Co., Ltd. was reduced from USD15,000,000 to USD3,000,000.

On October 17, 2025, Hangzhou Jingyao Biotechnology Co., Ltd. was established in the PRC with a registered capital of RMB1,000,000.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contract

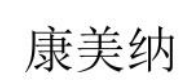
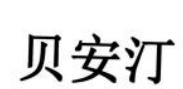
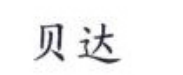
We have entered into the following contract (not being contracts entered into in the ordinary course of business) within two years preceding the date of this document that are or may be material:

(1) the [**REDACTED**].

B. Our Material Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks that we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Registration No.	Class	Expiry Date
1. .		the Company	PRC	72159862	5	April 27, 2034
2. .		the Company	PRC	70746433	5	September 27, 2033
3. .		the Company	PRC	60875004	5	July 20, 2034
4. .		the Company	PRC	44747406	5	October 27, 2030
5. .		the Company	PRC	40647096	5	September 6, 2030
6. .		the Company	PRC	34599254	42	February 6, 2030
7. .		the Company	PRC	12520428	5	October 6, 2034
8. .		the Company	PRC	3892463	5	August 27, 2036

Patents

As of the Latest Practicable Date, we had registered the following patents that we consider to be or may be material to our business:

Drug Products	Patent name	Type	Place of Registration	Registration No.	Patentee	Application Date	Expiry Date	Scope of Patent
Befotertinib (赛美纳®)	Pyrimidine or pyridine compounds, and preparation method therefor, and medical use thereof	Invention	PRC	ZL202211200422.4	the Company, InventisBio	November 5, 2015	November 4, 2035	General formula compound comprising Befotertinib and its salts, pharmaceutical composition and medical use thereof
	Pyrimidine or pyridine compounds, and preparation method therefor, and medical use thereof	Invention	PRC	ZL201510152615.0	the Company, InventisBio	April 1, 2015	March 31, 2035	Two specific compounds comprising Befotertinib and its salts, pharmaceutical composition and medical use thereof
Tibremciclib (康美纳®)	Crystalline form of CDK4/6 inhibitory compound, and application thereof	Invention	PRC	ZL201980037275.3	the Company	June 21, 2019	June 20, 2039	Salt of Tibremciclib, crystal form, pharmaceutical composition, preparation method, and medical use thereof
	Benzimidazole derivatives, preparation method therefor, and use thereof	Invention	PRC	ZL201780078241.X	the Company	December 22, 2017	December 21, 2037	General formula compound comprising Tibremciclib or its stereisomer, tautomer or salt, pharmaceutical composition and medical use thereof
Ensartinib (贝美纳®)	Crystalline form of compound suppressing protein kinase activity, and application thereof	Invention	PRC	ZL201780006852.3	the Company	June 1, 2017	May 31, 2037	Crystal form of Ensartinib hydrochloride, pharmaceutical composition and medical use thereof
	Substituted pyridazine carboxamide compounds as kinase inhibitor	Invention	PRC	ZL200980128355.6	the Company	June 18, 2009	June 17, 2029	General formula compound comprising Ensartinib or its salt, composition and medical use thereof
	Substituted pyridazine carboxamide compounds	Invention	PRC	ZL201180057513.0	the Company	October 7, 2011	October 6, 2031	Two specific compounds comprising Ensartinib or its salts, composition and medical use thereof

Drug Products	Patent name	Type	Place of Registration	Registration No.	Patentee	Application Date	Expiry Date	Scope of Patent
	Crystalline form of compound suppressing protein kinase activity, and application thereof	Invention	Europe	EP3470410B1	Xcovery Holdings	June 1, 2017	June 1, 2037	Preparation method of Ensartinib hydrochloride, intermediate compound, crystal form, pharmaceutical composition and medical use thereof
	Crystalline forms of compound for inhibiting protein kinase activity, and application thereof	Invention	US	US10899744B2	Xcovery Holdings	June 1, 2017	June 1, 2037	Crystal form of Ensartinib hydrochloride, preparation method, pharmaceutical composition and medical use thereof
	Substituted pyridazine carboxamide compounds as kinase inhibitor compounds	Invention	Europe	EP2303018B1	Xcovery Holdings	June 18, 2009	June 18, 2029	General formula compound comprising Ensartinib or its salt, hydrate or solvate, composition and medical use thereof
	Substituted pyridazine carboxamide compounds as kinase inhibitor compounds	Invention	Europe	EP3061752B1	Xcovery Holdings	June 18, 2009	June 18, 2029	Pharmaceutical composition comprising general formula compound comprising Ensartinib or its salt, hydrate or solvate
	Substituted pyridazine carboxamide compounds as kinase inhibitor compounds	Invention	US	US8697866B2	Xcovery Holdings	June 18, 2009	February 11, 2030	General formula compound not comprising Ensartinib or its salt
	Substituted pyridazine carboxamide compounds as kinase inhibitor compounds	Invention	US	US9296724B2	Xcovery Holdings	June 18, 2009	June 18, 2029	General formula compound not comprising Ensartinib or its salt and medical use thereof
	Substituted 6-amino-pyridazin-3-yl-carboxamide compounds as protein kinase modulators	Invention	Europe	EP2625176B1	Xcovery Holdings	October 7, 2011	October 7, 2031	General formula compound comprising Ensartinib or its salt, hydrate, solvate or polymorph, composition and medical use thereof

Drug Products	Patent name	Type	Place of Registration	Registration No.	Patentee	Application Date	Expiry Date	Scope of Patent
	Substituted pyridazine carboxamide compounds	Invention	US	US9126947B2	Xcovery Holdings	October 7, 2011	November 29, 2031	General formula compound comprising Ensartinib or its salt, prodrug, salt of prodrug, hydrate, solvate or polymorph, and composition thereof
Vorolanib (伏美纳®) . .	Polymorphic form of kinase inhibitor compound, pharmaceutical composition containing same, preparation method therefor, and use thereof	Invention	PRC	ZL201780008042.1	the Company	September 29, 2017	September 28, 2037	Crystal form of vorolanib, preparation method, pharmaceutical composition and medical use thereof
	Kinase inhibitor compound	Invention	PRC	ZL200780042192.0	the Company	September 14, 2007	September 13, 2027	Fourteen specific compounds comprising vorolanib, medical use and composition thereof
	Polymorphic forms of kinase inhibitor compound, pharmaceutical composition containing same, preparation method and use thereof	Invention	Europe	EP3502105B1	Equinox Sciences, LLC	September 29, 2017	September 29, 2037	Crystal form of vorolanib, preparation method, pharmaceutical composition and medical use thereof
	Polymorphic forms of kinase inhibitor compound, pharmaceutical composition containing same, preparation method and use thereof	Invention	US	US12209080B2	Equinox Sciences, LLC	September 29, 2017	September 29, 2037	Crystal forms 1-7 of vorolanib, composition and pharmaceutical composition thereof
	Polymorphic forms of kinase inhibitor compound, pharmaceutical composition containing same, preparation method and use thereof	Invention	US	US11053224B2	Equinox Sciences, LLC	September 29, 2017	September 29, 2037	Crystal forms 1, 3, 5, 6 and 7 of vorolanib, preparation method, pharmaceutical composition and medical use thereof

Drug Products	Patent name	Type	Place of Registration	Registration No.	Patentee	Application Date	Expiry Date	Scope of Patent
	Kinase inhibitor compounds	Invention	Europe	EP2079727B1	Equinox Sciences, LLC	September 14, 2007	September 14, 2027	General formula compound comprising vorolanib or its salt, solvate or hydrate, composition and medical use thereof
	Kinase inhibitor compounds	Invention	US	US7683057B2	Equinox Sciences, LLC, Xcovery Holdings	September 14, 2007	September 14, 2027	General formula compound comprising vorolanib or its salt, composition and medical use thereof
	Kinase inhibitor compounds	Invention	US	US8039470B2	Equinox Sciences, LLC	September 14, 2007	September 14, 2027	Method for treating renal cell carcinoma or GI stroma tumor using general formula compound comprising vorolanib, preparation method for the general formula compound, and method of identifying a kinase inhibitor
Icotinib (凯美纳®) . .	Icotinib hydrochloride, synthesis, crystallographic form, medical combination, and uses thereof	Invention	PRC	ZL200980100666.1	the Company	July 7, 2009	July 6, 2029	Crystal form I of icotinib hydrochloride, preparation method, pharmaceutical composition, and use thereof

Domain Names

As of the Latest Practicable Date, the key domain name registered by our Group was www.bettapharma.com.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to our A Share Incentive Schemes), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Position	Capacity/Nature of interest	Description of Shares	Number of Shares[(1)]	Approximate shareholding percentage in the relevant class of Shares[(2)]	Approximate shareholding percentage in the total issued share capital upon the completion of the [REDACTED][(2)]
					(%)	*(%)*
Dr. DING[(3)(4)]	Chairman of the Board, executive Director, General Manager and Chief Executive Officer	Interest held by controlled corporation	A Shares	89,988,563	21.26	[**REDACTED**]
		Beneficial owner[(10)]	A Shares	1,410,988	0.33	[**REDACTED**]
Mr. DING Shizhe (丁師哲)[(5)(6)]	Executive Director and Assistant to the Chairman	Interest held by controlled corporation	A Shares	80,064,000	18.91	[**REDACTED**]
		Beneficial owner[(10)]	A Shares	51,760	0.012	[**REDACTED**]
Ms. TONG Jia (童佳)[(7)]	Executive Director and President of Administration	Beneficial owner[(10)]	A Shares	315,533	0.075	[**REDACTED**]
Mr. FAN Jianxun (范建勛)[(8)]	Executive Director, Vice President and Chief Financial Officer	Beneficial owner[(10)]	A Shares	280,533	0.066	[**REDACTED**]
Mr. WAN Jiang (萬江)[(9)]	Executive Director, Senior Vice President and President of Global Sales	Beneficial owner[(10)]	A Shares	190,272	0.045	[**REDACTED**]

Notes:

(1) All interests stated are long positions in the Shares.

(2) The calculation is based on the total number of Shares in issue immediately following the completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised, no additional Shares are issued pursuant to our A Share Incentive Schemes, and no other changes are made to the issued Share capital of our Company between the Latest Practicable Date and the [**REDACTED**].

(3) As of the Latest Practicable Date, Dr. DING directly held 1,024,238 A Shares, and was a general partner of Kaiming Investment (which held 80,064,000 A shares) and Beicheng Investment (which held 9,924,563 A Shares). Therefore, Dr. Ding was deemed to be interested in the Shares held by Kaiming Investment and Beicheng Investment. To the best knowledge of our Directors, as of the Latest Practicable Date, 49,408,500 A Shares (representing approximately 11.67% of the total issued share capital of our Company as of the Latest Practicable Date) held by Kaiming Investment had been pledged to several PRC financial institutions regulated by National Financial Regulatory Administration of the PRC (中華人民共和國國家金融監督管理總局) and/or CSRC. For details, see "Substantial Shareholders."

(4) Including 386,750 outstanding restricted Shares granted to Dr. DING under the 2023 Restricted Share Incentive Scheme, entitling him to receive 386,750 A Shares respectively subject to vesting.

(5) As of the Latest Practicable Date, Mr. DING Shizhe directly held 10,960 A Shares, and was a limited partner with 66.67% capital contribution in Kaiming Investment. Therefore, Mr. DING Shizhe was deemed to be interested in the Shares held by Kaiming Investment.

(6) Including 40,800 outstanding restricted Shares granted to Mr. DING Shizhe under the 2023 Restricted Share Incentive Scheme, entitling him to receive 40,800 A Shares respectively subject to vesting.

(7) Including 143,850 outstanding restricted Shares granted to Ms. TONG Jia under the 2023 Restricted Share Incentive Scheme, entitling her to receive 143,850 A Shares respectively subject to vesting.

(8) Including 143,850 outstanding restricted Shares granted to Mr. FAN Jianxun under the 2023 Restricted Share Incentive Scheme, entitling him to receive 143,850 A Shares respectively subject to vesting.

(9) Including 77,350 outstanding restricted Shares granted to Mr. WAN Jiang under the 2023 Restricted Share Incentive Scheme, entitling him to receive 77,350 A Shares respectively subject to vesting.

(10) Including the number of outstanding restricted A Shares granted to the relevant Directors pursuant to the A Share Incentive Schemes (subject to the relevant vesting conditions of the restricted Shares.)

B. Interests of the substantial shareholders in the Shares

For information on the persons who will, immediately following the completion of the [**REDACTED**], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will directly and/or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the Company or of any member of the Group, see "Substantial Shareholders".

Interests of the substantial Shareholders in other members of our Group

So far as the Directors are aware, the following persons (other than our Company, and any subsidiaries of our Group) are entitled to exercise, or control the exercise of, 10% or more of voting power at the general meetings of other members of our Group:

Our subsidiary	Authorized/ registered share capital	Name of substantial shareholders	Approximate shareholding percentage
Amgen-Betta (Zhejiang) Pharmaceuticals Co., Ltd. (貝達安進(浙江)製藥有限公司).	USD3,000,000	Amgen Asia Holding Limited	49%

C. Particulars of Directors' service contracts or appointment letters

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company.

Save as disclosed in "Directors and Senior Management" and above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

D. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 8 to the Accountants' Report set out in Appendix I to this document for the three financial years ended December 31, 2023 and 2024, 2025 and the six months ended June 30, 2026, none of our Directors received other remunerations of benefits in kind from us.

E. Disclaimer

Save as disclosed in this document:

(1) Save as disclosed in "— C. Further information about our Directors and Substantial Shareholders", none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**] on the Hong Kong Stock Exchange.

(2) So far as is known to our Directors, other than Hangzhou Astrocyte Technology Co., Ltd. and Wuhan Healthgen Biotechnology Corp., none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the number of issued shares of our Company has any interest in the five largest customers or the five largest suppliers of our Group for each year/period during the Track Record Period.

(3) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole.

(4) None of our Directors or any of the parties listed in "Qualifications of Experts" of this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

4. A SHARE INCENTIVE SCHEMES

The following is a summary of the key terms of the A Share Incentive Schemes currently being implemented by our Company, including the 2021 Restricted Share Incentive Scheme and the 2023 Restricted Share Incentive Scheme. The terms of the A Share Incentive Schemes do not involve any grant of restricted Shares by our Company after the [**REDACTED**] and are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) 2021 Restricted Share Incentive Scheme

(a) Purposes

The purpose of the 2021 Restricted Share Incentive Scheme is to establish and improve the corporate governance structure and operation mechanism of our Company, to establish and improve incentive mechanism of our Company, to connect the interests of Shareholders and our Company together with the individual interests of the core talents of our Company and to promote all parties to focus on the long-term development of our Company, and to attract and retain outstanding core talents.

(b) Eligible participants

The participants of the 2021 Restricted Share Incentive Scheme include directors, senior management, other management and core technical (business) employees of our Group, excluding the independent Directors. All eligible participants shall have an employment or labor relationship with our Company and its subsidiaries during the assessment period of the 2021 Restricted Share Incentive Scheme and at the time the relevant grant conditions of the restricted Shares under the 2021 Restricted Share Incentive Scheme (the "**2021 Restricted Shares**") are satisfied.

After the Shareholders' meeting approves the 2021 Restricted Share Incentive Scheme, the Board shall determine the grant date and whether the grant conditions have been satisfied and resolve to grant the 2021 Restricted Shares to the eligible participant(s) (the "**2021 Restricted Share Incentive Scheme Grantee(s)**").

(c) Administration

The 2021 Restricted Share Incentive Scheme is managed by the Company with the Shareholders' meeting being its top management authority for approving the 2021 Restricted Share Incentive Scheme and its amendment and termination. The Board is responsible for the administration and execution of the 2021 Restricted Share Incentive Scheme and the Audit Committee and independent Directors are responsible for supervising the execution of the 2021 Restricted Share Incentive Scheme.

(d) Source of Shares

The A Shares underlying the 2021 Restricted Share Incentive Scheme are the A Shares to be issued to the 2021 Restricted Share Incentive Scheme Grantees by our Company.

(e) Number of the Shares

The total number of A Shares which may be issued under the 2021 Restricted Share Incentive Scheme shall be 15,550,000. On September 27, 2021, our Company amended the total number of A Shares which may be issued under the 2021 Restricted Share Incentive Scheme to 15,530,000 and granted 12,727,900 2021 Restricted Shares under the 2021 Restricted Share Incentive Scheme (the "**2021 First Restricted Share Grant**"). On September 19, 2022, our Company granted additional 2,802,100 2021 Restricted Shares under the 2021 Restricted Share Incentive Scheme (the "**2021 Reserved Restricted Share Grant**").

On September 11, 2023, as certain grantees did not meet the vesting condition before expiry of the first vesting period due to resignation or failure to meet performance target, 3,952,625 2021 Restricted Shares under the 2021 First Restricted Share Grant and 893,275 2021 Restricted Shares under the 2021 Reserved Restricted Share Grant were approved by the Board to be cancelled.

On July 7, 2026, as certain grantees did not meet the vesting condition before expiry of the three to five vesting periods under the 2021 First Restricted Share Grant and two to four vesting periods under the 2021 Reserved Restricted Share Grant due to failure to meet performance target, respectively, 7,606,235 2021 Restricted Shares under the 2021 First Restricted Share Grant and 1,908,825 2021 Restricted Shares under the 2021 Reserved Restricted Share Grant were approved by the Board to be cancelled.

The total number of A Shares which may be issued to any 2021 Restricted Share Incentive Scheme Grantee upon vesting of awards shall not exceed 1% of the total outstanding share capital of our Company at the time of the effective period of all incentive scheme.

Before vesting, the number of 2021 Restricted Shares shall be adjusted in the event of any conversion of capital reserve, bonus share issue, sub-division, consolidation or rights issue in relation to the Shares as detailed in the 2021 Restricted Share Incentive Scheme.

(f) Grant price of the 2021 Restricted Shares

The grant price of the 2021 Restricted Shares under the 2021 Restricted Share Incentive Scheme is RMB41.34 per Share, being the 50% of the average closing prices of A Shares of our Company for the 20 trading days immediately preceding the date of announcement of the 2021 Restricted Share Incentive Scheme.

Before grant, the grant price of 2021 Restricted Shares shall be adjusted in the event of any dividend distribution, conversion of capital reserve, bonus shares issue, sub-division, consolidation or rights issue in relation to the A Shares as detailed in the 2021 Restricted Share Incentive Scheme.

(g) Date of Grant and Terms of the Plan

The grant date of the 2021 Restricted Share Incentive Scheme shall be determined by the Board after the approval of the 2021 Restricted Share Incentive Scheme by the Shareholders at a general meeting. The Company shall convene Board meeting in accordance with relevant regulations to make the initial grant and announce within 60 days after the approval of the 2021 Restricted Share Incentive Scheme at a general meeting.

The 2021 Restricted Share Incentive Scheme shall be valid from the first grant of 2021 Restricted Share till all the 2021 Restricted Share are granted or canceled and shall in any event not exceeding 72 months.

(h) Lock-up period

The lock-up arrangements under the 2021 Restricted Share Incentive Scheme are determined according to the Articles of Association and applicable PRC laws and regulations:

(i) if a 2021 Restricted Share Incentive Scheme Grantee is a Director or a senior management of our Company, the A Shares to be transferred each year during his or her tenure shall not exceed 25% of the total A Shares he or she holds. No A Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;

(ii) if a 2021 Restricted Share Incentive Scheme Grantee is a Director or senior management of our Company, income gained through sale of A Shares of our Company within six months of the purchase or repurchase of A Shares of our Company within six months of the sale, shall belong to our Company and be reclaimed by the Board;

(iii) a 2021 Restricted Share Incentive Scheme Grantee who intends to reduce his or her holding of A Shares shall comply with relevant laws and regulations; and

(iv) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the 2021 Restricted Share Incentive Scheme, the 2021 Restricted Share Incentive Scheme Grantee shall comply with the amended laws and regulations and the Articles of Association.

(i) Grant Conditions

The 2021 Restricted Share Incentive Scheme Grantees are entitled to the 2021 Restricted Share Incentive Scheme only if the following conditions were met:

(i) With respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accounts with respect to our Company's accountant's report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by our Company's accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year; (3) our Company has failed to distributed profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the most recent 36 months after its listing; (4) applicable laws and regulations prohibits the implementation of any share incentive scheme; or (5) any other circumstances recognized by the CSRC.

(ii) With respect to the 2021 Restricted Share Incentive Scheme Grantees, none of the following circumstances having occurred: (1) a 2021 Restricted Share Incentive Scheme Grantee has been regarded as an inappropriate participant by a stock exchange within the most recent 12 months; (2) a 2021 Restricted Share Incentive Scheme Grantee has been regarded as an inappropriate participant by the CSRC or its dispatched office within the most recent 12 months; (3) a 2021 Restricted Share Incentive Scheme Grantee has been punished or prohibited from entering the securities market by the CSRC or its dispatched office due to material non-compliance of laws and regulations within the most recent 12 months; (4) a 2021 Restricted Share Incentive Scheme Grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (5) a 2021 Restricted Share Incentive Scheme Grantee is prohibited from participating in any share incentive scheme of listed companies according to applicable laws and regulations; or (6) any other circumstances recognized by the CSRC.

(j) Vesting Schedule and Conditions

On September 27, 2021, our Company amended the total number of A Shares which may be issued under the 2021 Restricted Share Incentive Scheme to 15,530,000 and granted 12,727,900 2021 Restricted Shares under the 2021 Restricted Share Incentive Scheme. On September 19, 2022, our Company granted additional 2,802,100 2021 Restricted Shares under the 2021 Restricted Share Incentive Scheme.

The 2021 Restricted Shares granted under the 2021 First Restricted Share Grant shall be vested in five phases as follows, subject to the Board's confirmation of fulfilment of vesting conditions:

Vesting Schedule	Revenue Target of our Company	Portion of 2021 Restricted Share vested
Phase I		
Commencing from the first trading day after the expiry of 12 months from the date of grant to the last trading day before the expiry of 24 months from the date of grant	The Company's revenue for 2021 is no less than RMB2.2 billion	10%
Phase II		
Commencing from the first trading day after the expiry of 24 months from the date of grant to the last trading day before the expiry of 36 months from the date of grant	The Company's revenue for fiscal year 2021-2022 is no less than RMB5 billion	25%
Phase III		
Commencing from the first trading day after the expiry of 36 months from the date of grant to the last trading day before the expiry of 48 months from the date of grant	The Company's revenue for fiscal year 2021-2023 is no less than RMB8.7 billion	25%
Phase IV		
Commencing from the first trading day after the expiry of 48 months from the date of grant to the last trading day before the expiry of 60 months from the date of grant	The Company's revenue for fiscal year 2021-2024 is no less than RMB14.1 billion	20%
Phase V		
Commencing from the first trading day after the expiry of 60 months from the date of grant to the last trading day before the expiry of 72 months from the date of grant	The Company's revenue for fiscal year 2021-2025 is no less than RMB22.1 billion	20%

The 2021 Restricted Shares granted under the 2021 Reserved Restricted Share Grant shall be vested in four phases as follows, subject to the Board's confirmation of fulfilment of vesting conditions:

Vesting Schedule	Revenue Target of our Company	Portion of 2021 Restricted Share vested
Phase I		
Commencing from the first trading day after the expiry of 12 months from the date of grant to the last trading day before the expiry of 24 months from the date of grant	The Company's revenue for fiscal year 2021-2022 is no less than RMB5 billion	25%
Phase II		
Commencing from the first trading day after the expiry of 24 months from the date of grant to the last trading day before the expiry of 36 months from the date of grant	The Company's revenue for fiscal year 2021-2023 is no less than RMB8.7 billion	25%
Phase III		
Commencing from the first trading day after the expiry of 36 months from the date of grant to the last trading day before the expiry of 48 months from the date of grant	The Company's revenue for 2022 is no less than RMB8.7 billion	25%
Phase IV		
Commencing from the first trading day after the expiry of 48 months from the date of grant to the last trading day before the expiry of 60 months from the date of grant	The Company's revenue for 2024 is no less than RMB14.1 billion	25%

The vesting of the 2021 Restricted Shares are subject to other conditions provided in the rules of the 2021 Restricted Share Incentive Scheme, including the performance target for the 2021 Restricted Share Incentive Scheme Grantees. The Board will determine, among other things, the number and grant price of 2021 Restricted Shares and whether the vesting conditions have been met for under each phase.

(k) Details of the 2021 Restricted Share Incentive Scheme Grantee

As of the Latest Practicable Date, there were no outstanding 2021 Restricted Shares available for grant under the 2021 Restricted Share Incentive Scheme.

(ii) 2023 Restricted Share Incentive Scheme

(a) Purposes

The purpose of the 2023 Restricted Share Incentive Scheme is to attract and retain outstanding talents, to fully motivate their innovation to enhance momentum for sustainable development of our Company, to establish and improve incentive mechanism of our Company, to connect the interests of Shareholders and our Company together with the individual interests of the core talents of our Company, to promote all parties to focus on the long-terms development of our Company.

(b) Eligible participants

The participants of the 2023 Restricted Share Incentive Scheme include directors, senior management, other management and core technical (business) employees of our Group, excluding the independent Directors. All eligible participants shall have an employment or labor relationship with our Company and its subsidiaries during the assessment period of the 2023 Restricted Share Incentive Scheme and at the time the relevant grant conditions of the restricted Shares under the 2023 Restricted Share Incentive Scheme (the "**2023 Restricted Shares**") are satisfied.

After the Shareholders' meeting approves the 2023 Restricted Share Incentive Scheme, the Board shall determine the grant date and whether the grant conditions have been satisfied and resolve to grant the 2023 Restricted Shares to the eligible participant(s) (the "**2023 Restricted Share Incentive Scheme Grantee(s)**").

(c) Administration

The 2023 Restricted Share Incentive Scheme is managed by the Company with the Shareholders' meeting being its top management authority for approving the 2023 Restricted Share Incentive Scheme and its amendment and termination. The Board is responsible for the administration and execution of the 2023 Restricted Share Incentive Scheme and the Audit Committee and independent Directors are responsible for supervising the execution of the 2023 Restricted Share Incentive Scheme.

(d) Source of Shares

The A Shares underlying the 2023 Restricted Share Incentive Scheme are the A Shares to be issued to the 2023 Restricted Share Scheme Grantees by our Company.

(e) Total number of the Shares

The total number of A Shares which may be issued under the 2023 Restricted Share Incentive Scheme shall be 13,332,549. On December 26, 2023, our Company amended the total number of A Shares which may be issued under the 2023 Restricted Share Incentive Scheme to 13,329,949 and granted 11,079,490 2023 Restricted Shares under the 2023 Restricted Share Incentive Scheme (the "**2023 First Restricted Share Grant**"). On December 4, 2024, our Company granted additional 1,689,800 2023 Restricted Shares under the 2023 Restricted A Shares Scheme (the "**2023 Reserved Restricted Share Grant**").

On May 15, 2025, as certain grantees did not meet the vesting condition before expiry of the first vesting period due to resignation or failure to meet performance target, 2,262,482 2023 Restricted Shares under the 2023 First Restricted Share Grant were approved by the Board to be cancelled.

On July 7, 2026, as certain grantees did not meet the vesting condition before expiry of the first or second vesting period due to resignation or failure to meet performance target, 512,533 2023 Restricted Shares under the 2023 First Restricted Share Grant and 231,271 2023 Restricted Shares under the 2023 Reserved Restricted Share Grant were approved by the Board to be cancelled.

The total number of A Shares which may be issued to any 2023 Restricted Share Incentive Scheme Grantee upon vesting of awards shall not exceed 1% of the total outstanding share capital of our Company at the time of the effective period of all incentive scheme.

Before exercise, the number of 2023 Restricted Share shall be adjusted as follows in the event of any conversion of capital reserve, bonus share issue, sub-division, consolidation or rights issue in relation to the Shares as detailed in the 2023 Restricted Share Incentive Scheme.

(f) Grant price of the 2023 Restricted Shares

The grant price of the 2023 Restricted Shares under the 2023 Restricted Share Incentive Scheme is RMB41.17 per Share, being the 70% of the average closing prices of A Shares of our Company for the 20 trading days immediately preceding the date of announcement of the 2023 Restricted Share Incentive Scheme.

Before grant, the grant price of 2023 Restricted Shares shall be adjusted as follows in the event of any dividend distribution, conversion of capital reserve, bonus shares issue, sub-division, consolidation or rights issue in relation to the A Shares as detailed in the 2023 Restricted Share Incentive Scheme.

(g) Date of Grant and Terms of the Plan

The grant date of the 2023 Restricted Share Incentive Scheme shall be determined by the Board after the approval of the 2023 Restricted Share Incentive Scheme by the Shareholders at a general meeting. The Company shall convene Board meeting in accordance with relevant regulations to make the initial grant and announce within 60 days after the approval of the 2023 Restricted Share Incentive Scheme at a general meeting.

The 2023 Restricted Share Incentive Scheme shall be valid from the first grant of 2023 Restricted Share till all the 2023 Restricted Shares are granted or canceled and shall in any event not exceeding 48 months.

(h) Lock-up period

The lock-up arrangements under the 2023 Restricted Share Incentive Scheme are determined according to the Articles of Association and applicable PRC laws and regulations:

(i) if a 2023 Restricted Share Incentive Scheme Grantee is a Director or a senior management of our Company, the A Shares to be transferred each year during his or her tenure shall not exceed 25% of the total A Shares he or she holds. No A Shares held by such Director or senior management may be transferred within six months after termination of his or her employment;

(ii) if a 2023 Restricted Share Incentive Scheme Grantee is a Director or senior management of our Company, income gained through sale of A Shares of our Company within six months of the purchase or repurchase of A Shares of our Company within six months of the sale, shall belong to our Company and be reclaimed by the Board;

(iii) a 2023 Restricted Share Incentive Scheme Grantee who intends to reduce his or her holding of A Shares shall comply with relevant laws and regulations; and

(iv) if there is any change in the applicable laws and regulations or the relevant provisions of the Articles of Association on the foregoing lock-up requirements within the term of the 2023 Restricted Share Incentive Scheme, the 2023 Restricted Share Incentive Scheme Grantee shall comply with the amended laws and regulations and the Articles of Association.

(i) Grant Conditions

The 2023 Restricted Share Incentive Scheme Grantees are entitled to the 2023 Restricted Share Incentive Scheme only if the following conditions were met:

(i) With respect to our Company, none of the following circumstances having occurred: (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accounts with respect to our Company's accountant's report for the most recent fiscal year; (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by our Company's accountant with respect to the internal control report contained in accountant's report for the most recent fiscal year; (3) our Company hasfailed to distributed profits in accordance with the laws and regulations, our Articles of Association or our public commitment within the most recent 36 months after its listing; (4) applicable laws and regulations prohibits the implementation of any share incentive scheme; or (5) any other circumstances recognized by the CSRC.

(ii) With respect to the 2023 Restricted Share Incentive Scheme Grantees, none of the following circumstances having occurred: (1) a 2023 Restricted Share Incentive Scheme Grantee has been regarded as an inappropriate participant by a stock exchange within the most recent 12 months; (2) a 2023 Restricted Share Incentive Scheme Grantee has been regarded as an inappropriate participant by the CSRC or its dispatched office within the most recent 12 months; (3) a 2023 Restricted Share Incentive Scheme Grantee has been punished or prohibited from entering the securities market by the CSRC or its dispatched office due to material non-compliance of laws and regulations within the most recent 12 months; (4) a 2023 Restricted Share Incentive Scheme Grantee is not qualified to serve

as a director or senior management according to the PRC Company Law; (5) a 2023 Restricted Share Incentive Scheme Grantee is prohibited from participating in any share incentive scheme of listed companies according to applicable laws and regulations; or (6) any other circumstances recognized by the CSRC.

(j) Vesting Schedule and Conditions

On December 26, 2023, our Company granted 11,079,490 2023 Restricted Shares under the 2023 Restricted Share Incentive Scheme. On December 4, 2024, our Company granted additional 1,689,800 2023 Restricted Shares under the 2023 Restricted Share Incentive Scheme. The 2023 Restricted Shares granted under the 2023 First Restricted Share Grant shall be vested in three phases as follows, subject to the Board's confirmation of fulfilment of vesting conditions:

Vesting Schedule		Revenue Target of our Company	Portion of 2023 Restricted Share vested
Phase I			
Commencing from the first trading day after the expiry of 12 months from the date of grant to the last trading day before the expiry of 24 months from the date of grant . .	(i)	The Company's operating revenue for 2024 increases by no less than 5% compared with operating revenue for 2023; or	33%
	(ii)	The number of IND applications (including new indications) and accepted NDA/BLA submission (including new indications) for 2024 are no less than two.	
Phase II			
Commencing from the first trading day after the expiry of 24 months from the date of grant to the last trading day before the expiry of 36 months from the date of grant . .	(i)	The Company's operating revenue for 2025 increases by no less than 10% compared with operating revenue for 2023; or	33%
	(ii)	The number of IND applications (including new indications) and accepted NDA/BLA submissions (including new indications) for 2025 are no less than two or the accumulated IND applications (including new indications) and accepted NDA/BLA submission (including new indications) for the fiscal year 2024-2025 are no lessthan four.	
Phase III			
Commencing from the first trading day after the expiry of 36 months from the date of grant to the last trading day before the expiry of 48 months from the date of grant . .	(i)	The Company's operating revenue for 2026 increases by no less than 20% compared with operating revenue for 2023; or	34%
	(ii)	The number of IND applications (including new indications) and accepted NDA/BLA submissions (including new indications) for 2026 are no less than three or the accumulated IND applications (including new indications) and accepted NDA/BLA submission (including new indications) for the fiscal year 2024-2026 are no less than seven.	

The 2023 Restricted Shares granted under the 2023 Reserved Restricted Share Grant shall be vested in two phases as follows, subject to the Board's confirmation of fulfilment of vesting conditions:

Vesting Schedule		Revenue Target of our Company	Portion of 2023 Restricted Share vested
Phase I			
Commencing from the first trading day after the expiry of 12 months from the date of grant to the last trading day before the expiry of 24 months from the date of grant . .	(iii)	The Company's operating revenue for 2025 increases by no less than 10% compared with operating revenue for 2023; or	50%
	(iv)	The number of IND applications (including new indications) and accepted NDA/BLA submission (including new indications) for 2025 are no less than two or the accumulated IND applications (including new indications) and accepted NDA/BLA submission (including new indications) for the fiscal year 2024-2025 are no less than four.	
Phase II			
Commencing from the first trading day after the expiry of 24 months from the date of grant to the last trading day before the expiry of 36 months from the date of grant . .	(iii)	The Company's operating revenue for 2026 increases by no less than 20% compared with operating revenue for 2023; or	50%
	(iv)	The number of IND applications (including new indications) and accepted NDA/BLA submissions (including new indications) for 2026 are no less than three or the accumulated IND applications (including new indications) and accepted NDA/BLA submission (including new indications) for the fiscal year 2024-2026 are no less than seven.	

The vesting of the 2023 Restricted Shares are subject to other conditions provided in the rules of the 2023 Restricted Share Incentive Scheme, including the performance target for the 2023 Restricted Share Incentive Scheme Grantees. The Board will determine, among other things, the number and grant price of 2023 Restricted Shares and whether the vesting conditions have been met for under each phase.

(k) Details of the 2023 Restricted Share Incentive Scheme Grantee

As of the Latest Practicable Date, the number of outstanding 2023 Restricted Shares granted under the 2023 Restricted Share Incentive Scheme as resolved by our Board was 3,486,820, representing approximately [**REDACTED**]% of the total issued Shares immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the A Shares Incentive Schemes). Assuming full vesting of all outstanding 2023 Restricted Shares granted under the 2023 Restricted Share Incentive Scheme, the shareholding of our Shareholders and our earning per Share immediately following completion of the [**REDACTED**] will be diluted by approximately [**REDACTED**]% (assuming the [**REDACTED**] is not exercised).

The table below set forth the details of outstanding 2023 Restricted Shares granted to Directors and members of senior management under the 2023 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Positions within the Group	Grant Date	Grant price per Share	Number of outstanding 2023 Restricted Shares granted	Approximate percentage of issued Shares immediately after completion of [REDACTED][(1)]
Directors					
DING Lieming (丁列明)	Chairman of the Board, executive Director, General Manager and Chief Executive Officer	December 26, 2023	RMB40.65	386,750	[**REDACTED**]%
WAN Jiang (萬江)	Executive Director, Senior Vice President and President of Global Sales	December 26, 2023	RMB40.65	77,350	[**REDACTED**]%
DING Shizhe (丁師哲)	Executive Director and Assistant to the Chairman	December 26, 2023	RMB40.65	40,800	[**REDACTED**]%
FAN Jianxun (范建勛)	Executive Director, Vice President and Chief Financial Officer	December 26, 2023	RMB40.65	68,850	[**REDACTED**]%
		December 4, 2024	RMB40.65	75,000	[**REDACTED**]%
TONG Jia (童佳)	Executive Director and President of Administration	December 26, 2023	RMB40.65	68,850	[**REDACTED**]%
		December 4, 2024	RMB40.65	75,000	[**REDACTED**]%

The table below set forth the details of outstanding 2023 Restricted Shares granted to other grantees (excluding Directors and senior management) under the 2023 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Number of grantees	Grant Date	Grant price per Share	Number of outstanding 2023 Restricted Shares	Approximate percentage of issued Shares immediately after completion of [REDACTED][(1)]
425	December 26, 2023	RMB40.65	2,111,570	[**REDACTED**]%
132	December 4, 2024	RMB40.65	582,650	[**REDACTED**]%

Note:

(1) The calculation is based on the assumption that the [**REDACTED**] is not exercised.

5. 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 under the laws of the PRC.

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 any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of US$500,000 for acting as sole sponsor for the [**REDACTED**].

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses in relation to the incorporation of our Company.

Promoters

The promoters of the Company are all of the 14 then Shareholders of our Company as of August 29, 2013 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [**REDACTED**] and the related transactions described in this document.

Save as disclosed in "Directors and Senior Management" in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [**REDACTED**] and the related transactions described in this document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our [**REDACTED**] will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2026 (being the date to which the latest consolidated financial statements of our Group were prepared).

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinion and/or advice in this document are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited . .	A licensed corporation under the SFO for type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities (subject to a licensing condition) under the SFO
BDO Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
Zhejiang T&C Law Firm	Legal advisor to our Company as to PRC laws
Liu Shen & Associates	Legal advisor to our Company as to PRC intellectual property laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent Property Valuer

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.

Consent of Experts

Each of the experts as referred to "— Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This document shall have the effect, if an application is made in pursuance of it, 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 so far as applicable.

Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

This document is written in the English language and contains a Chinese translation for information purpose only. Should there be any discrepancy between the English language of this document and the Chinese translation, the English language version of this document shall prevail.

Miscellaneous

Save as otherwise disclosed in this document:

(a) within the two years preceding the date of this document, save as disclosed in "1. Further Information about Our Company" above, no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

(b) save as disclosed in "4. A Share Incentive Schemes" above, no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

(c) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(e) our Company has no outstanding convertible debt securities or debentures;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) save for our A Shares which are listed on the Shenzhen Stock Exchange and the H Shares to be issued in connection with the [**REDACTED**], none of the equity and debt securities is [**REDACTED**] or dealt with in any other stock exchange nor is any [**REDACTED**] or permission to deal being or proposed to be sought;

(h) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(i) all necessary arrangements have been made to enable the H shares to be admitted into [**REDACTED**] for clearing and settlement.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

1. the written consents referred to in "Appendix V — Statutory and General Information — 5. Other Information — Consent of Experts" to this document; and

2. a copy of the material contract referred to in "Appendix V — Statutory and General Information — 2. Further Information about our Business — A. Summary of Our Material Contract."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.bettapharma.com** during a period of 14 days from the date of this document:

1. the Articles of Association;

2. the Accountants' Report prepared by BDO Limited, the text of which is set out in Appendix I to this document;

3. the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026;

4. the report prepared by BDO Limited on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this document;

5. the material contract in "Appendix V — Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contract" to this document;

6. the written consents referred to in "Appendix V — Statutory and General Information — 5. Other Information — Consents of Experts" to this document;

7. the service contracts and the letters of appointment referred to in "Appendix V — Statutory and General Information — 3. Further Information about our Directors and Substantial Shareholders — C. Particulars of Directors' service contracts or appointment letters" to this document;

8. the PRC legal opinion issued by Zhejiang T&C Law Firm, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under PRC law;

9. the PRC legal opinion issued by Liu Shen & Associates, legal advisor to our Company as to PRC intellectual property laws in respect of, among other things, the intellectual property matters and of our Group under PRC law;

10. the terms of the A Share Incentive Schemes;

11. the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview"; and

12. the Property Valuation Report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix III to this document;

13. the PRC Company Law and the Overseas Listing Trial Measures, together with their unofficial English translations.